

Permission Decision Support Document

ABRIDGED Public version

Notified Concessions

| Application Details | |
|---------------------|--|
| Decision Maker | Aaron Fleming, Director Operations, Southern South Island Region |
| Permissions Manager | Judi Brennan, Permissions Manager, Hokitika and Dunedin |
| Applicant | NZSki Limited |
| Permission Number | 74167-SKI & 94735-GUI ¹ |
| Permission Type | Notified Concession (Lease and Licence and Easement) & Notified Concession (Guiding Permit) |

| Document Links |
|---|
| Redacted from Public abridged version of Decision Support Document. |

Table 1 Application A: 74167-SKI.
Redacted from Public abridged version of Decision Support Document.

Cost Recovery

Redacted from Public abridged version of Decision Support Document.

1. Task Register

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¹ Guiding permit number generated as a result of decision made by Decision Maker.

2. Purpose

To make a decision on the application.

3. Context

This application is to formalise and consolidate the Applicant (NZSki Limited's) existing activities (see Table 1 below) and consider new activities at Coronet Peak ski area. It should be noted that the short-term contracts for the gondola cabins to be attached to the Coronet Express chairlift and summer activities such as guided walking for the period have been approved². These activities will also be included in the long-term application referred to in this Report.

Table 1

| Item | Concession Number | Brief Description | Concession document | Term Start | Term End | Status | Location ID (DOCgis) |
|------|---------------------------|--|---|---|------------|------------|----------------------|
| 1. | PAC-13-06-48 (ID: 304) | Head Lease - Coronet Peak ski area | docDM-525139 | 10 years from 01/01/1995 (Renewal for further 10 years) | 31/12/2014 | Rolling On | 25232 |
| 2. | OT-27554-OTH | Easement - Effluent | docDM-684606 docDM-1179978 (Plan) | 01/07/2010 | 31/12/2014 | Rolling On | 10679 |
| 3. | OT-27580-OTH | Lease - Sewage/Wastewater Treatment Building | docDM-684590 docDM-1199754 (Plan) | 01/07/2010 | 31/12/2014 | Rolling On | 25966 |
| 4. | OT-27836-SKI | Licence - Bus Park | docDM-869978 | 01/12/2011 | 30/11/2021 | Rolling On | 24775 |
| 5. | 79836-OTH | Permit - Gondola Cabins | DOC-6056707 | 01/12/2019 | 31/10/2021 | Active | 25232 |

² Concession numbers and contracts 79836-OTH [DOC-6056707](#); 79840-GUI [DOC-6027202](#)

| | | | | | | | |
|----|-----------|---|-----------------------------|------------|------------|---------|-------|
| 6. | 79840-GUI | Guiding Permit – Summer Activities (including guided walking) | DOC-6027202 | 01/12/2019 | 31/03/2020 | Expired | 10679 |
|----|-----------|---|-----------------------------|------------|------------|---------|-------|

This proposal involves existing activities as recorded under the rolling on lease PAC-13-06-48³ and other concessions (see Table 1 above) within the Coronet Peak Ski Area with the inclusion of a new Snowfactory facility, installation of gondola cabins and summer activities sought for a 40 year period lease, licence and easement comprising:

1. The management and control of all activities related to the ownership, operation, repair and maintenance of the commercial ski field (approximately 208 ha);
2. To install a Snowfactory facility within the lower slopes of the ski area, located at - 44.924613, 168.741058; and
3. To operate eight-seater gondola cabins on the Coronet Express chairlift; and
4. To operate and manage summer activities.

The application includes;

- (i) The provision of goods and services (i.e. sale, hire and services for ski and snow sport instruction, sale of food and beverages). The following structures and facilities relate to these activities; base buildings (including first aid and maintenance buildings) Coronet Express chairlift chair storage garage, Rocky Gully maintenance building, Greengates maintenance building, summit lookout building, Heidi’s Hut Café, Ice Bar, equipment sheds and utility sheds, lift infrastructure (including chairlift loading structures and terminals), and fuel containment, pumps and other similar devices and apparatus;

The size of each of the buildings and structures varies depending on its use and function. The accompanying Attachment F: Coronet Peak Ski Area Infrastructure, Activities and Operations⁴ document specifies the facilities, utilities (as part of the Easement Concession Application: form 3c), services, buildings and structures that make up all the Applicant’s concession application (Lease, Licence and Easement).

- (ii) The operation of snow making machines, including the installation, operation and management of a new Snowfactory facility⁵; and the operation of ski area grooming vehicles;
- (iii) Helicopter operations for activities associated with the management of the activity such as health and safety (Search and Rescue (SAR) and other medical emergencies) and avalanche management;
- (iv) The operation, control and management of the carpark facilities associated with the ski area;
- (v) The facilitation of the following winter recreational and commercial activities, but not limited to: day and night skiing and snowboarding, snow sports, winter sports events, paraglider access, sledding and tubing, and sightseeing;

³ [docDM-525139](#) Lease (includes Deed of Renewal and Assignments contracts).

⁴ [DOC-5978674](#).

⁵ [DOC-6042655](#).

- (vi) The operation and management of a chairlift, service buildings and facilities, and other infrastructure within the ski area boundary to facilitate summer recreational activities such as; a café, event and conference management, mountain biking, hiking, sightseeing, paraglider access, photography, and picnicking;
- (vii) The operation, control and management of guided walking/sightseeing and picnicking; and
- (viii) Operation of the Snowfactory to make snow on the lower grassed/learner's area to provide summer sledding and skiing (artificial snow-based activities).

Location/s

The activity has been applied for at the following location/s:

| Conservation area | Description of location (if applicable) | Land status | District Office | Activity |
|---|---|--|---|--|
| <p>Coronet Peak Recreation Reserve (F41123) NaPALIS ID: 2804705</p> <p>See DOCgis map in figure 2 below</p> | <p><i>Record of title, legal description and Area of entire Coronet Peak Recreation Reserve⁶:</i></p> <p>Section 31-32 Block XVII and Part Section 19 Block XVI and Section 20 Block XVI Shotover Survey District and Part Section 17 Block XVI Shotover Survey District and Section 1 Survey Office Plan 24016</p> <p>Contained in record of title OT15C/305, being 596.1447 hectares more or less</p> | Held as recreation reserve under s.17 of the Reserves Act 1977 | Whakatipu-wai-Māori / Queenstown Office | Formalise existing ski field activities and new activities at Coronet Peak Ski Area (see detailed breakdown in section 3 context in this Report) |
| | <p><i>Legal description and Area recorded in lease PAC-13-06-48⁷</i></p> <p>Part Section 17 Block XVI and Section 31 Block XVII and Lot 1 DP300051 Shotover Survey District</p> <p>312.4548 hectares more or less</p> | | | |

⁶ Record of title OT15C/305 (see [DOC-6055660](#)).

⁷ Diagram and plan of lease area in PAC-13-06-48 (refer to [DOC-6055661](#)).

Approximate GPS NZTM 2000: E1263546 to N5016307 (Coronet Peak Ski Area main complex)



Figure 2: DOCgis map showing location of Coronet Peak Recreation Reserve (in blue)

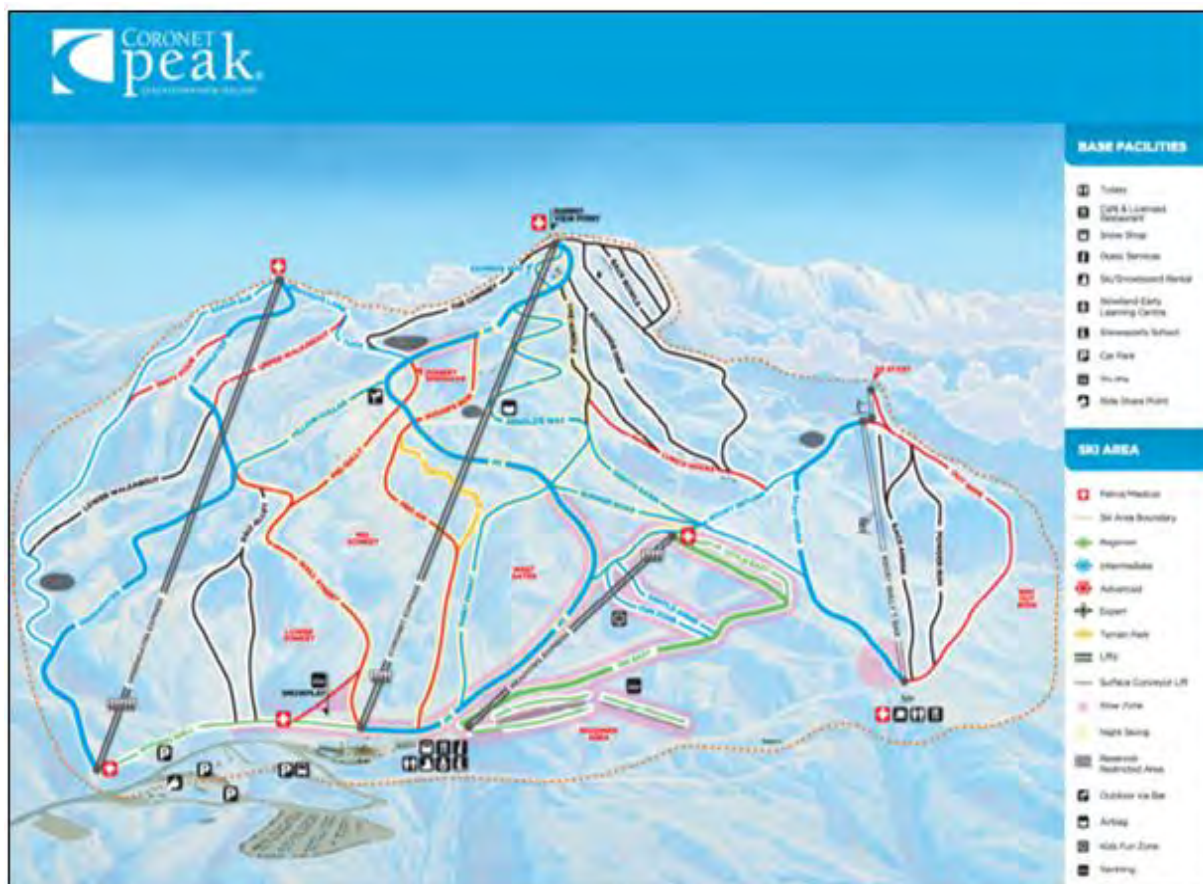


Figure 3: Coronet Peak ski area within Coronet Peak Recreation Reserve⁸

Characteristics of the Application Area

The Otago Conservation Management Strategy outcomes and policies are referred to in section 6.5.2 in this Report. In summary the distinctive features are:

- The Coronet Peak Ski Area is in the Western Lakes and Mountains/Ngā Puna Wai Karikari a Rākaihautū (the Place).
- Area of spectacular glaciated mountain ranges, with a core of permanent snow and ice. Below the snowline, a complete sequence of indigenous vegetation exists from high alpine fellfield and low-alpine snow tussock lands, through to mixed shrublands and beech forest to tussock grassland on the flat valley floors.

Relevant details about the Applicant

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4. Critical Issues

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5. Consultation with Treaty Partners

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⁸ APPENDIX 1: Map showing skiable terrain.

6. Contributions

Selected sections redacted from Public abridged version of Decision Support Document.

Summary of Submissions

Provided by Kelvin Brown, Permissions Advisor, Dunedin Service Centre on behalf of Judi Brennan, Permissions Manager, Hokitika and Dunedin

- (i) Submissions received recorded as [DOC-6058445](#)
 - Document containing all submissions as they were received (1 only)
- (ii) Summary of submissions received recorded as [DOC-6065882](#)
 - This is a summary of submission (1 only)
- (iii) List of Submitters recorded as [DOC-6058431](#)
 - This is a spreadsheet showing submitters details and other data in relation to submissions

Summary of Hearing (held 12 September 2019)

Provided by Kelvin Brown, Permissions Advisor, Dunedin Service Centre, on behalf of Judi Brennan, Permissions Manager, Hokitika and Dunedin

- a) Hearing Agenda: [DOC-6065709](#)
- b) Hearing Notes: [DOC-6066970](#)
Oral submissions summarised on hearing agenda document in (i) above. Includes Applicant's right of reply
- c) Hearing Report: [DOC-6071709](#)
Report under s.49(2)(d) summarising all objections and comments received and a recommendation as to the extent to which they should be allowed or accepted.

The Hearing report is referred to in the Statutory Analysis below.

Statutory Analysis: Notified Concession under Part 3B of the Conservation Act 1987
Kelvin Brown, Permissions Advisor

Note for Decision Maker:

Extensive comments (24 points) were received from the Applicant, and these, along with feedback on the revised climate change consideration conditions have been discussed or resolved in section 8 in this Report and the relevant sections in this Report have been updated (if required).

S17S: Contents of application

To be complete (s17S(1)), an application for a concession must include:

- A description of the proposed activity;
- A description of the locations for the proposed activity;
- A description of the potential effects of the proposed activity and proposed action to avoid, remedy, or mitigate adverse effects;
- The proposed term and reasons for that term;
- Relevant information about the application (as requested in the application form).

Criteria for decision:

- Does the application include all the required information as per s17S?

Yes / ~~No~~

Discussion:

The Minister should be satisfied that the Applicant has included all the required information pursuant to s.17S however, it will be up to the Minister's representative to decide, during deliberations (in particular under s.17U in this Report), if there is sufficient information in the application to decide if it is both lawful and appropriate to grant a concession in the form of a lease, licence, or easement pursuant to s.17S(g)(ii).

S17SC: Public Notification

The intention to grant a concession must be publicly notified if it meets any of the following criteria:

- The concession type is a lease – this is for exclusive use of public conservation land;
- The term of the concession exceeds ten years (unless it is an easement – an easement may be granted for a term exceeding ten years without public notification);
- The effects of the activity mean it is appropriate to do so.

Criteria for decision:

- Is public notification required?

Yes / ~~No~~

State why public notification is required: The Minister must publicly notify every application for a lease; or a licence for a term (including renewals) of more than 10 years pursuant to

s.17SC(1). Also, the Minister's delegate has determined that having regard to the effects of the easement, considers it appropriate to notify the easement pursuant to s.17SC(3).

S17U(1) and (2): Analysis of effects

Briefly discuss the positive and adverse effects of the proposed activity, drawing on information from:

- The application form, as provided by the Applicant;
- The contributions described in the context and check in meetings and outlined in this document.

Any adverse effects identified that are not managed by a standard condition for the activity may require a site/activity specific special condition to either avoid, remedy, or mitigate the adverse effect. Include the condition proposed and a description of how it avoids, remedies, or mitigates the adverse effect, and list the condition in the Proposed Operating Conditions section of this document.

Note that only information relevant to the activity on public conservation land can be considered – if information about effects of the activity is included in the above sources that is outside of this scope, note why it is not a relevant consideration under the Conservation Act (for example, economic benefits to an area).

Criteria for decision:

- Is the application consistent with s17U(1) and (2) of the Conservation Act?

Yes / ~~No~~

Discussion: Section 17U(1) requires the Minister to have regard to the effects of the activity as well as the measures that can be imposed to avoid, remedy or mitigate adverse effects. This section of the report considers the effects of the activity from a number of perspectives which can generally be categorised as follows:

- Effects on conservation values + methods to manage and/or special conditions required
- Effects on cultural values + methods to manage and/or special conditions required
- Effects on existing and future users + methods to manage and/or special conditions required
- Cumulative effects of adding this activity to current activity on site + methods to manage and/or special conditions required.

When analysing the effects of the proposed activities, this Report considers the following material:

- Environmental Impact Assessment (EIA) included in application
- Submissions received and the outcome of the Hearing
- Contributions from Departmental staff (refer to section 6 in this Report)

In addition to the material noted in the preceding paragraph, this Report also assesses the application by reference to the relevant conservation planning documents, including:

- Conservation General Policy (May 2005)(CGP) (refer to section 6.5.1 in this Report).
- Otago Conservation Management Strategy 2016 (“Otago CMS”) (refer to section 6.5.2 in this Report).

6.1 Effects on Conservation Values

6.1.1 OVERVIEW

Refer to section 3 (Context) for a detailed description of the proposal to formalise the Applicant's existing and new ski field activities at Coronet Peak ski area.

There was one submission received and a hearing held. The submission centred around the Snowfactory (see section 6.1.2 in this Report) and the Term (see section 7.3 in this Report).

As the majority of the infrastructure referred to in this application is "in situ", it is appropriate to consider the effects of the new activities only in this section of the Report, and existing activities, if warranted.

As there have been significant ecological conditions proposed by the DOC ecologist and District Office, these have been discussed in part in the preceding sections of section 6 and summarised in table 3 in section 7.2 in this Report along with reference to proposed special conditions as recommended to the Decision Maker.

6.1.2 Snowfactory⁹



Figure 4: A 3D model of Snow Factory



Figure 5: An image of existing summer snowfield

The Applicant is proposing to install a Snowfactory snow making system within the lower slopes of Coronet Peak ski area (held within a container) primarily for the purpose of making snow over the winter months. Its purpose is to provide snow reliability and increase the capacity of snow making on the lower slopes of Coronet Peak ski area.

The proposed Snowfactory comprises 2x 40' shipping containers which require a 67m² concrete foundation. The total height of the snow making factory will be 8.5m (see figure 4). In the context of the Applicant's other infrastructure in the reserve this is considered a modest addition which will be contained physically by a ridge to the west and the steep slope to the north. It will be set in an area dominated by the Meadows Express Chairlift. The visual impact would be further

⁹ Refer to [DOC-5978676](#) for applicant's EIA (including simulations).

mitigated by the Applicant's proposal to engage an architect to design an outer cladding consistent with existing structures, to ensure continuity of the high standard in structural design within the ski area.

The Applicant also proposes to operate the Snowfactory during summer, depositing snow on part of the beginner's area (see figure 5). This would be a 4,000m² area enabling visitors to the Recreation Reserve to have a summer snow experience and may include sledding, tubing and learner's skiing. This would provide an alternative experience within the recreation reserve at this time of year. The proposal is to have the snow factory operate for 4 months over summer (in addition to normal winter snow cover c. 4 months). Therefore, this area would have snow cover for approximately 8 months of the year.

The submission received and right of response by the Applicant in relation to the Snowfactory are detailed in the boxes below:

Submitter Issue 1.2(a) - (d):

- (a) I am also concerned about the "Snowfactory", particularly the plan to operate this during the summer. Given the high alpine nature of Coronet Peak, with a lack of water on the mountain (water is diverted from streams and/or pumped to reservoirs), in a warming climate this seems a strange plan.

A Snowfactory would allow summer snowmaking, not just winter snowmaking. In a warming climate summer snowmaking seems a strange plan.

- (b) Although the report from e3 Scientific lists some implications for the local flora and fauna of pumping snow onto the ground regularly over summer, that report states that "In summer the snow would be deposited on the magic carpet learners slope, whereas the application states that "The snow made from the Snow Factory is proposed to assist in coverage of the areas over and around the magic carpets, the lower slopes of the M1 and cover Big Easy trail"; the latter reference might be a winter-only reference (it is not clear), but it is a bigger area than just the magic carpet area.

- (c) The "Snowfactory" is not a traditional snow-making facility. The sales brochures and technical information sheet for the manufacturer provided by the applicant makes it clear that refrigeration processes are at the core of the Snowfactory. Traditional snow making does not involve the use of refrigerants; instead it involves water (usually with the added nucleating agent based on the bacterium *Pseudomonas syringae*) being sprayed into the air during favourable wet-bulb temperature conditions (that is, where both the air temperature and relative humidity level are conducive to snow-making. Traditional snow-making is therefore weather and climate dependent. *The submitter did include research information in the submission however, admitted that it was old and most probably out of date with possibly more recent projections available.*

Comment from Hearing Chair

Under s.17U and in particular s.17U(1)(a) "*the nature of the activity and the type of structure or facility (if any) proposed to be constructed:*" and s.17U(1)(b) when considering the "*effects of the activity, structure, or facility:*". The Minister is to have regard to submissions regarding the adequacy of the information provided, any potential adverse effects of the proposed activities (such as the Snowfactory) on public conservation lands and waters. The Minister

may request further information, especially when this information may impact on matters to be considered by the Minister under s.17U(2).

- (d) From the application it was not clear what the full environmental impacts of a Snowfactory would be. Reference made to s.17U and that an independent environmental assessment for the Snowfactory be carried out by DOC or one of its contractors, particularly with respect to the proposed summer operations of this equipment (Written submission 1).

Comment from Hearing Chair

Under Section 17U(1)(e) the Minister must have regard to “*any relevant environmental impact assessment, including any audit or review:*”; and under s.17SE(1)(a) “*the Minister may, at the applicant’s expense - (a) commission a report or seek advice from any person (including the Director General) on any matters raised in relation to an application*”. The Minister is to have regard to submissions regarding the adequacy of the information provided and may request or commission further information.

The Applicant’s right of reply included the following:

- The submission talks of concerns of the Snowfactory, particularly the plan to operate it during the summer. High altitude, lack of water, and warming climate mentioned. NZSki notes some confusion about the operations of the Snowfactory between winter and summer.
- The recommended outcome by the submitter is to carry out an independent environmental assessment of the Snowfactory either by the Department or a contractor, particularly to address the proposed summer operations of the Snowfactory.
- To reiterate and clarify, NZSki are proposing to install the Snowfactory snow making system within the lower slopes of Coronet Peak ski area for primarily the purpose of making snow over the winter months. Its purpose is to provide reliability and increase the capacity of snow making on the lower slopes of Coronet Peak ski area. The intention is to provide improved operational reliability for the lower slopes, such as the M1, and the modified beginner areas – the carpets and the Big Easy trail. It is these trails that are most at risk for not having the quality and quantity of snow for learner and beginner patrons. It is to enhance their experience.¹⁰
- The Snowfactory is proposed to be used as a summer operation, depositing snow on the modified beginner areas. This would be a smaller area to enable visitors to the recreation reserve to have a snow experience and may include sledding, tubing and skiing (for learners). This would provide an alternative experience within the recreation reserve at this time of year.¹¹

¹⁰ (Note 4 in right of reply [DOC-6066970](#)) Concession Application Form 3b – Attachment 3b: Description of Activity; and Attachment 3b: Other Information.

¹¹ (Note 5 in right of reply [DOC-6066970](#)) Concession Application Form 3b – Attachment 3b: Description of Activity; and Attachment 3b: Other Information.

- NZSki engaged e3Scientific to undertake an assessment to address and analyse the potential ecological effects of the activity in the summer months.
- To clarify – the water source for the Snowfactory is from a bore, an existing water source for ski area operations and functions. The water required for the Snowfactory operation will be within the restrictions of the appropriate water take consent from Otago Regional Council. The Snowfactory will not increase the water take and will be recirculated or overflowed into the creek catchments.

Discussion

The Minister commissioned an independent assessment of the application. Philip Blakely¹² concluded that “It will stand out as being unnatural within the Coronet Peak and surrounding landscape and inconsistent with the character of the mountain in summer months. That said, the area for the snowfield is well located on a bench close to the main base building and other infrastructure in an already highly modified area. It is also relatively small area (approximately 4000m²) and largely screened by the snow fence barrier on the outside edge. While its visibility from below and out into the Basin will be low, it will however be visible looking down on it from parts of the upper mountain from within the Reserve and from higher ground and the air.”

Both District Office staff and DOC’s technical expert (ecology) highlighted the impact on the ecology and the natural character of the proposed summer snow experience if the Snowfactory operated outside of the ski season.

Ecological impacts

The ecological impact of summer snow may be irreversible and could result in a permanent loss of vegetation and lead to soil erosion. Although specific conditions could be imposed and impacts would be subject to well-established restoration protocols, it remains unknown how well the vegetation would recover during just 4 months of the year without snow cover.

Natural character

Section 17(1) of the Reserves Act 1977 states that while the recreation reserve is for providing recreation activities, it is also for the protection of the natural environment and beauty of the countryside. Consideration needs to be given to the adverse effects of the long-term snow on the areas natural environment and character.

Winter snow is an expected feature of a Southern South Island Recreation Reserve at an elevation of 1,649m. Summer snow is not a commonly anticipated seasonal feature and the presence of a single artificial strip of snow on the lower slopes when everywhere else there is not covered by snow would be out of context with the ‘harmony and cohesion of the natural environment’ and visual disruption to the natural character “aesthetics” of the reserve.

The need to preserve the natural character “aesthetics” is further reinforced by the glossary definitions in the Conservation General Policy:

¹² Registered Landscape Architect, Blakely Wallace Associates, September 5, 2019 (see 6.1.13 in this Report).

“Environment

Includes (a) ecosystems and their constituent parts, including people and communities; and (b) all natural and physical resources; and (c) amenity values; and (d) the social, economic, aesthetic and cultural conditions that affect those matters (Resource Management Act 1991).”

“Natural Character

The qualities of an area which are the result of natural processes and taken together give it a particular recognisable character. These qualities may be ecological, physical, spiritual or aesthetic in nature.”

The Minister should be satisfied, after considering the application, submissions, right of reply and departmental contributions in regard to the Snowfactory, that the nature of the activity and the type of structure or facility proposed to be constructed and the effects of the activity, structure, or facility are representative of the existing infrastructure in a ski field environment i.e. just a larger scale snow making machine. Operation during the winter months would have little adverse effects and could support the longevity of the ski field to address the effects of climate change.

With regard to operation of the Snowfactory during summer months. It is considered that even though there has been sufficient ecological assessment on the ski field activities in general, there has been insufficient assessment undertaken to determine the long-term effects and potential vegetation changes resulting from specifically, long periods of snow on the ground. To the Department’s knowledge there has been no study of the long-term effects of 8-10 months of snow sitting on the ground anywhere else on conservation land. There would be every expectation, without doing a long term study at this location, that few species would be able to tolerate 8-10 months of snow cover as, just as they were beginning to seed/grow they would be covered in snow all over again – year after year potentially. The impact would be potentially a loss of vegetation with subsequent risk of erosion or sediment movement. These impacts, even though based on sound scientific knowledge, have been described in the ecological impacts (from technical and District Office contributions) by the use of words such as may/could/unknown i.e. *“may be irreversible...could result in a permanent loss of vegetation and lead to soil erosion...it remains unknown how well the vegetation would recover during just 4 months of the year without snow cover.*

The discussions on the impact on natural character cannot be refuted, as the onus would be on the Applicant to prove/provide evidence that 8-10 months of snow cover is unlikely to have adverse ecological effects (primarily on vegetation), which they have not been able to do. Departmental staff have considered the nature of the activity [s.17U(1)] and the fact that without this evidence there is insufficient and inadequate information to enable an assessment of the impact of the Snowfactory operating over summer [s.17U(2)(a)].

Accordingly, it is strongly recommended that the Decision Maker, during deliberations, allows the Snowfactory to be constructed and to operate during winter operations (as supported above) however, take a precautionary approach and give weight to the contributions in section 6 in this Report that the ‘harmony and cohesion of the natural environment’ and the visual disruption to the natural character “aesthetics” would not warrant allowing the Snowfactory to operate during summer months i.e. consider approving the Snowfactory facility and only allowing it to be operational during the months of 1 May to 31 October (inclusive).

It is considered that that there are sufficient conditions to allow the establishment and operation of the Snowfactory. Refer to proposed special conditions 1-15 and rehabilitation

protocol (Schedule 3A) in section 7.2; section 7.1 (Concession Activity) for a description of the Snowfactory facility activity to be included in the concession (if granted) and discussions in section 6.1.13 below on effects on landscape values..

6.1.3 Gondola Cabins

A short term (one-off) notified Concession 79836-OTH¹³ was approved for the eight-seater gondola cabins being affixed to the Coronet Express Telemix chairlift until 31 March 2020. The term of this permit was extended by way of variation until 31 October 2021, due to delays in processing this Part 3B concession application¹⁴.

Philip Blakely, in his independent review of the Applicant's landscape assessment, states *"...The gondola cabins will be larger structures compared to the chairs so will correspondingly be more visually prominent than chairs from all locations. However, they are a transient feature which are either in motion (mostly) or stored away when not in use."*

No public submissions were received in relation to the use of gondola cabins as a concession activity in both the short-term and long-term concessions therefore, there are no issues with including the use of the gondola cabins in the long-term concession (if granted).

District Office recommend that the special condition included in the short-term concession relating to any potential reflection/glare from the gondola cabin windows be included in the long-term concession (if granted); refer to proposed special condition 125 in section 7.2 in this Report.

In addition, the use of the gondola cabins have further constraints imposed under hours and seasons of operation – see proposed special condition 35.

6.1.4 Summer Activities

A short term (one-off) Concession 79840-GUI¹⁵ was approved for the summer activities such as guiding until 31 March 2020.

Proposed activities in summer include sightseeing, photography, interpretive guided walking/hiking, mountain biking, potential summer sporting events and food and beverage via a café in the base building.

District Office propose that "guided trips (including walking/hiking, sightseeing, photography, picnicking etc) and anything of a similar nature be limited to a total maximum party sized of 15 pax, and the frequency be capped at 2 groups per trip, and 2 trips per day. The limit applies collectively to all of these guided activities combined per day, not per each type of activity.

It should be noted, however, that this does not leave scope for growth as the concession matures and the Applicant may have intentions for larger volumes not yet shared with the department."

It's noted that the CMS currently precludes mountain biking on all but the Rude Rock Trail. Only the Rude Rock Trails is explicitly referred to in Table 2.3 of the Otago CMS with the

¹³ Refer to decision report [DOC-6054955](#) and contract [DOC-6056707](#).

¹⁴ Refer to decision report [DOC-6469584](#) and Deed of Variation [DOC-6545376](#).

¹⁵ Refer to decision report [DOC-6025573](#) and contract [DOC-6027202](#).

consequence that new concessions to operate on the other tracks could only be permitted if exceptional circumstances exist. The question of exceptional circumstances has been considered by the Director Planning Permissions and Land, Marie Long.¹⁶ Ms Long concluded that there were sufficient grounds to justify new concessions being granted in respect of the tracks listed below even though they were not expressly referred to in Table 2.3. Those tracks are:

- Coro Town (also known as Slip Saddle)
- Downhill Track (also known as Coronet Downhill, DH Trail or Fall Line)
- Cross Country Track (also known as Coronet Cross Country, XC trail or Rocky Gully); and
- Championship CC Track (also known as Meadows).

Of those 4 trails the last, Championship CC Track, is only partially constructed but permission has been granted to the Queenstown Mountain Bike Club Incorporated (QTMBC) to complete the work on the remainder of that track. Queenstown Mountain Bike Club Incorporated (QTMBC) has a management agreement with the Department whereby the Club maintains two trails within the Coronet Peak skiable terrain. These are the Cross Country Track (i.e the 'XC trail') and the Downhill Track (i.e. the 'DH trail'). QTMBC maintains these trails and has a close working relationship with the Applicant, NZSki Limited.

The Applicant is not seeking consent to develop new trails. Given the constraints imposed by the Otago CMS¹⁷, and the need for there to be exceptional circumstances, it is considered appropriate to limit guided mountain biking activities to those 5 tracks (i.e. Rude Rock,, Coro Town, Downhill Track, Cross Country Track and the Championship CC Track). Special condition 119 in section 7.2 in this Report seeks to constrain the location of the guided mountain biking accordingly.

Paragraph redacted from Public abridged version of Decision Support Document.

This has been discussed in the fees section of this Report (Concession Activity Fee 7.4.2).

The District Office support the Applicant being able to use the chairlift/gondola cabins to facilitate recreation activities which may include mountain biking, however the Department's ability to consider the creation of any new mountain bike trails will depend on whether or not they are included at this location in the Otago Conservation Management 2016 (CMS), in the future.

There are no issues with including the guiding related activities approved in the short-term concession in the long-term concession however, this will need to be considered in conjunction with the discussions on Term in section 7.3 in this Report.

Refer to proposed special condition 119 in section 7.2 in this Report for guiding numbers and frequency of trips.

6.1.5 Geotechnical (land stability)

¹⁶ see [DOC-6059291](#).

¹⁷ There is a current partial review of the Otago CMS underway <https://www.doc.govt.nz/get-involved/have-your-say/all-consultations/2020-consultations/otago-cms-partial/>.

The only earth disturbance to occur is in relation to the Snowfactory. Snow conditions are well managed and there is no significant snow avalanche risk, no evidence of risk from erosion, debris flow or flooding.

The Applicant has experience in operating in an alpine environment with the necessary health and safety policies in place.

6.1.6 Earthworks

There will be minor earthworks associated with the establishment of the proposed new Snowfactory however, in a ski field environment context this is considered inconsequential as the proposed Snowfactory is to be located within an already heavily modified site.

6.1.7 Access to the site

No access issues as access roads and tracks are already formed within the ski field area.

6.1.8 Sediment control

There is the potential for sediment from the Snowfactory facility earthworks and construction activities to be released into the environment. The Applicant lists a number of measures to minimise the risk of this occurring, including minimising the area of disturbance and keeping spoil away from drainage routes. Work will not occur during periods of heavy rain, and fabric fences, sandbags and silt traps will also be used.

The Applicant has experience in managing sediment run off from previous excavation works. Any runoff here as the development progresses is not expected to be significant.

Refer to proposed special conditions 10 and 11 in section 7.2 in this Report.

6.1.9 Effects on ecological and geological values (general)

The comments and proposed outcomes in this section and sections 6.1.11 & 6.1.12 in this Report have been covered comprehensively in the section 6 contributions and are indelibly linked. The Minister should be satisfied that along with conditions in any concession (if granted) that the additional comprehensive and extensive ecological special conditions proposed in section 7.2 in this Report (refer to proposed special conditions 55-62) are sufficient to avoid, remedy or mitigate any known and potential effects of the Applicant's existing and proposed activities on the ecology (in general) and geological values.

6.1.10 Effect on wetlands

All wetlands in relation to establishment of the Snowfactory facility will be avoided.

See also sediment control discussion in section 6.1.8 in this Report.

6.1.11 Effects on wildlife

In conjunction with the comments in section 6.1.9 and 6.1.12 in this Report, the Minister should be satisfied that along with conditions in any concession (if granted) that the additional comprehensive and extensive ecological special conditions proposed in section 7.2 in this Report (refer to proposed special conditions 55-62) are sufficient to avoid, remedy or mitigate any known and potential effects of the applicant's existing and proposed activities on wildlife.

6.1.12 Effects on vegetation

In conjunction with the comments in section 6.1.9 and 6.1.11 in this Report, the Minister should be satisfied that along with conditions in any concession (if granted) that the additional comprehensive and extensive ecological special conditions proposed in section 7.2 in this Report (refer to proposed special conditions 9(b), 16-25) are sufficient to avoid, remedy or mitigate any known and potential effects of the applicant's existing and proposed activities on vegetation.

6.1.13 Effects on landscape values

The Department commissioned an independent assessment by an external landscape architect.

External Landscape Architect report

From: Philip Blakely, Registered Landscape Architect, Blakely Wallace Associates, September 5, 2019 - final report recorded as: [DOC-6075212](#).

Recommendations and conclusions in this report relevant to this application excerpted below:

Philip Blakely (Recommendation and Conclusions)

- The landscape and visual effects of the gondola cabins will vary from location to location but will be most visible from within the Reserve within a 2-3 km radius. From all locations the effects are considered low and will be viewed within the context of the Coronet Express chairlift infrastructure and all facilities at Coronet Peak.
- That NZski Ltd be asked to provide more information from the gondola supplier on the reflectivity of polycarbonate and confirm if anti reflective polycarbonate is used on the gondolas.
- Lighting within the gondola cabins is a minor effect when compared with the extent of lighting on Coronet Peak.
- Consideration be given to restricting the level of lighting on the ski area when the lifts are not operating as part of the concession application.
- Further consideration should be given to the use of shipping containers for the snow making factory.
- The landscape and visual effects of the gondola cabins will vary from location to location but will be most visible from within the Reserve within a 2-3 km radius. From all locations the effects are considered low and will be viewed within the context of the Coronet Express chairlift infrastructure and all facilities at Coronet Peak.

NZSki response below (recorded as [DOC-6072292](#)):

“Thank you for the opportunity to make comment on the Landscape Assessment Report undertaken by Philip Blakely, Blakely Wallace Associates. The Applicant has reviewed the report and NZSki Ltd has the following comments:

- *Re: Recommendation 2 - NZSki Ltd have contacted Leitner, the supplier of the gondola cabins, to enquire about reflectivity of the polycarbonate and requested information about anti-reflectivity controls. NZSki will provide the relevant information it receives*

from the supplier to the Department of Conservation as soon as reasonably practical after it has been received. At the timing of sending this email no response had been received.”

- *Re: Recommendation 5 - To clarify, TechnoAlpin, the supplier of the Snowfactory, has designed the snow making system for simple, effective instant installation. The supplier has predetermined the housing of the system within the shipping storage containers for this purpose.*

To further clarify the intended use of the Snowfactory - its primary and most critical purpose is for winter operations to enable the lower slopes of the ski area to have improved operational reliability, as the snow making system will improve the snow coverage at this altitude. The secondary purpose is to use it for the proposed summer operations. Therefore, the Snowfactory is proposed to be in-situ all year round. NZSki will engage Wyatt and Gray Architects to design an outer cladding that will mitigate the visual effect of the shipping containers. Wyatt and Gray have been previously engaged to design other structures within Coronet Peak Ski Area, including the base building and more recently the Coronet Express chairlift replacement. The design brief will be consistent with existing structures to ensure continuity of the high standard in structural design within the ski area. Additionally, the design will need to be sympathetic and conscious of the practical and functional use of the snow making system housed within the shipping containers, and it will keep to a minimal footprint circumference of the containers. A design plan will be submitted to the Department for consideration for approval prior to the installation of the Snowfactory. NZSki would like to cooperate with the Department on this matter in a constructive manner to enable the consideration of the concession application to proceed as efficiently as possible.

Discussion: The Minister should be satisfied that the proposed conditions included in section 7.2 in this Report will allay any concerns raised by the independent landscape architect, as supported by the Applicant:

- (a) Gondola cabins - proposed special condition 125 in section 7.2 in this Report
- (b) Snowfactory - proposed special conditions 1-15 in section 7.2 in this Report.

6.1.14 Effects on amenity and recreation values

The following effects have been raised by District Office and are addressed below:

“Events - winter, summer, conference

The Applicant has requested approval for winter snow events and summer recreational activities which could include event and conference management, and entertainment and corporate group events.

The District Office raised in section 6 (contributions) in this Report that no details on the size, scale or frequency of events has been provided. As the Applicant has sought a 40 year term - and there are clear indications of the desire to grow summer activities - it is recommended that the prior written approval of the department is required for any events (corporate or sporting, other than winter snow associated) to enable management of the scale and effects of the activities. Proposed conditions to this effect are special conditions 51-52 in section 7.2 in this Report.

“Aircraft

Promotional filming with drones for activities approved under this concession should be allowed as this is a reasonable and expected activity for the company, and the effects will be minor. Any other filming should be applied for by way of a one-off permit. The Applicant's request for the use of aircraft (helicopter) in association with the management of the ski area is reasonable, and is supported. This relates to avalanche control work, health and safety (SAR), installation and relocation of infrastructure and equipment."

Refer to:

- discussions in Part 3.6 in section 6.5.2 in this Report
- refer to proposed special condition 53 in section 7.2 in this Report.

"Filming

Promotional filming for activities approved under this concession should be allowed as this is a reasonable and expected activity for the company, and the effects will be minor. Any other filming should be applied for by way of a one-off permit."

Refer to proposed special condition 53 in section 7.2 in this Report.

Hours of operation

Winter activities are proposed to be available seven days a week, with the chairlifts/gondolas potentially running from 8.00am (First Tracks) until 9.00pm (Night Skiing). Normal operating hours of the ski field are from 9.00am - 4.00pm, and earlier and later skiing is generally only available during certain months and days of the week. The operation of First Tracks and Night Skiing is subject to the availability and operation of the chairlifts, and snow and weather conditions, but generally do not run for the full ski season. The Applicant supplied information in response to a department query stating their intention was to run Night Skiing for up to three nights per week; a condition should be included to reflect this, and approval should be required to vary this.

Summer hours of operation are proposed to be between the hours of 8:00am until 6:30pm daily. The Applicant must seek prior written if the hours of operation are to be changed, so any impacts on a range of values can be assessed. The proposed duration of summer operation is December until April (inclusive), and prior approval should be sought to vary this period to enable any effects to be assessed and sufficient time is allowed for essential maintenance and revegetation work."

Refer to proposed special condition 35 in section 7.2 in this Report.

In conclusion, amenity values and recreational opportunities in a ski field setting will be enhanced, especially with the introduction of new activities and expansion of activities outside the winter period e.g. gondola cabins and guiding activities. This is consistent with policies 3.25.1 and 3.25.4 in the Otago CMS as discussed in section 6.5.2 in this Report.

6.1.15 Section 17U(2)(b)

It is considered, pursuant to s.17U(2)(b), that there are no adequate methods or no reasonable methods for fully remedying, avoiding, or mitigating the permanent adverse effects of establishing a new Snowfactory facility requiring minor earth disturbance.

However, the provision in section 17U(2) also states that the Minister may decline any application. With regard to this discretion, the effects of the Coronet Peak ski area within the Coronet Peak Recreation Reserve have been long established, as it has provided public

recreation, benefit and enjoyment since circa 1947, and the effects of a ski field operating at this location are well known and understood by the Applicant and the Department of Conservation. While the Snowfactory facility proposal will result in permanent modification to the landscape, this modification is consistent with the improvements and modifications expected of a ski area, as reflected in this Report and the relevant parts of the Otago CMS (section 6.5.2 in this Report). Whilst the permanent impact of the Snowfactory proposal on conservation lands and waters cannot be fully remedied, avoided, or mitigated, the proposal can be managed by conditions (based on similar proposals carried out by the Applicant at this location), in particular, the proposed establishment special conditions 1-15 and restoration/rehabilitation of the land special conditions 21-25 in section 7.2 in this Report.

6.1.16 Effect on other users

The Applicant has several commercial agreements with other entities who occupy or use Coronet Peak to conduct their business. Included in the application was a table, map and photographs explaining the relationship the Applicant has with the various businesses. This information is shown in full in Schedule 4.6 (Third Party Operators) and will be included in any concession document (if granted).

All third parties co-existing within the Applicant's lease area will require a concession (permit) from the department for their activity over and above any arrangement that may exist with the NZSki Limited (the Applicant). All other third-party activities in the licence or easement areas will either have, or need to obtain a concession under Part 3B of the Conservation Act 1987.

Ski clubs, who have independent leases with the Department (see Table 2 below), have utility services¹⁸ connected to the Applicant's infrastructure.

The Applicant has confirmed that the activities associated with third party operators and ski clubs - up to its application for a Part 3B concession - have not been detrimental to its activities.

Table 2

Ski Clubs

| Item | Name | Concession Number | Concession | Location ID (DOCgis) |
|------|---------------------------|----------------------------|-------------------------------|----------------------|
| A | Coronet Work Ltd | OT-28567-ACC ¹⁹ | docDM-613815 | 16172 |
| B | Rocky Gully Ski Club Inc. | OT-28454-ACC | docDM-690039 | 18464 |
| C | Wakatipu Ski Club | OT-14027-ACC | docDM-1211301 | 16177 |
| D | Southland Ski Club | OT-28420-ACC ²⁰ | docDM-947798 | 16175 |
| E | Vincent Ski Club | OT-28419-ACC | docDM-947750 | 16176 |
| F | The Otago Ski Club Inc. | OT-28426-ACC | docDM-698511 | 16173 |

6.1.17 Positive effects

¹⁸ Appendix 1 – section 6, Potable water; section 7, Wastewater.

¹⁹ Pending Concession 82555-ACC that will eventually replace OT-28567-ACC.

²⁰ Currently waiting on Southland Ski Club to sign new Concession granted under 82246-ACC that will replace OT-28420-ACC.

During the preceding 70+ years that the ski area has operated, the experience of skiing at Coronet Peak or gaining access to the conservation land via the Applicant's infrastructure e.g. chairlifts is likely to have benefited hundreds of thousands of visitors through recreational opportunities and facilitating an appreciation for the alpine environment. Providing opportunities for greater participation in recreation on public conservation land is a statutory purpose of the Department and also one of the Departments 'Intermediate Outcomes' specified in its current 'Statement of Intent' (2016-2020).

There is obvious benefit for skiers in the approval of this concession activity. Recreational opportunities are also available to non-skier visitors who are able to take advantage of rapid access via, for example the chairlifts and summer activities to an elevated alpine environment, that would otherwise be inaccessible, to participate in recreation activities such as recreational walking/guiding and the like.

While it is true that the ski area landscape is a heavily modified environment, the ability to view and experience the wider, natural surroundings from this vantage point enables an appreciation of the natural world and facilitates rapid access to the broader unmodified alpine environment. This non-commercial recreation opportunity can be enjoyed by both able bodied and less mobile visitors who would not normally be able to gain access to this type of environment.

The Applicant has demonstrated through discussions with the Department that it takes responsibility for the role of custodian over part of the Recreation Reserve seriously and seeks to operate its business in a manner that minimises adverse environmental effects yet maximises the opportunity to be a successful business and meet the recreational aspirations of its customers.

6.1.18 Cumulative effects

District Office raised the following in section 6 (contributions):

“Cumulative ecological and landscape effects

As skifield development continues, and the Applicant responds to the potential for summer tourism activities, the department must consider the cumulative effects on the Recreation Reserve and the values and ecosystems it supports. Although summer activity has been trialled by the Applicant previously, this is considered a new 'era' as we see skifields around the world try to adapt their business model in response to customer demand and the effects of climate change. It will be important for the department to take stock of the current status of the reserve's ecosystem in anticipation of future development requests from the Applicant. It is also important for the department to set conditions which take into account the expected change in climate during the term of the proposed 40 year lease.

The summer months, currently with far less public visitation than winter, have traditionally been the Applicant's time to carry out maintenance and undertake important native revegetation work. There is a risk that as commercial summer activity intensifies, the window for required restoration work narrows. Enabling public recreation cannot be at the cost of protecting conservation values. A proposed condition to address this is requiring the Applicant to carry out a full ecological survey of the Recreation Reserve every ten years, and a detailed restoration plan updated every five years. This would begin with a baseline survey once this concession is signed. The Revegetation Protocol should then be reviewed in tandem with assessing the survey outcomes and evolved as required to ensure conservation gains continue.”

It is also considered that defining in any proposed special conditions the interpretation of what would constitute future minor or major earth disturbance (based on area and tonnes of earth disturbed) is not appropriate. The effects of earth disturbance should be considered and determined by a decision maker at the time a request is made by the Applicant to carry out such works, as this is a statutory decision to be made by a decision maker under Part 3B of the Conservation Act 1987. The result could be that the earth disturbance could be carried out under any granted concession or, it may require a separate concession to authorise this type of activity involving earth disturbance.

Overall, the granting of a concession will result in both positive and adverse effects however, it is considered that there will be no significant new effects over and above those already known for this historic activity at this location as there has already been significant modifications to the landscape generally within the upper Coronet Peak Recreation Reserve due to previous ski area developments, and that any potential adverse effects of the activity can be managed by conditions, for example, in section 7.2 in this Report:

- a forward-looking annual work plan (special conditions 16-20)
- comprehensive ecological and landscape assessment (special conditions 55-62) including follow-up assessments carried out at regular intervals (special condition 62)
- Plant pest and animal pest management (including mitigation) (special conditions 63-69) including regular monitoring against a Pest Control Plan (special conditions 64-69).

This would, as reinforced by DOC's ecologist "*allow greater lead-in to development proposals and so facilitate improved ecological outcomes and reduced cumulative effects.*"

Refer also to discussion of s.17U(2)(b) in section 6.1.15 in this Report.

6.1.19 Any other relevant information

As a well-established Concessionaire, the Applicant has a range of procedures, processes and plans in place for all aspects of its operation to which it is required to adhere to.

In addition, the Applicant is required to comply with legislative requirements related to the storage, transport and refuelling of vehicles with liquid fuels, as well as the use, transportation and storage of explosives.

The existing development and activity at the site has resulted in moderate to heavy modification of the natural environment. Should a concession be granted, the approval will be subject to conditions that ensure that any future adverse effects caused by the activity (and in particular approved modifications) are managed accordingly.

6.1.19.1 Professional membership

The Applicant has membership with Ski Areas Association of New Zealand (SAANZ) which provides self-regulation of the industries' activities through the Ski Area Management Safety Strategy (SAMSS) document.

6.1.19.2 Climate change

Submitter Issue 1.2(a) - (d):

- (a) Shorter Term i.e. 20 year with 10 year periodic review in a warming climate.

- (b) Traditional snow-making is weather and climate dependent and that under future climate change a reduction in the ability to carry out traditional snowmaking will occur.

Comment from the hearing Chair

The Minister is to have regard to relevant submissions, especially with regard to Matters to be considered in s.17U, and the Otago Conservation Management Strategy 2016 (“Otago CMS”), Part 3.25 Ski fields, in particular policy 3.25.2.

Applicant response:

- In response to a warming climate – it is NZSki’s belief that there is no evidence to suggest that a warming climate creates less water. The Otago CMS states that climate change may result in ski areas being more reliant on snow making into the future. It also recognises that potential changes as a result of climate change may take decades to become fully apparent. NZSki is aware of literature regarding climate change that in fact suggests that a warming climate may increase moisture events such as rainfall and snowfalls due to more water being within the atmosphere. However as already stated the water take for the proposed Snowfactory snow making system would be within the approved, existing water take levels.

The Decision Maker should consider Part 3.25 in the Otago CMS (section 6.5.2 in this Report), in particular policy 3.25.2 in relation to the proposal, and be satisfied that as the ski field is likely to be operational for many more years, despite potential climate change effects, any concession (if granted), will include provisions to remove facilities and remediate the land should the ski field cease to operate.

- See also discussion of Term in section 7.3 in this Report
- Refer to proposed climate change special conditions 70-78 in section 7.2 in this Report²¹.

6.1.19.3 Resource Management Act

The effects of the proposal are to be considered also through the RMA process. For the purposes of the RMA consent considerations, as the site is within a ‘ski area sub zone’ internal RMA planning advice notes that the activity will be considered as a Controlled Activity which offers less ability for consideration of the matter under the RMA than were it outside that sub-zone (see relevant policies below); however, landscape is still an issue which can be taken into account.

Any approval by the Decision Maker here should be mindful of avoiding and mitigating these wider effects and be consistent with the 2016 Otago Conservation Management Strategy.

Queenstown Lakes District Plan relevant policies

Section 5.3.3.2 Controlled Activities:

iii Commercial Recreation Activities

²¹ Applicant also provided feedback on a revision of climate change conditions – refer to section 8 (Applicant Comments) in this Report.

- (a) *Ski tows and lifts within the Ski Area Sub-Zones as shown on the District Plan Maps, in respect of their location, external appearance, alignment and methods of construction; and*
(b) *Night lighting in Ski Area Sub-Zones in respect of times, duration and intensity.*

Section 5.4.2.3 Assessment Matters General:

vi Controlled Activity - Commercial Recreation Activities and buildings in Ski Area

- (a) *Whether the ski tow or lift or building breaks the line and form of the landscape with special regard to skylines, ridges, hills and prominent slopes.*
(b) *Whether the materials and colour to be used are consistent with the rural landscape of which the tow or lift or building will form a part.*
(c) *Balancing environmental considerations with operational characteristics.*
(d) *Potential effect on surrounding environment.*
(e) *Impact of lighting on the enjoyment of an adjoining property.*

6.2 S17U(3): Purpose for which the land is held

A concession shall not be granted if the proposed activity is contrary to the purpose for which the land is held.

Criteria for decision:

- Is the activity not contrary to s17U(3) of the Conservation Act? (That is, consistent with the purpose for which the land is held – although note that ‘not contrary to’ is not as high as a test as ‘consistent with’).

Yes / ~~No~~

Discussion:

Coronet Peak opened in 1947. It was set apart as a reserve for recreational purposes in 1955 and was named the Coronet Peak Recreation Reserve in 1986 (The New Zealand Gazette, 1955, No 29 & 1986, No 99).

The Coronet Peak Recreation Reserve is held as Recreation Reserve under s.17 of the Reserves Act 1977.

Recreation reserves are held “..., 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.”

The principal or primary purpose of the Coronet Peak Recreation Reserve is for the existence and management of the Coronet Peak ski area under the Reserves Act 1977. In conjunction with this principal or primary purpose there are administrative provisions to consider under s.17(2) of the Reserves Act with regard to public access s.17(2)(a) and conservation values such as “where scenic, historic, archaeological, biological, geological, or other scientific features or indigenous flora or fauna or wildlife are present on the reserve, those features or that flora or fauna or wildlife shall be managed and protected to the extent compatible with the principal or primary purpose of the reserve.” s.17(2)(b), and “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.” s.17(2)(c), “to the extent compatible with the

principal or primary purpose of the reserve, its value as a soil, water, and forest conservation area shall be maintained.” s.17(s)(d). (Note: underline added for emphasis).

Furthermore, the general purpose of the relevant Act (being the Reserves Act 1977) under s.3(2) states that *“In the exercise of its administration of this Act, the Department may take any action approved or directed from time to time by the Minister so far as it is consistent with this Act or is provided for in any other Act and is not inconsistent with this Act.”* (underline added for emphasis).

In addition, the Conservation Act requires that a concession is not granted under circumstances in which the proposed activity would be contrary to purposes for which the land is held.

There is provision in s.59A of the Reserves Act 1977, where the Minister may, in accordance with [Part 3B](#) of the Conservation Act 1987, *grant a concession in respect of any reserve vested in the Crown* - discussed in detail below. The mandatory nature of the wording in s.17(1) of the Reserves Act 1977 and Part 1, s.2(1)²² of the Conservation Act 1987 suggests that only the proposed new Snowfactory facility may be inconsistent with and/or contrary to the provisions of the Acts from the perspective of the need to protect the natural environment and beauty of the countryside. However, as reinforced in section 6.1.2 in this Report, the Snowfactory facility will be established to generate snow (similar to existing snow machines) to supplement natural snowfall to support an existing ski field within the reserve.

The provisions contained within Part 3B of the Conservation Act 1987, in particular s.17U of the Act require the Minister to also consider a number of other matters, including the effects of the proposed activity, the conservation values to be protected, and to question whether the granting of the application, with or without conditions (comprising safeguard and mitigation measures) would provide protection of those resources and more specifically the administrative provisions in s.17(2). This consideration gives effect to the wording in s.59A of the Reserves Act 1977, in particular s.59A(1) *“The Minister may, in accordance with [Part 3B](#) of the Conservation Act 1987, grant a concession in respect of any reserve vested in the Crown...”*, and s.17Q(1) of the Conservation Act 1987 *“...the Minister may grant a concession in the form of a lease, licence, permit, or easement in respect of any activity.”*

It is considered that the proposed activity (existing ski field activities and proposed new Snowfactory) are consistent with the relevant Act (Reserves Act), not contrary to the Conservation Act and to the purposes for which this Recreation Reserve is held (especially in its current state), along with its principal or primary purpose being the existence and management of the Coronet Peak ski area, subject to conditions.

Accordingly, for the purposes of section 3 of the Reserves Act 1977 and section 17U(3) of the Conservation Act 1987, there are no provisions of the Acts that would be breached by the granting of a concession (lease and licence and easement).

²² **“conservation** means the preservation and protection of natural and historic resources for the purpose of maintaining their intrinsic values, providing for their appreciation and recreational enjoyment by the public, and safeguarding the options of future generations.”

6.3 S17U(4): Can a structure or facility be reasonably undertaken elsewhere?

A concession to build or extend a structure or facility shall not be granted if the activity could reasonably be undertaken in another location that is outside conservation land or in another conservation area where the potential adverse effects would be significantly less, or if the activity could reasonably be undertaken in an existing structure.

Criteria for decision:

- Is the activity consistent with s17U(4) of the Conservation Act? (That is, the activity cannot reasonably be undertaken at another location or in an existing structure?)

Yes / No / NA

Discussion: The ski field infrastructure already exists at this location. It is appropriate that the Snowfactory is located within the ski area to co-exist with existing infrastructure. It is therefore considered that the statutory test as required under s.17U(4) has been met.

6.4 Appropriateness of Granting a Lease or Licence or Easement

The Applicant sought three classes of concession in the Application. These included a lease, a licence and an easement. The dimensions of each of these areas is set out in section 6.4.1 in this Report and are more particularly described in the application.

In general, this Report agrees with the approach taken by the Applicant that three classes of concession be granted – refer to table of structures and facilities adopted from Applicant’s asset catalogue²³ in addendum Schedule 4.1:

- A lease to correspond with the footprint of buildings and related facilities;
- A licence for the ski field terrain, vehicle parks, main access and arterial roads;
- An easement for utilities and services and ancillary infrastructure.

6.4.1 Recommendations on dimensions and definition of the Lease, Licence and Easement Areas

Proposed Lease and Licence Area

It is considered that a lease is appropriate as the proposal relates to 1 or more fixed structures and facilities [s.17U(5)(a)] and accordingly the lease footprint has been identified below in the “Lease, Licence and Easement Areas defined” section of this report. Exclusive possession is considered appropriate over certain buildings and structures for:

- reasons of public safety, for example a passenger lift return system and associated building where the public are physically excluded from the site to protect them from hazards that may result from operating machinery [s.17U(6)(a)]; and
- for the purposes of safety or security of certain assets (buildings and structures) [s.17U(6)(b)]; and
- to ensure that the Applicant can operate the activity competently as they have a significant investment in buildings and related infrastructure [s.17U(6)(c)].

It is also considered appropriate to grant a licence for areas around the defined lease area for the purposes of safety or security at the location [s.17U(5)(b)(i)(A)] and to clearly define an

²³ Appendix 1 in application.

area that is an integral part of the activity on the land, being the main ski field area/skiable terrain (slopes) and carparks, main access road and arterial access roads [s.17U(5)(b)(i)(B)]. This will not only allow the Applicant to operate effectively but, will also allow public access for non-ski recreational opportunities.

Lease, Licence and Easement Areas Defined

Applying s.17U of the Act, the Department considers the types of activities related to this application can be defined and categorised as detailed below in accordance with:

1. the asset catalogue²⁴ included in the application (refer addendum Schedule 4.1) and
2. as summarised in the proposed Concession Activity in section 7.1 in this Report.

Proposed Lease Area

The Decision Maker needs to be made aware that the original application that was publicly notified recorded the JSD lodge (Base Building) as a lease area of 4,334m² which correlates to the architectural plans of the building supplied by the Applicant²⁵. During discussions relating to the Applicant's liquor licence and outdoor dining activities (see Map 5), it was discovered that this lease area was under-represented and was closer to 7,334m² as a key area affixed to the building called the Apron and a service/work area were not included. This larger lease area is considered consistent with the bullet-point considerations above i.e. required for public safety, for the security of assets and to ensure that the Applicant can operate all the concession activities competently and safely. Even though this represents a 169% increase in the area applied for in relation to the JSD lodge (Base Building) and immediate surrounds, in the context of a ski-field environment, the 3,000m² represents only 0.0011% of the total lease and licence area of 285 hectares.

Therefore, the lease area from the application will increase from approximately 53,499m² to approximately 56,499m² (being a 5.6% increase).

The proposed lease area is therefore described as those parts of the Land measuring approximately 5.6499 hectares²⁶ in total whose general locations are depicted in addendum on Maps 1-4 which are more particularly described in the Schedule 4.1 table in addendum as being leased. The size of each leased area is set out in column 4 of the Schedule 4.1 table.

Proposed Licence Area

The proposed licence area of approximately 279.3501 hectares²⁷ being the ski field terrain (slopes), carparks and main access road and arterial roads.

That part of the Land measuring approximately 279.3501 hectares²⁸ and which is generally comprised of the skiable terrain, timber viewing deck, vehicle parks and access-ways as shown on Maps 1-4 and Appendices 2-3 but, excluding the Lease Land and those areas which are, or may in the future be leased to third parties including, but not limited to:

- A. Gobblers Lodge (Coronet Work Limited)
- B. Rocky Gully Ski Club

²⁴ Appendix 1 in application.

²⁵ Recorded as [DOC-6576454](#).

²⁶ Previously 5,3499 hectares.

²⁷ See comments on lease area – previously 279.6501 hectares.

²⁸ See comments on lease area – previously 279.6501 hectares.

- C. Wakatipu Ski Club
- D. Southland Ski Club
- E. Vincent Ski Club
- F. Otago Ski Club

Summer Guiding Activities

To be read in conjunction with discussions on Term in section 7.3 in this Report.

The Decision Maker will need to consider if the summer guiding activities applied for should be considered as a guiding permit rather than rolling the guiding element into the broader licence.

Under s.17U(5) the Minister is precluded from granting an interest in land in the form of a licence, except where it is essential to do so, and the grant is linked to a structure. In this case, offering a guiding licence (instead of a guiding permit) could be considered as granting an interest in land without meeting the tests in s.17U(5), in particular s.17U(5)(b)(ii).

Under normal circumstances the Department would receive a guiding application that would normally be granted as a guiding permit²⁹ (not licence) and normally the application is not “shackled” to some wider set of requests, as is the case with the guiding component in this application being linked to major infrastructure. This could leave the Department open to risk that a third party could criticise us for offering the Applicant a term greater than what would ever be offered to a normal Applicant who was not applying to operate and occupy structures on the land.

If a guiding licence is not considered legally robust in accordance with s.17U(5), then the only other available option is a guiding permit. If the permit option is adopted, then the duration of the guiding permit must be capped at 10 years s.17Z(2). See also related Term discussion in section 7.3 in this Report.

With respect to this application, this is not a clear cut situation, and for all intents and purposes the Applicant applied for all activities it wanted to formalise – which included summer guiding activities – and made it clear in its applications that they intend to add value to the summer guiding activities by providing facilities (access to main complex for food and beverages, toilets) and operating the ski-lifts and tows (including the gondolas), for customers to use during these summer operations between the months of 1 December to 30 April. Therefore, it could be considered that the Applicant has met the legislative requirements and criteria i.e. the “if” “and’s” and “either/or” under s.17U(5)³⁰, where the Minister may grant a

²⁹ Section 2 Interpretation “**permit** in relation to [Part 3B](#),-

(a) means a grant of rights to undertake an activity that does not require an interest in land; and...”

³⁰ “(5) *The Minister may grant a lease or a licence (other than a profit à prendre) granting an interest in land only if—*

(a) the lease or licence relates to 1 or more fixed structures and facilities (which structures and facilities do not include any track or road except where the track or road is an integral part of a larger facility); and

(b) in any case where the application includes an area or areas around the structure or facility,—

licence for the guiding activities (rather than a permit limited to 10 years) that goes hand-in-hand with the significant infrastructure to be utilised for the guiding activities at this location.

Section 17U(5), like s.17Z requires the decision maker to make a statutory decision on the matter of “will the guiding activities (if granted) be granted as a permit (10 years only), rather than rolling the guiding element into the broader licence.”

As the discussions on this matter in s.17U(5) and s.17Z are indelibly linked, it is considered appropriate to include a tiered recommendation based on this decision-making power - refer to recommendation 4 in section 9 in this Report.

Proposed Easement Area

The easement area of will comprise:

- Utilities and services (above and below-ground infrastructure);
- Ancillary equipment (above and below-ground infrastructure) such as snow making and pumping equipment (wands/snow guns), towers/pylons, lift cables, ski lift chairs.

Those parts of the Land which are depicted on addendum Maps 3, 3.1, 4, 4.2-4.4 and described in column 3 of the table in Schedule Table 4.1 as being easements and which, together, measure approximately 11.4346 hectares.

Discussion

This Report recommends that a lease be granted in relation to proposed structures because the tests set down in s17U(5)(a) and s.17U(5)(b)(i)(A) and s.17U(5)(b)(ii) are met. The Department is also satisfied, pursuant to s.17U(6), that exclusive possession is necessary over certain buildings and structures.

In addition to creating a lease in relation to the existing structures it is proposed to include a clearly defined licence area for the skiable terrain immediately proximate to the structures as this is an integral part of the activity along with the vehicle parks and access-ways [s.17U(5)(b)(i)(B)].

It is noted that the Applicant has appropriate health and safety processes in place to ensure public safety, in general, is maintained over non-leased areas.

The Minister should be satisfied that the grant of a lease and licence granting an interest in the land is essential to enable this proposed activity to be carried out [s.17U(5)(b)(ii)].

6.5 S17W: Relationship between concessions and conservation management strategies and plans

(i) either—

(A) it is necessary for the purposes of safety or security of the site, structure, or facility to include any area or areas (including any security fence) around the structure or facility; or

(B) it is necessary to include any clearly defined area or areas that are an integral part of the activity on the land; and

(ii) the grant of a lease or licence granting an interest in land is essential to enable the activity to be carried on.”

A concession shall not be granted unless the proposed activity is consistent with any established conservation management strategy, conservation management plan, and/or national park management plan.

Criteria for decision:

- Is the activity consistent with all relevant statutory planning documents?

Yes / ~~No~~

Discussion:

Where a conservation management strategy or conservation management plan exists for a particular location a concession can only be granted if doing so is consistent with the management strategy or plan (s17W).

In this case a conservation management strategy does affect the area to which the application relates. The relevant management strategy is the *Otago Conservation Management Strategy 2016* (“*Otago CMS*”). *The Otago CMS* is subservient to the Conservation General Policy 2005 in so far as it must implement the general policies set out in the 2005 document and it must not derogate from the general policies. Where a conservation management strategy is silent on an issue reference can be made to the Conservation General Policy for direction.

There is no longer a relevant conservation management plan for the area.

6.5.1 Conservation General Policy (May 2005)(CGP)

With regard to:

- *Part 9. People’s Benefit and Enjoyment*, in particular relevant policies 9.1(a) to 9.1(h); in particular 9.1(f)
- *Part 11. Activities Requiring Specific Authorisation (not covered elsewhere)*, in particular relevant policies 11.1(a) to 11.1(e), and *Part 11.3 Utilities* and policies 11.3(a) to 11.3(e); in particular 11.1(a)-(c), and
- After considering the discussions in relation to s.17U *Matters to be considered by the Minister* in this Report and the Otago CMS below:

the Minister should be satisfied that the proposed activity is consistent with the CGP.

6.5.2 Otago Conservation Management Strategy 2016 (“Otago CMS”)

Provisions relevant to this matter are found in Parts One, Two (Places) and Three (Specific policy requirements).

To guide decision making the pre-amble to Part Two (Places) notes:

- Outcomes describe the future state of a Place, including its values, and reflect the expected changes at that Place over the 10-year term of the CMS. They will be used for conservation management and when making decisions, including in the absence of a relevant specific policy for a Place.

- Policies describe the course of action or guiding principles to be used for conservation management and when making decisions. Policies refer to public conservation lands and waters within a Place unless they are addressing matters of advocacy.
- Milestones are specific actions that are measurable steps towards achieving the outcomes and policies.

Part Two must be read in conjunction with Parts One and Three. Where the provisions in Part Two are more specific than the provisions in Part One and/or Part Three, the more specific provisions in Part Two prevail.

Analysis of the Otago CMS with respect to this proposal is provided alongside individual CMS provisions (in *italics*) relevant to this matter in the body of the table below, with comments and a summary at the end.

Part One of Otago CMS (pages 17 to 44), Parts 1.3, 1.5 and 1.5.3; Objectives 1.5.1.8

1.3 Distinctive features, values and issues of Otago

Recreation – seasonal changes and diverse opportunities – short walks to wilderness

The presence of several of the country’s major ski fields, three (including Coronet Peak) on public conservation lands and waters, is a driver for New Zealand’s winter tourism market.

Skiing is a long-standing recreational activity in this area. An environmental impact assessment and landscape design assessment has been undertaken and discussed in section 6 in this Report. Additional conditions have been proposed to minimise the effects on landscape values (see following sections).

1.5 Otago by 2026

1.5.1 Natural heritage

OBJECTIVES

1.5.1.8 Foster management action on pest plants and animals and wild animal control involving inter-agency, concessionaires and community.

Roads, parking areas and access-ways provide for easy distribution of pest plants and animals. Objective 1.5.1.8 is to foster management, in this case with a concessionaire. Refer to proposed special conditions 63-69 in section 7.2 in this Report,

1.5.3 Recreation

Coronet Peak ski area is within the Coronet Peak Recreation Reserve. It was set aside as a recreational reserve in 1955 following the initial development of a ski area in 1947 and has increased in size over time. The ski area has flourished with ongoing investment and increased visitor numbers. Demand is clearly evident and expected to be sustained, especially in the context of the Applicant publicly advocating for summer recreation proposals (as demonstrated in this application) to add to the range of winter recreational opportunities it provides at this location.

It is considered, subject to proposed conditions, this application enhances the recreational opportunities in the area and is not inconsistent with the protection of indigenous natural, historic or cultural resources.

Part Two – Places, Section 2.3 (pages 57 to 74) Western Lakes and Mountains/Ngā Puna Wai Karikari a Rākaihautū; Outcome, Policies 2.3.2, 2.3.7

Coronet Peak Recreation Reserve is within the Western Lakes and Mountains/Ngā Puna Wai Karikari a Rākaihautū Place. The relevant Outcomes are:

OUTCOME

Prominent landscape and geological features (ridgelines, and mountain tops) remain in their natural state, or are unmodified beyond their state at the time of becoming public conservation lands and waters. Within public conservation lands and waters away from prominent landscapes and geological features, structures may be present where well-blended into the landscape or where buildings already exist.

It is reasonable to describe the Coronet Peak ridgeline as a prominent feature, being a 'ridgeline or mountain top'. The Outcome statement requiring prominent ridgelines and mountaintops to remain in their natural state, or unmodified beyond the time of becoming public conservation lands and waters. The modification of Coronet Peak Recreation Reserve ridgeline occurred prior to the land becoming public conservation lands and waters.

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. Ski fields are managed in a precautionary approach in terms of new and additional structures and terrain modification. Further development of existing ski fields may occur, in preference to any new ski fields. Disturbed areas are restored to an agreed standard comparable with that which was present prior to any development.

This application is for the continuation of existing and new activities associated with the ski area.

Existing infrastructure will be used for the existing activities and the new activities of the Snowfactory and gondola cabins and any adverse effects (including any visual disturbance resulting from the Snowfactory and gondola cabins) is considered minor in this historic ski field setting.

The proposal is not inconsistent with a precautionary approach as it is the formalisation of existing (in-situ) infrastructure on already heavily modified terrain (albeit including the installation of a Snowfactory facility); and will be subject to existing construction and restoration protocols.

POLICIES

2.3.2 Should allow motorised vehicle, mountain bike and electric power-assisted pedal cycle use only as identified in Table 2.3, and Policies 3.2.1-3.2.12, 3.3.1-3.3.8 and 3.4.1-3.4.5 in Part Three.

2.3.7 *Should allow over-snow vehicle use only for the purpose of ski field management within ski field lease/licence areas subject to the provisions of the lease/licence and in accordance with Policies 3.2.12 and 3.25.6.*

Table 2.3 clearly identifies that motorised vehicle access is allowed on Coronet Peak ski field road within the Coronet Peak Recreation Reserve. Refer also to discussions in 3.2 Vehicles below and item 11 in section 7.1 in this Report (Concession Activity) “*Use of vehicles to carry out establishment and operational activities;*” In addition, even though the use of mountain bikes was not identified as an activity in Table 2.3 that could occur at Coronet Peak Recreation Reserve, mountain biking has been considered under exceptional circumstances on selected trails with the reserve – refer to section 6.1.4 in this Report.

Part Three – Specific policy requirements for Otago (pages 121 to 156); Parts 3.1, 3.2, 3.6, 3.10 & 3.25 of Otago CMS; Policies 3.1.11, 3.2.12, 3.6.1, 3.6.5, 3.10.1, 3.25.1 – 3.25.6

3.1 General

Authorisations

Three ski fields (Coronet Peak, Treble Cone and The Remarkables) have authorisation to operate on public conservation lands and waters (see 3.25 Ski fields).

Policies

3.1.11 Should not grant authorisations that are inconsistent with the objectives, outcomes and policies in Part One, the outcomes and policies for Places in Part Two-Places, or the policies in Part Three.

Authorisations are required to undertaken commercial activities on public conservation land and waters. Part Three of the Otago CMS acknowledges the existing ski fields and the authorisation they hold. The application is not inconsistent with the provisions of the Otago CMS.

3.2 Vehicles

Over-snow vehicles are used in the day-to-day management of ski fields, including search and rescue.

Policies

3.2.12 The use of over-snow vehicles for the purpose of ski field management within ski field lease/licence areas is permitted and subject to the provisions of the lease/licence and in accordance with Policy 3.25.6.

The Applicant’s proposal to use over snow vehicles is not inconsistent with 3.2.12 (see also discussions on table 2.3 and policies 2.3.2 and 2.3.7 above). If the proposal is approved, over-snow vehicles will be able to be used (refer to item 11 in section 7.1 in this Report).

3.6 Aircraft

The proposal is within the orange Aircraft Access Zone.

3.6.1 Should apply (but not be limited to) the following criteria when assessing concession applications for all aircraft landings.⁴⁸

- a) is consistent with the outcome and policies for the Place in which the activity is proposed to occur and Table 3.6.1;*
- b) is consistent with the aircraft zoning provisions in this CMS and the aircraft access zones on Map 4;*
- c) is consistent with the purposes for which the lands and waters concerned are held;*
- d) adverse effects on conservation values including adverse effects on natural quiet are avoided, remedied or mitigated;*
- e) adverse effects on other visitors (taking into account the size of zone and the proximity of other ground users) are avoided, remedied or mitigated;*
- f) the need for monitoring the activity using global positioning systems and newer technologies;*
- g) landings near tracks, huts and car parks (unless otherwise specified in an outcome or policy for a Place) are avoided; and*
- h) the need to hold and comply with certification in a noise management scheme approved by the Department, in specified locations.*

3.6.5 May grant, concessions for aircraft landings in the Orange Zone that meet the criteria (a) and (c)–(h) in Policy 3.6.1 and as set out in Table 3.6.2. Any heli-skiing concession that is approved should be on a one operator per block basis, and may be allocated via a limited opportunity process.

Table 3.6.2 Orange Zone Criteria

| <i>CONSERVATION AREA(S)</i> | <i>ORANGE ZONE CRITERIA—TO BE MANAGED</i> |
|--|--|
| <i>Coronet Peak Recreation Reserve</i> | <i>NZ Ski controls aircraft access within the ski field lease area</i> |

The Department of Conservation controls aircraft access within the Coronet Peak Recreation Reserve. This policy states that NZSki Limited controls aircraft access within the ski field lease area. As the intention is for NZSki Limited to have a lease for the footprint of key structures and facilities and for the balance to be a licence area it needs to be reiterated that this policy is for NZSki Limited to control aircraft access over the operational ski field area as defined by the licence land in addendum maps 1 and 2. The use of aircraft (primarily helicopters) will be authorised in the concession as they are required to undertake ski field management, such as avalanche control, installation and relocation of infrastructure and equipment. Aircraft (including drones) are also to be used for promotional filming of the ski field and telecommunication operation and maintenance. Refer to items 7 & 9 in section 7.1 (Concession Activity) in this Report.

Section 3.10 Structures and utilities (note assessment following each provision)

Structures and utilities can be temporary or intended for long-term use. They can share space (usually a public facility) or require exclusive occupation of space (usually a private facility). Both may be either commercial or non-commercial in nature.” (underline added for emphasis).

3.10.1 Should apply the following criteria when considering applications to erect or retain structures or utilities or for the adaptive reuse of existing structures on public conservation lands and waters:

a) the purposes for which the lands and waters concerned are held;

The proposal is within the Coronet Peak Recreation Reserve, which was originally set-aside to accommodate the pre-existing ski field and ongoing development. The proposed activities are consistent with the purposes of a recreation reserve (section 17 Reserves Act 1977). Refer to section 6.2 in this Report.

b) the outcomes and policies for the Places where activity is proposed to occur;

See Part Two analysis above.

c) whether the structure could reasonably be located outside public conservation lands and waters;

The proposed new Snowfactory is to supplement the creation of snow over winter in support of the existing ski field activities. It will also create a new activity during the summer, if summer use is approved. They cannot be reasonably located off public conservation lands and waters. See section 6.3 in this Report.

d) whether the structure could reasonably be located in another location where fewer adverse effects would result from the activity;

This application is for the continuation of an existing ski field operation incorporating new proposals and structures i.e. a Snowfactory facility and attaching gondola cabins to the Coronet Express Chairlift within the Coronet Peak Recreation Reserve therefore, it is unreasonable to locate it elsewhere, other than in the Coronet Peak Recreation Reserve (see section 6.3 in this Report).

e) whether the structure adversely affects conservation, including recreational values;

As discussed in section 6.1 in this Report, the proposal will have an adverse effect (to varying degrees) on a range of ecological and geological conservation values such as wildlife, vegetation, landscape, amenity and recreation. There will be minor earth disturbance and modification of the natural terrain resulting from the installation of the Snowfactory facility, additional visual disturbance (albeit minor in a ski field setting) from the Snowfactory facility and gondola cabins on the Coronet Express Telemix Chairlift.

As discussed in sections 6.1.2-6.1.4 in this Report the Applicant states that the Snow factory facility and gondola cabins will have a positive effect as having it is critical

to providing skiers with an improved experience, and enable the Applicant to carry out effectively and efficiently summer activities.

As the construction phase of the Snowfactory facility will be of a short duration, the effects to recreational values through the operation of machinery, noise (impact on natural quiet) and a loss of amenity values will be insignificant, but unavoidable. These temporary effects will need to be mitigated through good communication and modification of public expectation during this time through such channels as media and signage. Once construction is complete, the effects on recreation (except for any possible adverse effects from the permanent modification of the landscape) are likely to be minor.

Reasonable methods to manage the adverse effects on conservation values resulting from the proposed activity as discussed in this Report, can be achieved by conditions.

f) whether the structure is readily available for public use;

Yes.

g) whether the structure is consistent with the visitor management zone on Map 3 and as described in Appendix 12;

The recreation reserve is zoned Frontcountry. The proposal is not inconsistent with this zone subject to conditions to avoid or mitigate adverse effects (Appendix 12 - Setting: Preferred concessions effects management).

h) whether the activity promotes or enhances the retention of a historic structure;

Not applicable.

i) whether the activity is an adaptive reuse of an existing structure;

No, but it is for all intents and purposes the gondola cabins could be considered an adaptive reuse however, it is more appropriate that they be considered an enhanced modification of a chairlift that will support the proposed summer activities in this application that are considered consistent with policy 3.25.4 below. The Snowfactory facility is, of course, a new structure not an adaptive reuse of an existing structure within the Coronet Peak Recreation Reserve.

j) whether the policies for private accommodation and related facilities should be applied (see Policies 3.11.1 and 3.11.6); and

Not applicable.

k) whether any proposed road in a national park is provided for in the relevant national park management plan.

Not applicable.

3.10.2 Telecommunication facilities are encouraged to be co-located to avoid proliferation.

This policy will be considered if further telecommunication facilities are applied for by the Applicant.

This entire proposal is not inconsistent with the above policy 3.10.1.

3.25 Ski fields (page 154-155)

Part 3.25 specifically addresses the three commercial ski fields in the Otago area. Excerpts from Part 3.25 below gives context:

- *Commercial ski fields typically require considerable infrastructure and terrain modification.*
- *Three commercial ski fields (Coronet Peak, The Remarkables and Treble Cone) are authorised on public conservation lands in Otago.*
- *All are popular attractions (one of which is Coronet Peak) 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.*
- *The effects of climate change may result in fields becoming increasingly reliant on snowmaking into the future and may look at expanding their winter and summer visitor activities both on the fields and nearby.*
- *These changes will start taking effect during the term of this CMS but may take decades to become fully apparent. In response, both a precautionary and a partnership approach may be needed: precautionary to avoid the risk of abandoned structures and adverse landscape effects; partnership to maintain a ski field's recreation opportunity.*

Specific policies are (note: assessment following each provision):

3.25.1 May allow further development of existing authorised ski fields, where their natural values are already modified, in preference to the development of new ski fields.

As this policy commences with the word 'may', the Decision Maker, in accordance with the interpretation of 'may' in the Conservation General Policy³¹, is allowed flexibility in decision-making as a particular action or actions 'may' be undertaken.

The majority of this proposal is the regularisation of an existing ski field with already highly modified natural values.

The gondola cabins are a further development, at an existing ski field, in an already modified environment, that will enhance the visitor experience and promote the use of the ski field over summer, as promoted by policy 3.25.4 below.

³¹ Conservation General Policy, Part 1, Policies, Interpretation of Policies, sub-part 1(d)iii.

The Snowfactory's primarily purpose will be to supplement the making of winter snow as discussed in section 6.1.2 in this Report.

3.25.2 Should in considering the development of new and existing authorised ski fields apply a precautionary approach to the approval of new structures, accommodation facilities and terrain modification and consider both the likely effects of water use (for snow-making), the likely longevity of the field in the face of climate change, and any appropriate land remediation and facility removal costs should the ski field cease to operate.

A precautionary approach is applied here as the proposal is: being undertaken on or in the vicinity of already heavily modified terrain, and the proposal is to regularise existing and new infrastructure; and will be subject to existing construction conditions and restoration protocols. The proposal to install a Snowfactory facility is an example of ski fields becoming increasingly reliant on artificial snowmaking. In conjunction to this resilience to potential climate change³², expansion of winter activities to summer visitor activities is supported by the Department (see policy 3.25.4). The ski field is likely to be operational for many more years, despite potential climate change effects and any concession, if granted, will include provisions to remove facilities and remediate the land should the ski field cease to operate. A precautionary and partnership approach may be needed; precautionary to avoid the risk of abandonment of structures and adverse landscape effects and, partnership to maintaining the ski fields opportunities for other recreation.

3.25.3 Process all applications for renewals of existing authorisations for ski fields as concessions.

This is the renewal of an existing "rolling on" ski field authorisation processed as a concession under Part 3B of the Conservation Act 1987 and will include the amalgamation of related Concessions as shown in Table 1, section 3 in this Report.

3.25.4 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.

The Applicant has included in this proposal the development of summer operations.

Guided activities

Coronet Peak Recreation Reserve is mainly within the frontcountry visitor setting, with a smaller area of backcountry. The Applicant has applied for a guided party size of 18 including guides which will be separated into two smaller groups of 8 plus a guide for sightseeing, picnicking and guided walks. This party size is consistent with the frontcountry and backcountry visitor management zones.

Mountain biking

Whilst the Applicant is facilitating mountain biking activities by providing chairlift accessibility, it is appropriate to note that mountain biking is managed in accordance with the tables in Part Two - Places and states that mountain biking and e-biking can only occur at Rude Rock Track. However, the tracks that were used within the Applicant's lease area were existing tracks developed many years prior to the Otago CMS. These tracks were not captured in the Tables and it has been determined exceptional circumstances apply and mountain biking can be undertaken on existing

³² See discussion in section 6.1.19.2 in this Report.

tracks and new mountain biking tracks can only be considered if listed in the Part Two Tables.

Events

While not inconsistent with the Otago CMS, the Applicant will need to provide detail on size, scale or frequency of the events – see proposed special condition 52 in section 7.2 in this Report.

See also the discussion in policy 3.25.1 above, in particular the discussion on the use of the gondola cabins.

3.25.5 Should provide opportunities for conservation education and interpretation.

The Applicant provides opportunities under existing Concessions at this location and this will apply to this proposal.

3.25.6 Should allow over-snow vehicle use for the purpose of ski field management within ski field lease/licence areas subject to the provisions of the lease/licence and in accordance with Policy 3.2.12.

Over snow vehicles are used for the purpose of ski field management within the existing Coronet Peak ski area lease, and this vehicle use will apply to this proposal.

Refer to discussions in vehicle policy 3.2 above, and item 11 in section 7.1 (Concession Activity) in this Report “*Use of vehicles to carry out establishment and operational activities;*”

Summary of CMS provisions

Subject to appropriate conditions and mitigation, the proposal is overall not inconsistent with the CMS.

Within the various provisions of Parts One, Two and Three, the three key statutory matters are:

- the Western Lakes and Mountains Place Outcome statements that relate to: the increase to the existing modification of the Coronet Peak Recreation Reserve ridgeline; and applying the required precautionary approach to the approval of new structures and associated earthworks.
- policy 3.25.1 *May allow further development of existing authorised ski fields, where their natural values are already modified, in preference to the development of new ski fields.*
- policy 3.25.2 requiring a precautionary approach to the approval of new structures and terrain modification on ski fields.

With respect to these matters:

- the proposed Snowfactory facility would unavoidably increase the extent of the existing breach of the Coronet Peak ski area infrastructure within the Coronet Peak Recreation Reserve however, due to the proximity within the recreation reserve amongst other infrastructure, it would be barely noticeable.

- despite this, the proposal demonstrates a precautionary approach as it is: being undertaken on already heavily modified terrain, and will be carried out using construction methods suited to an alpine environment and restoration protocols.
- the proposal is a further development of an existing ski field where, its natural values are already highly modified.

In summary, with reference to the sections of the Otago CMS above, when applying the relevant policies and subject to conditions (if a concession is granted), it is considered that the Decision Maker should be satisfied that, in conjunction with the analysis and assessment provided by the Applicant, and contributions from Departmental staff with significant experience in the establishment and operation of ski fields at this location, that the proposed activity, as applied for, is consistent with the Otago CMS.

7. Proposed Operating Conditions

Conditions

Standard conditions applicable to the proposed activity:

The concession template document (for reference purposes only) is recorded as [DOC-6042468](#).

The concession is broken into distinct parts.

1. The first portion of the concession document sets out the operative parts of the lease and licence and easement document; includes the names of the parties; contains their signatures; and provides the background.
2. The second part of the concession contains Schedule 1. Schedule 1 sets out many of the key terms used elsewhere in the concession.
3. Schedule 2 contains the standard conditions applied to most concessions.
4. Schedule 3 would contain the special conditions that have been prepared specifically for this application. The draft special conditions recommended by this report are set out in section 7.2 below.
5. Subsequent schedules contain maps or plans depicting the concession area(s), bond agreement (if applicable), and in the case of the easement document; rights and powers implied in easements.

Note: The Infrastructure, Activities and Operations³³ document included in the application will be used as the basis for the Schedule 4 table and maps.

This portion of the Report considers the content of Schedule 1 of the proposed concession(s) and makes recommendations as to the drafting of some of the key terms.

Note: The Infrastructure, Activities and Operations document included in the application will be used as the basis for

³³ [DOC-6125250](#).

7.1 Concession Activity:

In light of the findings of this Report, it is considered appropriate to issue one concession for the three co-dependent concession activities comprising the following elements:

“Concession Activity” in respect of:

Subject to the limitations in Schedules 2 and 3³⁴, the Concessionaire may carry out the following activities upon the Land:

1. Those activities directly connected with operation of a commercial ski-field including the following:
 - (a) maintaining or modifying the skiable terrain;
 - (b) carrying out avalanche prevention;
 - (c) operating snow making and snow grooming machinery;
 - (d) providing first aid and ski patrol services;
 - (e) providing search and rescue services;
 - (f) providing ski school services; and
 - (g) selling, hiring or servicing snow-sports equipment other than snow vehicles.
2. Manage, operate, maintain and repair the structures and facilities listed in the Schedule 4.1 table for the primary purposes listed in that table;
3. Use the eight-seater gondola cabins on the Coronet Express Telemix Chairlift;
4. Establish, operate, maintain and repair a “Snowfactory” snow-making facility;
5. Sell ski-lift tickets and operate the ski-lift equipment in order to provide access to the Land for summer and winter sports and recreational activities;
6. Sell food and beverages from within JSD’s Lodge (base building) café, Heidi’s Hut café and Ice Bar;
7. Use the al fresco dining area hatched in yellow and blue in Map 5 of Schedule 4 for the purposes of providing outdoor seating, tables and providing dining services to the public;
8. Provide guided walking/hiking, guided mountain-biking, guided sightseeing, guided photography and guided picnicking services within the skiable terrain as shown in Map 2 in Schedule 4³⁵;
9. Undertake helicopter operations to support health and safety work, search and rescue activities, avalanche management and to respond to medical emergencies;
10. Maintain and repair the 7 vehicle car-parks and their access-ways;
11. Undertake filming, including by drone, to promote the Concessionaire’s activities approved under this Concession.
12. In respect of the Easement Land, use the Easement Land and the existing easement structures and facilities located on or in the Easement Land for purposes connected with:
 - (a) storage and conveyance of water:

³⁴ Concession template document [DOC-6042468](#).

³⁵ [DOC-6042468](#).

- (b) drainage of sewage:
- (c) conveyance of electricity:
- (d) conveyance of telecommunications and computer media:
- (e) conveyance of gas (compressed air)
- (f) the passing and repassing with ski-lift cables, associated ski-lift chairs or gondolas and pylons.

13. Use vehicles where that use is necessary and directly connected with the activities listed in 1 to 7 and 9-12 above.

See structure and facilities (asset and infrastructure) table for activity types i.e. lease, licence, easement (Schedule 4.1).

Note: The Applicant’s Health and Safety Plan held by the Department has been deemed satisfactory for the Applicant’s current operations at Coronet Peak however, it will need to be updated to incorporate all new Concession Activities such as summer activities. A condition will be included in Item 15 of Schedule 1 of any concession (if granted) stating that *“Audited Safety Plan: Required. The Concessionaire must provide the Grantor with an audited safety plan within 6 months of the commencement of this Concession”*.

7.2 Special conditions relevant to this application:

Note: The proposed special conditions below have been adopted, in part, from the proposed conditions suggested by DOC technical and district office staff in section 6 (contributions) in this Report.

It is also considered appropriate pursuant to s.17ZC(3) to include a proposed special condition that allows the Minister to trigger a condition review and insert variations (unilaterally) if it is considered appropriate, thereby aligning a condition specifically to s.17ZC(3)(a). The rationale for this is that the concession is covering a multitude of different activity types and (if granted) would be for a long term. In addition, this concession (if granted) would result in new patterns of use and occupation since the arrangement will no longer be one of sole occupation by a single lessee. This change may lead to operational issues not previously encountered or contemplated. The draft special condition below is intended to respond to those emerging issues after consulting with the Concessionaire.

See proposed special condition 103 in section 7.2 in this Report worded as:

Review of Conditions

95. In addition to the express opportunities the Grantor has to review conditions elsewhere in this Concession, the Grantor may, on each Concession Fee Review Date, and after consulting with the Concessionaire, delete, vary or add any condition to more effectively manage the Concession Activity.

Table 3

| Item | Category | DOC Ecologist contributions from section 6 | District Office contributions from section 6 | Proposed Special Conditions in section 7.2 |
|------|--|--|--|---|
| A | Ecological survey and assessment of values | Suggested conditions 1-9 | Special conditions proposed 1-9 | 55-62 |
| B | Monitoring | Suggested conditions 1-4 | Special conditions proposed 10-13 | 71-72; Schedule 3A clauses 6 and 7 |
| C | Weed assessment and control | Suggested conditions 1-8 | Special conditions proposed 14-21 | 63-69 |
| D | Restoration/revegetation provisions | Suggested conditions 1-9 | Special conditions proposed 22-30 | 21-25; Schedule 3A clause 4 |
| E | Definition between “minor works”/maintenance + “major works”/new development | Suggested condition 1 | Special conditions proposed 31-32 | 16-20, 55-62 |
| F | New activity/development | Suggested conditions 1-5 | Special conditions proposed 33-37 | 16-20, 55-62 |
| G | Climate change considerations | Suggested conditions 1-5 | Special conditions proposed 38 | 70 |
| H | Cumulative effects | Suggested conditions 1-2 | Special conditions proposed 39-40 | 55-69 |
| I | Consideration of offsetting/ecological compensation | Suggested conditions 1-2 | Special conditions proposed 41-42 | 55-69 |
| J | Concession length | Suggested recommendation | No contribution received | Refer to discussion in section 7.3 in this Report |
| K | Pest animal assessment and control | Suggested conditions 1-7 | No contribution received | 63-69 |
| L | Other conditions | <ul style="list-style-type: none"> • Freshwater (structures in stream beds) • Sediment runoff • Trail Grooming • Rubbish | <ul style="list-style-type: none"> • Gondola cabins • Comprehensive audited health and safety plan • Operation of gondola cabins • Events • Filming (promotional) | See summary below |

Freshwater (structures in stream beds) – proposed special condition/s 26 (Remediation of works), 29 (Other consents, approvals and assessments), 55-62 (Ecological and landscape assessment), 116-117 (Terrain modification); clause 15 in Schedule 2 of any concession (if granted) (What are the compliance obligations of the Concessionaire?) – in particular clause 15.1(e).

Sediment runoff – proposed special conditions 10-11 (Control of surface runoff and silt); Schedule 3A, clause 5.

Trail Grooming – proposed special condition 113.

Rubbish – the Applicant is obliged, and this is reflected in conditions, that the land is kept in a clean and tidy condition at all times. Proposed special conditions 38-43 (Fuels, hazardous materials, chemicals and waste).

Gondola cabins (reflectivity/window glare) – refer to section 6.1.3 in this Report and proposed special condition 125.

Comprehensive audited health and safety plan – refer to note in section 7.1 in this Report. Requirement for audited safety plan to be included in Item 15 of Schedule 1 of any concession (if granted).

Operation of gondola cabins - refer to discussion on hours of operation in section 6.1.4 in this Report and proposed special condition 35.

Events - refer to discussion on hours of operation in section 6.1.4 in this Report and proposed special conditions 35, 51-52.

Filming (promotional) - refer to discussion on hours of operation in section 6.1.4 in this Report and proposed special condition 53.

SPECIAL CONDITIONS

Note: Schedule 3A is to be reviewed – refer clause 23 below.

ESTABLISHMENT OF THE “SNOWFACTORY” SNOWMAKING FACILITY AT CORONET PEAK RECREATION RESERVE

Prior to establishment of the Snowfactory snowmaking facility

1. Prior to establishment of the Snowfactory snowmaking facility (the **snowfactory**), the Concessionaire, at its cost, must:
 - (a) Mark on the ground with pegs an outline of the snowfactory for the Grantor’s inspection;
 - (b) Provide the Grantor with a final design of the snowfactory including details of outer cladding to mitigate the visual effect of the two shipping containers; and
 - (c) Confirm that the snowfactory will conform in all material respects with the designs provided by the Concessionaire in its concession application. In particular, that the facility will:

- i. Be comprised of 2 stacked 40-foot containers (footprint of approximately 31m²) placed upon approximately 67m² concrete foundations with an overall height of approximately 8.5m;
- ii. Demonstrate a high standard of structural design;
- iii. Be sympathetic to existing structures; and
- iv. Be constructed of non-reflective materials and painted using recessive colours approved by the Grantor.

Commencement of work

2. Establishment of the snowfactory as described in clause 1 in this Schedule 3 must not proceed until the Grantor:
 - (a) Has carried out a site inspection in accordance with clause 1(a) in this Schedule 3; and
 - (b) Has confirmed that the final design requested in clauses 1(b) and 1(c) in this Schedule 3 is satisfactory; and
 - (c) Has confirmed the timeline for the commencement and completion of the establishment works is satisfactory; and
 - (d) Has given written approval (email notification acceptable) to the Concessionaire that works to establish the snowfactory may commence.

Establishment of the snowfactory

Construction timeframes

3. The following construction timeframes must be complied with:
 - (a) All development and rehabilitation works associated with the snowfactory impacting the natural environment must be completed within five years of the commencement date of this Concession.
 - (b) If heavy machinery and equipment is to be used in establishing the snowfactory it is only allowed on the Land between the close of ski season and 30 April and any unfinished work must be stabilised to prevent soil erosion until works can recommence.
 - (c) Should the Concessionaire desire construction be staged, this should be completed within five years from the commencement date of this Concession, and the project plan is to account for remediation measures for unfinished works that may become redundant due to changing circumstances.

Contractor selection

4. The Concessionaire must ensure that only contractors with a demonstrated ability in alpine earthworks and native vegetation restoration are used to establish the snowfactory.

Hours of work

5. Establishment work associated with the snowfactory must only take place between 7am to 6pm Monday to Friday, and 7am to 5pm on Saturday. Work may only take place on

any Sunday, between the hours of 7am to 5pm, with the prior written approval of the Grantor, which must be sought in writing, no later 5pm on the previous Thursday, on a weekly basis.

Public access and safety

6. The Concessionaire must ensure the public is able to pass freely and safely through the Licence Land and Easement Land around the snowfactory, whenever reasonably possible.
7. While work is being carried out on the snowfactory the Concessionaire may temporarily limit public access to the extent necessary to avoid harm to the public, but only with prior written agreement of the Grantor. Suitable alternative access is to be provided.
8. The Concessionaire is to install signage for the duration of the snowfactory establishment works, at its expense, advising the public as to the nature of the work.

Vehicle and machinery access

9. While establishing the snowfactory the Concessionaire must ensure that:
 - (a) All machinery enters and exits work sites associated with the snowfactory from existing roads or ski trails, whichever is closer; and
 - (b) Machinery does not disturb terrain, other than as authorised in this Concession.

Control of surface runoff and silt

10. Suitable drainage, cut-outs and silt traps are to be installed to control new surface flows into lower areas of vegetation, wetlands and watercourses.
11. Where areas of surface or sub-surface drainage are unable to be avoided, suitable provision for maintaining their flow and quality is to be installed for instance by using coarse rock, geocloth, piping or silt traps.

Completion of snowfactory establishment works

12. All work associated with the establishment of the snowfactory must conform in all material respects with the approvals given by the Grantor under clause 2(b) in this Schedule 3.
13. The snowfactory must be constructed, and all establishment work (including re-vegetation) completed, within five years of the commencement date of this Concession.
14. The Concessionaire must advise the Grantor when all work to establish the snowfactory has been completed.

Post establishment of the snowfactory

Operation of the snowfactory

15. The snow created within the snowfactory can only be applied to the lower slopes of the skiable terrain only during the period 1 May to 15 October each year.

GENERAL CONDITIONS

Works

16. The Concessionaire (at its expense) must provide the Grantor with a forward-looking Annual Work Plan by 30th September annually. The Concessionaire will set out the following information in each Annual Work Plan:
 - (a) Any anticipated modifications to its existing structures, assets or facilities;
 - (b) Any new structures, assets or facilities it wishes to construct or add to the Land;
 - (c) Any terrain modification or other earth disturbance activities it proposes to undertake;
 - (d) Any changes in use of existing structures, assets or facilities or the way in which services are delivered;
 - (e) Any restoration, revegetation or preventative maintenance the Concessionaire wishes to perform;
 - (f) Any revegetation, remediation or reinstatement measures it is required to perform pursuant to this Concession or previous approvals of the Grantor; and
 - (g) The expected commencement and completion dates of all such works and the inception or termination dates of any changes to services or the usage of the structures, assets or facilities.
17. The Grantor may request that the Concessionaire provide additional information such as plans, drawings, diagrams and/or specifications, scopes of work and an assessment of the potential effects the anticipated works or changes may have in order for the Grantor to assess their scale and impact relative to the status quo.
18. The Concessionaire must not commence any such works or changes in use or services described in the Annual Work Plan unless or until the Grantor has given written approval for those works. The Grantor's approval may be subject to further conditions including changes to how, when and where the activities are carried out.
19. Where the Grantor forms the view that the works or activities described in the Annual Work Plan:
 - (a) Are not minor or technical and do materially increase the adverse effects of the Concession Activity; or
 - (b) Will result in a material change in the location of the activity,the Grantor will require the Concessionaire to seek a variation of the Concession under section 17ZC and that application will be dealt with as if it were an application for a concession.
20. Where work needs to be performed, or changes need to be made to services or uses that the Concessionaire could not reasonably anticipate when it submitted its Annual Work Plan, the Concessionaire may seek separate written approval from the Grantor

Restoration work

Re-vegetation protocol

21. Unless the Grantor stipulates otherwise, the Concessionaire must act in accordance with clauses 24 and 25 in this Schedule 3 and with the “*Protocol for the rehabilitation of natural alpine environments following ski area development*” attached as Schedule 3A whenever it undertakes work which involves disturbance of the soil or the vegetation on the Land. Compliance with the Protocol and clauses 24 and 25 in this Schedule 3 does not however eliminate the need to seek prior approval from the Grantor in accordance with clause 18 or³⁶ 20 in this Schedule 3.
22. If there is a conflict between clause 24 or 25 in this Schedule 3 and the Protocol in Schedule 3A, clauses 24 and 25 prevail.
23. The Concessionaire and the Grantor agree that the Protocol in Schedule 3A would benefit from a review. To achieve that end, they will appoint an independent contractor agreed to by both parties to review and update the Protocol within two years of the commencement date of this Concession. The cost of this review and any revision required will be shared by the parties. The Grantor, in the Grantor’s absolute discretion, may elect to review and amend the conditions of this Concession which deal with re-vegetation and vegetation removal or storage in light of the Protocol’s review.

Removal and storage of vegetation

24. The Concessionaire must comply with the following requirements whenever it undertakes activities which disturb the vegetation, including the works associated with the snowfactory:
 - (a) Vegetation is to be stripped and stored locally as construction progresses. It must be stripped and stored with enough surrounding soil and humus and in a manner that is likely to result in successful replanting and long-term survival.
 - (b) Stripping may be by machine or by hand, whichever will provide the best chance for success given the nature of the vegetation.
 - (c) Watering of vegetation material may be required, at the direction of the Grantor or its nominated independent monitor, to ensure its survival while stored.

Re-vegetation

25. When re-vegetating disturbed areas, the Concessionaire must comply with the following conditions:
 - (a) Vegetation is to be replanted using locally (within the Ecological District) sourced material, including that stripped and stored under clause 24(a) in this Schedule 3, as soon as possible following completion of works at individual sites such as individual tower sites or trenches. Follow-up maintenance of re-vegetated areas to enhance their chances of re-establishment must be undertaken prior to the end of the growing season;

³⁶ Added “18 or”.

- (b) Where there is sufficient plant material and humus to allow survival, stripped material can be split. To supplement re-vegetation works split material may also be sourced from other areas in the Coronet Peak ski area, provided it does not result in additional adverse ecological effects on the source areas;
- (c) Appropriate methods (e.g. laying of Geotextile cloth) as agreed to by the Grantor must be used to protect areas where there has been insufficient planting by May 1st to prevent sediment wash/erosion. These are to be removed before revegetation works continue in the following spring;
- (d) Plant spacing should be adequate to ensure revegetation of the site to a sufficient vegetation cover, with additional density detail as specified by the independent monitor on site;
- (e) Nursery reared plants from appropriate eco-sourced seed may be used where there is insufficient existing vegetation available for transplanting. The rearing and planting of any plants that are to be brought on site must be to the satisfaction of the Grantor;
- (f) The seed of appropriate native species sourced from the Coronet Peak Recreation Reserve or similar location (from within the Ecological District) should be broadcast to promote vegetation growth in the rock areas, between transplanted/planted tussocks and to assist revegetation of fellfield areas;
- (g) Where there has been insufficient replanting by May 1st, any exposed topsoil must be managed to avoid erosion losses until replanting can be restarted in the following spring; and
- (h) All disturbed areas that have existing vegetation cover are to be re-vegetated.

Remediation of works

- 26. Where the Grantor identifies any requirement for remediation following monitoring or inspection, the remediation is to be carried out as specified by the Grantor at the Concessionaire's expense.

Suspension of works

- 27. The Grantor, at its sole discretion, may require all works to be suspended until suitable remediation is completed.

Satisfactory completion of re-vegetation works

- 28. The Grantor will determine when and whether any re-vegetation works have been completed and/or carried out satisfactorily.

Other consents, approvals and assessments

- 29. This Concession does not replace, displace or supersede any other lawfully required consents, approvals and assessments from other agencies. This includes (but is not limited to) geotechnical, engineering, district and regional resource consents, and

building consents. Copies of these approvals are to be provided to the Grantor prior to works commencing.

In respect to Ngāi Tahu

30. The Concessionaire is requested to consult the relevant Papatipu Rūnanga if it wishes to use Ngāi Tahu cultural information. If the Concessionaire wishes to use the Tōpuni or statutory acknowledgement information contained in schedules 14-108 of the Ngāi Tahu Claims Settlement Act 1998, or any interpretative material produced by the Department of Conservation in respect to Ngāi Tahu cultural information, the Concessionaire is requested to notify the relevant Papatipu Rūnanga, as a matter of courtesy.
31. The Concessionaire must, as far as practicable, attend any workshops held by the Department of Conservation for the purpose of providing information to Concessionaires, which includes Ngāi Tahu values associated with Tōpuni areas.
32. The Concessionaire must ensure its employees are requested to recognise and provide for Ngāi Tahu values in the conduct of their activities.

Interpretation Materials and Cultural Values

33. If the Concessionaire intends to undertake any written interpretation materials (panels, brochures etc) that include Māori/iwi values of the area, then the Concessionaire is requested to contact the Papatipu Rūnanga and Te Rūnanga o Ngāi Tahu (as set out below):

Office of Te Rūnanga o Ngāi Tahu
PO Box 13 046
Christchurch 8141
Phone: 0800 524 8248
email: info@ngaitahu.iwi.nz

Accidental Discovery Protocol

34. The Concessionaire must take all reasonable care to avoid any archaeological values on the Land which includes (but is not limited to) historic sites and protected New Zealand objects on the Land. In the event that archaeological sites or other features with heritage values are found during any approved earth disturbance work on the Land:
 - (a) Work must cease immediately until further notice and advice must be sought from the Grantor;
 - (b) If it is an archaeological site as defined by the Heritage New Zealand Pouhere Taonga Act 2014 then Heritage New Zealand must be contacted and its advice sought;
 - (c) If it is an archaeological site relating to Māori activity then the Papatipu Rūnanga must be contacted and their advice sought;
 - (d) If it is an artefact as defined by the Protected Objects Act 1975 then the Ministry for Culture and Heritage must be notified within 28 days;
 - (e) If it is human remains the New Zealand Police should also be notified;

- (f) In the event of cessation of approved work because of discovery of potential historical artefact or archaeological site the Concessionaire must not recommence work until permitted to do so by the Grantor.

Hours and seasons of operation (constraints)

35. The Concessionaire is authorised to operate the Concession Activities as described in Item 2 of Schedule 1 unless otherwise constrained by the following:
- (a) Operating the ski-lifts and tows (including the gondolas) for customers to use during winter operations (1 May to 31 October) between 8:00am and 4:00pm on 4 or more days per week and between 8:00am and 9:00pm on up to 3 days per week (i.e. to enable night skiing);
 - (b) Applying snow from the snowfactory to the lower slopes of the skiable terrain only between 1 May and 15 October each year;
 - (c) Operating the snowmaking machines (other than the snowfactory) only during winter operations (1 May to 31 October);
 - (d) Operating the ski-lifts and tows (including the gondolas) for customers to use during summer operations (1 December to 30 April) between 8:00am until 6:30pm on 4 or more days per week and between 8:00am and 9:00pm on up to 3 days per week;
 - (e) Providing guided walking/hiking, guided mountain-biking, guided sightseeing, guided photography and guided picnicking services only during summer operations (1 December to 30 April) and between the hours of 8:00am until 6:30pm on up 4 or more days per week and between 8:00am and 9:00pm on up to 3 days per week;
 - (f) With regard to summer operations in 35(d) and (e) above, at least 3 days before the occurrence of any activities referred to in these clauses going beyond 6:30pm on 4 or more days per week, prior written approval (email will suffice) is required of the District Operations Manager, Wakatipu;
 - (g) For the avoidance of doubt, the operation of ski-lifts and tows (including the gondolas) for customer use must not occur during the month of November;
 - (h) Any variation to constraints in sub-clauses 35(a) to (g) above require the written approval of the Grantor.

Operation of plant, machinery and equipment

36. The Concessionaire must operate all plant, machinery (including snow tows) and equipment on the Land to required standards, codes of practice and legislative requirements. The Concessionaire shall, at the Grantor's request, provide the Grantor with documentary evidence of compliance with the said requirements.
37. Plant, machinery and equipment used in conducting the Concession Activity must be maintained at all times to prevent leakage of oil and other contaminants onto the Land.

Fuels, hazardous materials, chemicals and waste

38. Any waste or rubbish must be disposed of in an approved manner off the Land at a Council approved site. Waste held on the Land prior to its removal must be stored in a

manner so as to ensure it does not become a contaminant, is not blown by wind and does not present a potential hazard to wildlife.

39. At the completion of any approved works, the Concessionaire must promptly remove all construction-related waste and fill from the Land and dispose at a resource recovery centre, Council landfill or other authorised facility.
40. The Concessionaire must ensure that all site personnel are trained in hazardous material, waste and fuel handling and spill contingency and emergency procedures relevant to their areas of work.
41. The Concessionaire must ensure that all hazardous materials including paints, fuels and other chemicals are stored in a secure enclosed facility onsite, including the provision of any spill clean up kits used to contain and/or absorb all hazardous substances used in the Concession Activity.
42. The Concessionaire, wherever possible, must use clean fuels in preference to fossil fuels.
43. In the event of any hazardous substance spill the Concessionaire must:
 - (a) Take all practicable measures to stop the flow of the substances and prevent further contamination onto the Land or water;
 - (b) Immediately contain, collect and remove the hazardous substances and any contaminated material, and dispose of all such material in an appropriate manner / authorised facility;
 - (c) Notify the Grantor as soon as practicable;
 - (d) Undertake any remedial action to restore any damage to affected Land; and
 - (e) Take all measures to prevent any reoccurrence.

Third party operators (includes other Concessionaires)

44. The Concessionaire is taken to agree that the activities and infrastructure operated by the third parties and listed in Schedule 4.6 do not derogate in any material way from the Concessionaire's ability to carry out the Concession Activity and the Concessionaire acknowledges that those third parties possess or may apply for their own concessions in respect of those activities.

Signage

45. Clause 12.1 of Schedule 2 is amended to read:

12.1 The Concessionaire may erect or display any signs or advertising on the Lease Land and may erect or display any signs that relate to the safe and efficient operation of the activity on the Licence Land and Easement Land without the prior approval of the Grantor. At the expiry or termination of this Concession the Concessionaire must remove all signs and advertising material and make good any damage caused by the removal.

Public access, safety and education

46. The Concessionaire must clearly define, mark and control areas which it deems to be unsafe for the public on the Land, and take reasonable steps to educate paying visitors about the danger of skiing or going outside these areas.
47. The Concessionaire must take reasonable care to manage its own works, structures or landscaping on the Land to ensure that users of conservation land are not unreasonably impeded. In relation to those parts of the al fresco dining area (Map 5 in Schedule 4) which are part of the Licence Land rather than the Lease Land, the following conditions apply:
- (a) Public access to and through the area must not be unreasonably hindered by the Concessionaire's structures or fittings including its tables, chairs and other similar items.
 - (b) The Concessionaire must not conduct its activities in a manner that indicates to the public that they are excluded from that Licence Land but the Concessionaire may, with the Grantor's prior approval, temporarily limit access to the area when required for reasonable operational reasons, including but not limited to, complying with the Health and Safety at Work Act 2015 and the Sale and Supply of Liquor Act 2012.
48. Clause 14.6(d) of Schedule 2 is replaced with the following:
- (d) *Report to the Grantor all accidents involving a notifiable event reportable to WorkSafe in accordance with the Concessionaire's health and safety plan and applicable legislation; and*
 - (i) *Provide the report within 3 days of providing a report to WorkSafe; and*
 - (ii) *Provide to the Grantor at the Grantor's request any weekly or monthly reports generated by the Concessionaire and derived from the Concessionaire's accident reporting database.*
49. In order to comply with its obligations under the Health and Safety at Work Act 2015 to eliminate or minimise risks to health and safety so far as is reasonably practicable, the Concessionaire may, when undertaking activities such as slope safety, road safety, snow grooming and avalanche control work, control, limit or restrict public access to the specific area of the Land where the activity is to be carried out for a period not exceeding 2 days.
50. If the particular activity in clause 49 in this Schedule 3 will require more than 2 days or if the Concessionaire considers an extension beyond the period of 2 days is necessary, the Concessionaire must advise the Grantor of the time sought and the reasons for it and comply with any directions the Grantor may give concerning the matter.

Events

51. The Concessionaire is permitted to host and operate ski, snowboard and snowsport events on the Licence Land:
- (a) During winter operations (1 May to 31 October) and otherwise in accordance with the hours and seasons of operation (constraints) set out in clause 35 in this Schedule 3; and
 - (b) Subject to the Grantor having been notified at least 6 weeks in advance of the event.

52. For the avoidance of doubt, this Concession does not permit the Concessionaire to host or operate any other events other than those winter events provided for in clause 51 of this Schedule 3. Where the Concessionaire wishes to provide other such events on the Land a separate concession or variation to this Concession will be required since the scale, nature, adverse effects and the likely impacts on other users of the reserve are not understood at the time of granting this Concession. These approvals can be applied for on an annual basis for a series of events.

Filming

53. Promotional filming by the Concessionaire (including its agents and contractors) (including the use of drones) is allowable to the extent that it is for the purpose of promoting the activities which the Concessionaire is permitted to undertake under this Concession. For the avoidance of doubt, this does not include filming or photographing the activities for the purpose of creating a purchasable product (such as photograph or video pack) for the Concessionaire's customers. The Grantor's prior approval for any other filming such as marketing or commercial filming by, and for, any third parties is required separately (e.g. ski equipment brands, advertisements or television shows).

Freshwater pests

54. The Concessionaire must comply, and ensure its clients comply, with the Ministry for Primary Industry (MPI)'s "Check, Clean, Dry" cleaning methods to prevent the spread of didymo (*Didymosphenia geminata*) and other freshwater pests when moving between waterways. "Check, Clean, Dry" cleaning methods can be found at - <https://www.mpi.govt.nz/travel-and-recreation/outdoor-activities/check-clean-dry/>. The Concessionaire must regularly check this website and update their precautions accordingly.

Ecological and landscape assessment

55. The Concessionaire, at its expense and in consultation with the Grantor, will procure an ecological assessment (the **Ecological Assessment**) of the Land, no later than 18 months from the commencement date of this Concession.
56. A copy of the finalised Ecological Assessment report will be provided to the Grantor within 1 week of the final report being made available to the Concessionaire.
57. The Ecological Assessment will be undertaken by a qualified ecologist with experience in New Zealand alpine environments and whose credentials have first been provided to the Grantor and approved by the Grantor.
58. Following reasonable consultation with staff from the Department of Conservation the approved ecologist will design and conduct the Ecological Assessment.
59. The Ecological Assessment will be performed at a time (or times) during the year which offer the best opportunity to observe and record ecology which might otherwise be absent, dormant or less evident if the assessment was conducted at another time of the year.
60. The Ecological Assessment will describe, map and provide detailed commentary on the following matters:
- (a) the vegetation and habitat types present and their relative composition, diversity and patterns;

- (b) the presence, abundance and distribution of notable fauna (particularly avifauna and lizards); and
 - (c) climatic features and trends, in particular, the number of frost nights and peak summer temperatures.
61. The Ecological Assessment will be performed in accordance with the usual professional standards expected of a qualified ecologist and will be undertaken with reference to the best and most current ecological assessment criteria such as:
- (a) the local, regional and national contexts relevant to the location;
 - (b) representativeness;
 - (c) diversity and pattern;
 - (d) the presence of any rare or special features;
 - (e) degree of naturalness;
 - (f) size and shape of the site and the buffering provided by the surrounding environment; and
 - (g) long-term ecological viability and any threats to the existing ecology from plant, animal or climatic sources.
62. The Concessionaire will procure follow-up Ecological Assessments in the year prior to the 10th, 20th and 30th anniversaries of the grant of this Concession. The follow-up Ecological Assessments will also meet the requirements of clauses 55 to 61 in this Schedule 3 as well as highlighting any ecological or climatic changes that have occurred in the intervening years.

Plant pest and animal pest management (including mitigation)

63. The Concessionaire must ensure that:
- (a) Machinery and equipment entering the Land is cleaned and checked for soil that could contain seeds or exotic plants, and take all practicable steps to avoid the introduction of exotic seeds or plants;
 - (b) No imported soil is brought onto the Land. Where the Concessionaire plans to deposit soil over the surface of any newly contoured slopes or batters, this soil must be from the Concession Activity work area;
 - (c) No soil is to be moved upslope from lower areas (to prevent the further spread of weeds); and
 - (d) Any exotic plant species which are introduced through the course of any works are to be removed.
64. Clauses 9.2 and 9.4 of Schedule 2 require the Concessionaire to keep the Land free of any weeds or organisms listed as pests in the relevant pest management strategy. To provide clarity as to which pests will be targeted and how they will be effectively managed the Concessionaire will procure a pest control plan (the **Pest Control Plan**).
65. The first iteration of the Pest Control Plan must be produced by within 2 years of the commencement date of this Concession and must be updated every 2 years thereafter. The Concessionaire must provide the Grantor with copies of all iterations of the Pest Control Plan.
66. The Pest Control Plan will be developed by a qualified ecologist (or ecologists) with experience in pest identification and management within the New Zealand alpine

environment. The Concessionaire will provide the ecologist's name(s) and credentials to the Grantor for the Grantor's prior approval.

67. Following reasonable consultation with staff from the Department of Conservation the approved ecologist(s) will:
- (a) Assess and describe all plant pest and animal pest species present on the Land, including their abundance and distribution;
 - (b) Provide an expert assessment as to which species are of conservation concern at this location;
 - (c) Develop a detailed control plan for those pests deemed to be of conservation concern;
 - (d) Describe the methods that ought to be employed to control the pests of conservation concern;
 - (e) Describe the monitoring methods to be used to assess the effectiveness of any control measures;
 - (f) Provide a statement as to the expected outcomes assuming the plan is correctly implemented; and
 - (g) Report on the effectiveness or otherwise of the pest control measures implemented by the Concessionaire.
 - (h) Document the items (a) to (g) above in a report.
68. The Concessionaire will ensure that the ecologist(s) tasked with developing the Pest Control Plan undertake their fieldwork at a biologically appropriate time or times of the year.
69. The Concessionaire (at its expense) must ensure that the recommendations of the Pest Control Plan are implemented by the Concessionaire.

Climate Change Considerations³⁷

70. The Concessionaire acknowledges that the Grantor and the Department of Conservation are reviewing their obligations under the Climate Change Response Act 2002 and developing responses to address greenhouse gas emissions from activities conducted on public conservation land and waters. The reviews are likely to result in policies which seek to measure, manage and reduce greenhouse gas emissions from Concession Activities. The Grantor wishes to signal to the Concessionaire that new concession conditions related to both climate change mitigation and adaptation may be imposed during the life of this Concession to address greenhouse gas emissions associated with the Concession Activity.
71. If the Grantor requests data relating to greenhouse gas emissions associated with the Concession Activity, the Concessionaire must provide any relevant data that is reasonably available to it within 6 months of the Grantor's request.
72. The Concessionaire will, at its expense and in consultation with the Grantor, procure a carbon emission assessment (the **Carbon Emission Assessment**) relating to

³⁷ NZSki commented on revised climate change conditions - refer to section 8 (Applicant's Comments) in this Report.

greenhouse gas emissions associated with the Concession Activity within 1 year of the commencement³⁸ of this Concession.

73. The Carbon Emissions Assessment must, as a minimum:
- (a) be prepared by a qualified consultant with relevant skills and experience and whose credentials have first been provided to the Grantor and approved by the Grantor;
 - (b) clearly identify the sources of greenhouse gas emissions associated with the Concession Activity and quantify the amounts from each source;
 - (c) recommend a comprehensive set of remedial actions to reduce greenhouse gas emissions associated with the Concession Activity; and
 - (d) quantify the anticipated greenhouse gas reductions associated with each remedial action and the timeframes over which those reductions would be experienced.
74. The Concessionaire will provide a copy of the Carbon Emission Assessment to the Grantor within 1 week of the final version being received by the Concessionaire. The Concessionaire will also provide annual updates on the Concessionaire's performance against the recommendations in the report and actions taken. These annual updates do not need to be performed by a qualified expert and are intended to provide interim data between the 3-yearly Carbon Emission Assessments required under clause 75.
75. Further to clause 72, the Concessionaire will, at its expense, procure follow-up Carbon Emission Assessments within 3 years of the commencement date of this Concession (and every 3 years thereafter). Those subsequent Carbon Emission Assessments will conform with the requirements of clause 73 as well as report on the extent to which the Concessionaire has implemented the recommendations contained in previous assessments.
76. The Grantor may review and amend the conditions of this Concession (Revised Conditions) to:
- (i) reflect climate change-related legislation and Government or Departmental policy; and/or
 - (j) give effect to the recommendations contained in the Carbon Emission Assessments; and/or
 - (k) measure, manage and set targets for reducing greenhouse gas emissions associated with the Concession Activity which align with Government and/or Departmental policy.
77. Before amending the conditions of this Concession in accordance with clause 76, the Grantor will provide the Concessionaire the draft Revised Conditions. The Concessionaire may provide written comments on those draft Revised Conditions within 60 days. The Grantor must take into account any comments received from the Concessionaire on the Revised Conditions before finalising the Revised Conditions.
78. The Revised Conditions will apply to the Concession Activity 4 months after the Grantor has notified the Concessionaire of the Revised Conditions in accordance with clause 77 or any later date specified in the Revised Conditions.

³⁸ "Start Date" replaced with "commencement".

Monitoring and compliance

79. Further to clause 7 of Schedule 2, if the Grantor determines that it is reasonable to monitor compliance with the conditions of this Concession or the effects of Concession Activity the Concessionaire shall meet the reasonable costs of any monitoring programme that is implemented. Where the monitoring programme involves assessing other concessionaires who use the same locations then the Grantor may apportion the costs among the relevant concessionaires. These costs will be set in accordance with the Department's standard charge-out rates for staff time and the mileage rates for associated vehicle use.
80. Further to clause 15.1(e) of Schedule 2, the Concessionaire may, from time-to-time, be required by the Grantor to provide documentary evidence of compliance with the conditions of this Concession. Such requests will be made in writing. Where a request is received the Concessionaire must provide the requested documentation to the Grantor within thirty (30) days of the date of receiving any such written notice or any such alternative period agreed to by the Grantor and the Concessionaire.

Potable water

81. Where the Concessionaire provides drinking water to users of the Coronet Peak Recreation Reserve, including but not limited to, members of the public, its contractors, staff or third parties, the Concessionaire must take all necessary steps to ensure the supply meets regulatory standards and will meet the costs associated with any upgrades that may be necessary in order to comply with drinking water legislation.
82. The Concessionaire will co-operate fully with the Grantor's representatives with regard to sharing information and liaising with regulators in respect of any drinking water supplies.
83. For the purposes of this Concession "drinking water" means water used for:
- (a) Human consumption;
 - (b) Oral hygiene;
 - (c) Preparation of food, drink and other products for human consumption; or
 - (d) Washing of utensils that are used for eating and drinking, or for preparing, serving or storing food or drink for human consumption.
84. The Concessionaire must ensure that its drinking water supplies are registered in accordance with any relevant drinking water legislation. The potable water supply system as at the date of this Concession is described in Schedule 4.4.

Other

85. In the event that the Grantor's buildings, structure or facilities are damaged or destroyed as a result of the Concessionaire's actions or omissions the Grantor may:
- (a) Require the Concessionaire to repair or replace any such damaged or destroyed building, structure or facility: or
 - (b) Demand from the Concessionaire a sum or sums equivalent to the full cost of repairing or replacing the damaged or destroyed buildings, structures or

facilities.

86. Further to clause 9.1 of Schedule 2, the Grantor permits the use of contained and purpose-built fireplaces located on the deck of JSD's Lodge (Base Building) identified as figure 13 in Schedule 4.1 and Maps 2 and 5 in Schedule 4.

Calculation of Concession Fees based on Gross Annual Revenue

87. Clauses 89 to 101 of this Schedule 3 apply whenever the Concession Activity Fee is calculated as a percentage of the Concessionaire's Gross Annual Revenue.

88. For the purposes of this Concession:

(a) The phrase **Gross Annual Revenue** means the entire gross receipts of every kind from the conduct of the Concession Activity during each Concession Year, or part of a Concession Year (if relevant), without any reserve or deduction for inability or failure to collect, but excluding bona fide refunds and credits and Goods and Services Tax;

(b) The **Statement of Gross Annual Revenue** is comprised of the following items:

- i. A set of audited financial accounts for the Concession Year just gone (or part-year if relevant); and
- ii. A statement signed by the Concessionaire as to the Concessionaire's Gross Annual Revenue for the Concession Year (or part-year if relevant) in which the revenue streams are clearly delineated by activity type; and
- iii. A statement signed by the Concessionaire setting out how many people have used the Concessionaire's various services and facilities each month during the Concession Year (or part-year if relevant) just gone.

(c) The **Concession Year** runs from 1 December to 30 November.

89. Anyone conducting commercial activities within the Coronet Peak Recreation Reserve must hold a concession or other authorisation to do so. This Concession is personal to the Concessionaire. Clause 8 and the co-siting provisions of Schedule 2 make it clear that third parties must not operate on the Concessionaire's behalf unless they have been given express permission to do so by the Grantor.

90. Notwithstanding clause 8.1 of Schedule 2, the Grantor acknowledges that the Concessionaire will, from time-to-time, rely on third parties to construct, maintain or service facilities and structures which the Concessionaire owns and operates. To the extent that the third party is providing the services to the Concessionaire and is not itself offering services to the public or other parties then the Grantor may treat that third party service provider as a contractor or agent of the Concessionaire's.

91. Where the Grantor gives the Concessionaire prior notice, the Concessionaire must provide the Grantor with information regarding all such service providers. The information will include:

(a) The names of the service providers;

- (b) A clear description of the nature of the services performed by each provider;
- (c) The duration and frequency of those services and their value; and

this information must, unless otherwise stipulated, be supplied to the Grantor on the same date as the Statement of Gross Annual Revenue falls due.

92. Where the Grantor forms the view that a third party service provider is itself providing commercial services to the public or that the arrangement is being used to circumvent the calculation of the Concessionaire's own gross revenue then the Grantor may review and amend the conditions of this Concession and/or require the third party to seek its own concession. These options are in addition to the enforcement rights and powers available to the Grantor under the Reserves Act 1977 and the Conservation Act 1987.
93. By way of examples only, the following arrangements are likely to result in the Grantor taking the actions described in clause 92 in this Schedule 3:
- (a) Where a third party sells food or beverage from the Concessionaire's café and the revenue obtained from those sales is not accounted for in the Concessionaire's own Gross Annual Revenue calculations.
 - (b) Where a third party sells lift passes, seasons' passes or multi-field passes that enable people to use the Concessionaire's structures or facilities and the revenue obtained from those sales is not accounted for in the Concessionaire's own Gross Annual Revenue calculations.
 - (c) Where a third party provides guided sightseeing, ski-school, bike hire or similar services and the revenue obtained from providing those services is not accounted for in the Concessionaire's own Gross Annual Revenue calculations.
94. For the avoidance of doubt, where the Concessionaire sells lift passes, seasons' passes, guiding services or other services permitted by this Concession and the sales take place in a location other than on the Land those sales must also be included in the Concessionaire's own Gross Annual Revenue calculations. In this way, internet sales, or the sale of tourism packages by the Concessionaire which incorporate use of the Concessionaire's structures, facilities or services on the Land must be accounted for.
95. Further to clause 6 of Schedule 2, when reviewing the Concession Fee the Grantor may adopt a different rent setting formula in order to achieve market value for the Concession Activity and the Grantor is not confined to altering the gross revenue percentage.

Records, books and Statements of Gross Annual Revenue

96. The Concessionaire must maintain full and accurate books of accounts and records from which Gross Annual Revenue, in respect of each Concession Year or part-year (where relevant), can be ascertained. The Concessionaire must issue to, or record in respect of, each customer a receipt of serially numbered sales slip or cash register record for each transaction.
97. The Concessionaire must keep and preserve on its premises on the Land for at least one year after the end of each Concession Year or part-year (where relevant) all sales slips, dockets, cash register tapes, hire purchase agreements, bank deposit records, tax returns

(including Goods and Services Tax returns) and other evidence of Gross Annual Revenue for each year.

98. In accordance with section 17ZB of the Conservation Act 1987 the Grantor may require the Concessionaire to produce a complete statement of audited financial accounts and other relevant information, including those items referred to in clause 97 above, in order to verify any rent, fees, royalties, compensation or bond.

99. If, having reviewed the Concessionaire's financial documentation, the Grantor establishes that the Concessionaire has under-reported its Gross Annual Revenue the Grantor may, in addition to using the Grantor's enforcement powers, give notice to the Concessionaire that the Concessionaire must pay the adjusted amount and the Concessionaire will pay the Grantor in accordance with any such instructions or timeframes as the Grantor may reasonably impose.

100. Not later than 2 months after the end of each Concession Year, or part-year (in the case of the first year and final year), the Concessionaire will provide the Grantor with the Statement of Gross Annual Revenue for that Concession Year or part-year (if relevant) in order that the Grantor may prepare an invoice in respect of the Concession Activity Fee for the relevant Concession Year or part-year. The statement should conform in material respects to that shown in **Schedule 6**.

101. The Concessionaire will pay the Concession Activity Fee on or before the payment date specified in the Grantor's invoice.

Surrender of Concessions

102. The Concessionaire and the Grantor agree that upon commencement of this Concession all other Concessions issued to the Concessionaire, NZSki Limited, in respect of the Coronet Peak Recreation Reserve are surrendered save for concession 91305-SSE (the summertime events concession) issued on 22 December 2020. The surrenders do not release the Concessionaire from any obligations which, by their nature, survive termination, including the obligation to pay rent for periods covered by those Concessions³⁹.

Review of Conditions

103. In addition to the express opportunities the Grantor has to review conditions elsewhere in this Concession, the Grantor may, on each Concession Fee Review Date, and after consulting with the Concessionaire, delete, vary or add any condition to more effectively manage the Concession Activity.

LEASE - SPECIFIC CONDITIONS

Lease area

104. The Lease Land under this Concession is described in Item 1 of Schedule 1.

³⁹ Sentence beginning "The surrenders do not release..." added.

Structures and facilities

105. The Concessionaire must (at its cost) operate, maintain and repair buildings, equipment sheds, utility huts, lift infrastructure and other similar devices and apparatus on the Land to relevant industry standards or codes of practice and in accordance with the Legislation. The Concessionaire must, at the Grantor's request, provide the Grantor with documentary evidence of compliance with this condition.

Maintenance

106. The Concessionaire is authorised to perform the following maintenance work under this Concession on the Land:

- (a) Ongoing interior maintenance and interior modification of any building;
- (b) The exterior maintenance of any building, stationary plant item or structure on the Land where such maintenance does not alter the external appearance of that building or structure, and where consent from the Grantor is not otherwise required under this Concession.

Use of toilet facilities by public⁴⁰

107. During the Concession Activities in Item 2 of Schedule 1 the Concessionaire must make available to the public, free of charge, toilet facilities located in any of the Concessionaire's buildings on the Land.

LICENCE - SPECIFIC CONDITIONS

Licence area

108. The Licence Land is described in Item 1 of Schedule 1.

Main ski field area (skiable terrain)

109. The Concessionaire must (at its cost) operate and maintain the main ski field area (skiable terrain) on the Land to relevant industry standards or codes of practice and in accordance with the Legislation. The Concessionaire must at the Grantor's request, provide the Grantor with documentary evidence of compliance with this condition.

Vehicle parks and access-ways

110. The Concessionaire must, at its cost, form, maintain and repair the:

- (a) 7 vehicle carparks [carparks 1 through 7] as shown on Maps 2 and 6⁴¹ in Schedule 4; and

⁴⁰ Use of toilets in Guiding Permit 94735-GUI to read "During the Concession Activities in Item 2 of Schedule 1 the Concessionaire must make available toilet facilities located in any of the Concessionaire's buildings on the Land."

⁴¹ Added Map 6 to Map 2. Map 6 to be included in Concession 74167-SKI referencing Appendices 2 & 3 in this Report, that show approximate location of car parks 1-7.

(b) Access-ways as shown on Maps 2, 4 and 6⁴² in Schedule 4;

and, subject to the Concessionaire first obtaining the Grantor's written approval via the Annual Work Plan⁴³ process (refer clauses 16 to 20 in this Schedule 3), the Concessionaire may erect, build or form, maintain and repair such bridges, culverts, channels, drains, fences, , safety barriers, stops and other like works as may be necessary to ensure the safe and efficient use of those areas listed above. The Grantor's prior written approval is not required for routine maintenance.

Snow-making and grooming

111. The Concessionaire is permitted to use *Snomax*[®] and other comparable, non-contaminating, products for snow-making purposes but must follow the manufacturer's instructions when doing so.
112. The snowfactory must only operate between 1 May and 15 October each year (inclusive) and the snow created by the snowfactory may only be applied to the lower slopes of the skiable terrain.
113. The Concessionaire may undertake snow-grooming activities, provided that this causes minimal adverse effects to natural values on the Land.

Use of explosives

114. The Concessionaire may use explosives to reduce avalanche risks.
115. The Concessionaire's safety plan (refer to clause 14 of Schedule 2) must address risks associated with all explosives activities and include means to avoid, remedy or minimise adverse effects. The Concessionaire must ensure that explosive charges are placed so there is minimal potential for adverse effects to be caused to natural features and wildlife present on the Land.

Terrain modification

116. All new terrain modification must be approved and performed in accordance with the Annual Work Plan requirements set out in clauses 16 to 20 in this Schedule 3. However, the Concessionaire may maintain, in the same or similar condition, the existing ski trails depicted on Schedule 4.5, and the existing mountain bike trails listed in clause 118(a) in this Schedule 3.
117. The Concessionaire may maintain any existing culvert or other runoff water control structure on the Land. The establishment of new culverts or other control structures must be sought via the Annual Work Plan approval process (refer clauses 16 to 20 in this Schedule 3).

⁴² Added Maps 4 and 6 to Map 2. Map 6 to be included in Concession 74167-SKI referencing Appendices 2 & 3 in this Report, that show approximate location of access-ways.

⁴³ Amended "Annual Work Plan" to capital letters.

GUIDING PERMIT [ACTIVITIES] - SPECIFIC CONDITIONS⁴⁴

Guiding numbers and frequency

118. The Concessionaire may undertake the following types of guiding upon the Land:

- (a) Guided mountain-biking on the following mountain bike trails only:
 - (i) Rude Rock;
 - (ii) Coro Town (also known as Slip Saddle);
 - (iii) Downhill Track (also known as Coronet Downhill, DH trail or, Fall Line);
 - (iv) Cross Country Track (also known as Coronet Cross Country, XC trail or, Rocky Gully);
 - (v) Championship CC Track (also known as Meadows);
- (b) Guided picnicking;
- (c) Guided sightseeing;
- (d) Guided walking/hiking; and
- (e) Guided photography.

119. Irrespective of which category or categories of guiding the Concessionaire undertakes (clause 118 in this Schedule 3) the following limits will apply:

- (a) The maximum party size for each group, including the guide or guides, is 15 persons;
- (b) The minimum number of guides per group is 1;
- (c) There can be no more than 2 groups per day;
- (d) At least 1 guide must remain with the group throughout the guiding activity;
- (e) Motorised vehicles (including drones and helicopters)⁴⁵, save for the ski-lifts, must not be used to support the guiding activities except in emergencies however, motorised vehicles, excluding drones or helicopters, may be used to deliver clients to the existing carparks located on the Land⁴⁶; and
- (f) The months of the year and hours of operation are restricted to 1 December to 30 April and between the hours of 8:00am until 6:30pm on up to 4 or more days per week and between 8:00am and 9:00pm on up to 3 days per week. Variations to those dates and hours requires the prior written approval of the Grantor.
- (g) Activities which are not genuinely ancillary to the guiding are not permitted unless they are explicitly authorised by the Grantor under a separate concession.⁴⁷
- (h) Caches of equipment must not be placed on the Land unless express permission has been given in advance by the Grantor.⁴⁸
- (i) Where food and beverages are to be supplied to the clients the cooking/serving equipment, food or beverages must not be carried by the guides or their client

⁴⁴ These Guiding Permit specific conditions included in 94735-GUI.

⁴⁵ Addition of words “...(including drones and helicopters)...”

⁴⁶ Addition of words “...however, motorised vehicles, excluding drones or helicopters, may be used to deliver clients to the existing carparks located on the Land.”

⁴⁷ Inclusion of 119(g).

⁴⁸ Inclusion of 119(h).

unless the Grantor has given express permission to deliver those items independently of the group.⁴⁹

EASEMENT - SPECIFIC CONDITIONS

Easement classes and easement facilities

120. The following classes of easement are created by this Concession:

- (a) Right to convey water over those parts of the Easement Land marked in “green” on Map 3 in Schedule 4;
- (b) Right to drain sewage over those parts of the Easement Land shown in legend as wastewater pipelines (marked as a “black line”) and identified as wastewater dispersal area on Maps 2 and 4 in Schedule 4;
- (c) Right of way over those parts of the Easement Land marked in “black dashed line” on Maps 2 and 3 in Schedule 4;
- (d) Right to convey electricity over those parts of the Easement Land marked in “blue” on Map 3 in Schedule 4;
- (e) Right to convey telecommunications over those parts of the Easement Land marked in “orange” on Map 3 in Schedule 4; and
- (f) Right to convey gas over those parts of the Easement Land marked in “green” on Map 3 in Schedule 4.

121. For the purposes of this Concession, the phrase “easement facilities” means all those existing structures, facilities, plant or equipment owned or operated by the Concessionaire located upon the Easement Land and is depicted or described in Maps 3, 3.1 and 4 of Schedule 4 and in Schedules 4.1, 4.2, 4.3 and 4.4 including, for the avoidance of doubt, the following elements:

- (a) the water tanks and water reticulation equipment;
- (b) snowmaking and snow pumping equipment including the equipment that transmits compressed air;
- (c) the ski-lift pylons, lift cables, ski-lift chairs and gondola cabins;
- (d) the sewage pipes including those comprising the sewage dispersal field;
- (e) The 380 KVA diesel powered back-up generator; and
- (f) The voice over internet protocol telecommunication system which operates via the underground fibre cable network, a simplified schematic of which is contained in Schedule 4.3.

122. The Concessionaire must (at its cost) operate, maintain and repair the easement facilities in accordance with accepted industry standards and with the Legislation. The Concessionaire must, at the Grantor’s request, provide the Grantor with documentary evidence of compliance with the said requirements.

General

⁴⁹ Inclusion of 119(i).

123. The rights and powers implied in easements under Schedule 5 of the Land Transfer Regulations 2018 are varied as follows:

- (a) All references to the “grantee” are deemed to mean the Concessionaire.
- (b) Clause 1 of Schedule 5 is amended by adding the words “in Schedule 4” after the words “on the plans” in paragraph (a) of the interpretation of “**easement area**”
- (c) Clause 1 is amended by deleting (d) of the interpretation of “**easement facility**”
- (d) Clause 4 (Right to drain water) is not relevant to this Concession and is deleted.
- (e) Clause 11(2) is deleted and clause 11(4) is amended by deleting the reference to (2).
- (f) Clauses 13 and 14 are deleted.

124. For ease of reference, Schedule 5 of this Concession contains a reproduction of Schedule 5 of the Land Transfer Regulations 2018 together with the amendments described in clause 123 above.

Gondola Cabins

125. If the Grantor determines that the reflection of light from the gondola cabins’ polycarbonate windows is causing an adverse effect the Concessionaire, at its expense, will attach anti-reflective film (or equivalent) to the polycarbonate windows to minimise this effect.

SCHEDULE 3A

PROTOCOL FOR THE REHABILITATION OF NATURAL ALPINE ENVIRONMENTS FOLLOWING SKI AREA DEVELOPMENT

Between

DEPARTMENT OF CONSERVATION (“DOC”) and NZSKI LIMITED

1. Introduction

The protocol sets out practical means of achieving a high standard of environmental rehabilitation during and following development works at either Coronet Peak or The Remarkables Ski Areas. NZSki Limited will require its staff and contractors to act in accordance with the protocol.

The scope includes any work that results in any environmental disturbance including (not limited to) the indigenous vegetation, native fauna, soil, wetlands, streams, lakes and natural landforms of the ski area. Works may only be exempted from the protocol with prior agreement from DOC.

DOC staff will conduct regular monitoring to observe progress and assess effectiveness of the measures. This will include providing advice, troubleshooting unexpected problems, adjusting management approaches and, if necessary, require corrective action to ensure the objectives of the protocol are met.

2. Objectives of the protocol

To ensure that during the course of ski area developments there is a minimum of interference with the natural environment, and avoidance of disturbance to areas outside approved work areas;

To ensure that any indigenous vegetation disturbed by development is restored as near as possible to its original density and diversity, within the shortest practical timeframe;

To minimise the erosion and sedimentation of exposed soils (and soil among transplanted vegetation), optimising the longer term regeneration of indigenous vegetation through natural dispersal;

To otherwise replicate a high standard of natural appearance to any ground not occupied by permanent structures or required to regularly bear mechanised traffic; and
To establish a clear understanding between the staff and contractors of both the Department of Conservation (DOC) and NZSki Limited on the required standards for:

- Work site control measures;
- Removal and replacement of vegetation and top soil;
- Management of soil erosion and sediment control;
- Ongoing monitoring and maintenance of rehabilitated areas;
- Contracted monitoring; and
- DOC's ability to suspend works.

3. Work Site control measures:

- a. Only machinery operators with a demonstrated ability in low impact earthworks and vegetation rehabilitation in an alpine setting are to undertake construction;
- b. Prior to works NZSki Limited shall ensure that a briefing occurs between its staff, contractors and DOC to ensure a common understanding of how works will be conducted;
- c. NZSki Limited must minimise disturbing non target areas when accessing and working within development sites. If machinery is required to move off existing tracks the least damaging route must be used and any disturbed vegetation must be rehabilitated when works are completed;
- d. The risk of soil erosion over denuded areas must be carefully managed until rehabilitation works are undertaken and soil is no longer exposed;
- e. Works must be conducted to ensure no contaminants are discharged onto the land or into watercourses (directly or indirectly). All vehicles, machinery, equipment and aggregate material must be cleaned of weeds, seeds and soils before entering the works area. Refuelling must be undertaken on hard surfaces away from watercourses and vegetation.
- f. Sensitive natural features including streams, wetlands, tarns, lakes and rare habitats are not to be disturbed, either for development works or access to development sites. Where disturbance is unavoidable prior approval must be sought and additional environmental protection measures may be required;

- g. All development and rehabilitation works impacting the natural environment must be completed by the 1st May. Any unfinished work must be stabilised to prevent soil erosion until works can recommence.

4. Removal and replacement of vegetation and top soil:

- a. Vegetation must be carefully removed in a manner to minimise damage to both the above ground plant and to protect as much soil material around the roots as possible;
- b. The remaining topsoil must also be removed before excavation of rock material may commence. If not used quickly with the replanting of vegetation this topsoil may be stockpiled for later use;
- c. All vegetation removed should be quickly replanted into areas where works have already been completed. This will usually occur through progressive reinstatement on completed formations behind the main work “face”;
- d. Priority for replanting shall be given to areas prone to erosion;
- e. Individual plants or clumps of vegetated material (“sod”) shall be reinstated by careful use of a digger bucket. Spacing should be no greater than 1 metre, unless directed otherwise by DOC.
- f. Final positioning of transplanted vegetation and sods should be conducted by hand tools, with top soil packed around each plant or sod to maximise survivorship and to achieve a result that closely resembles the surrounding natural areas;
- g. When transplanted plants and sods are insufficient to cover the disturbed area additional vegetation may be sourced through splitting indigenous vegetation from adjacent areas. This should only be done where there is sufficient plant and humic material to allow survival of both ‘parent’ and ‘split’ plants.
- h. Nursery reared plants (usually tussocks) may also be used to supplement transplanted vegetation and sods. Only locally sourced seeds may be used to grow plants for the ski area. Nursery reared plants are susceptible to rapid die off and browsing and must be handled carefully as follows:
 - Fertiliser is to be placed in the root well prior to planting;
 - Plants must be well bedded to lessen risk of uprooting by feral animals; and
 - Plants may be treated with suitable chemicals to deter browsing by feral animals.
- i. Locally sourced seed of appropriate species may be broadcast to promote vegetation growth between transplanted vegetation and sods. Exotic seeds may be spread only with prior approval;
- j. Special care must be taken when replanting on steep slopes between 30 and 45 degrees:

- Plants should be transplanted quickly, steep slopes require plants to be in the healthiest possible condition;
 - Indented troughs or depressions should be formed to create “bedding” for the tussocks or sods to be transplanted. Replanting should not occur on sheer surfaces;
 - Replanting should be as close together as practical, leaving little exposed ground;
 - Large heavy plants and sods should be staked for support where possible;
 - Steep slopes should be closely monitored and any plants or sods released from the slope quickly retrieved, split into smaller, lighter clumps and replanted back into the slope as described above;
 - Consideration should be provided to planting small nursery reared plants where possible;
 - Attempts at replanting vegetation on slopes steeper than 45 degrees should only proceed with prior approval;
- k. The vegetation removed at one site may be used at another development site within the ski area only with prior approval;
- l. If no areas are available for a quick reinstatement, vegetation may be temporarily stored in designated areas with prior agreement;
- All handling of vegetation for longer term storage must be done with great care to minimise cumulative damage to plants;
 - Vegetation may only be stockpiled up to one metre high to avoid die off resulting from smothering and crushing; and
 - All vegetation temporarily stored must be watered when protracted dry conditions may impact on survivorship.
- m. If NZSki Limited expects to have a surplus of vegetation and/or topsoil at the end of works, this must be replanted /spread over other areas of rehabilitation, under direction from DOC.
- n. Any surplus rock material must not be stockpiled and/or spread over nearby terrain without prior approval.
- o. NZSki Limited will actively eradicate any noxious weeds from all development and rehabilitation areas; and
- p. No rock landscaping may be used as a substitute for vegetation unless by prior agreement.

5. Management of soil erosion and sediment control

- a. The surface of vehicle tracks, formed ski trails and any other disturbed ground without a cover of indigenous vegetation will be managed to improve water infiltration, minimise rilling and sheet erosion, reduce suspension of sediment and provide micro sites for wind borne seed to settle. Control measures include;

- shaping / crowning the surface;
 - applying an appropriate gravel surface in problem areas;
 - forming of earth, rock or vegetation bunds;
 - Ripping or roughening soils perpendicular to the slope angle; and
 - Constructing water tables/swale drains to intercept and divert surface flows.
- b. Where the slope angle exceeds 30 degrees natural features such as rocks could be incorporated into the slope where this lends to the stability of the site; this would require prior approval from DOC and potentially the support of geotechnical experts. This solution would be considered on a site by site basis.
- c. Water tables/swales must have a catchment area no greater than 2,000m². Ski trails must have functioning swales no less than 60m apart. All water tables/swales must be clear of sediment and able to convey water.
- d. Water tables and swales must lead to an appropriately designed and armoured settlement pond to capture sediment so only clear water disperses into the surrounding landscape.
- These ponds must be large enough to ‘settle’ the flow and allow sediment to be deposited, particularly from heavy rainfall events. Precise dimensions will depend on the area and erosion potential of catchment above, however, these may be graduated areas 1m wide x 2m long x 1m deep. They should be armoured with rocks or surrounded by soil mounds and tussocks or geotextile materials.
 - Sediment captured by settlement ponds are to be redistributed to assist re-vegetation of disturbed areas, whether previous or planned earthworks e.g. used to fill gaps between transplanted tussocks or to improve the mineral soil content when planting nursery tussocks.
 - Settlement ponds must be maintained such that they provide a means of monitoring the effectiveness of control measures thereby assist adjusting management approaches to reduce the potential for recurrent erosion.
- e. To protect wetlands and wetland vegetation from sediment no surface water carrying sediment must be allowed to run into wetland areas. Settlement ponds must not exit onto wetland areas. Water tables and swales must be designed to maintain the hydrological integrity of adjacent seepages and wetlands.
- f. Areas requiring erosion control measures are to be prioritised based on the following criteria:
- Vulnerability to erosion (e.g. slopes > 20 degrees, unconsolidated soils, disturbed ground adjacent to compacted soils)
 - Saturated soils on cut faces where seepages have been intercepted,
 - Remediation of slips or slumped land and stabilisation of land to prevent further or repeated slope failures.
 - Settlement areas that require armouring or treatment in order to filter water,

- Stabilisation works required to facilitate revegetation.
- g. Areas identified for erosion control and soil conservation work may vary from year to year as revegetation occurs and slope and soil stability is achieved.
 - h. Significant developments will have a soil conservation and erosion control plan in place prior to the commencement of works. This plan will demonstrate how the objectives of this protocol will be achieved.

6. Ongoing monitoring and maintenance of the rehabilitated area

- a. The purpose of the monitoring is to assess the progress of rehabilitation and advise NZSki Limited how to prevent or minimise risks to re-growth becoming self sustaining;
- b. All development and rehabilitation works will be monitored at least once prior to the commencement of work and again at completion of works. Interim monitoring may be required, depending on the nature of work. Following completion, regular monitoring will continue until DOC resolves, at its sole discretion, that the rehabilitation of the natural environment can progress unaided;
- c. Additional monitoring of erosion and sediment control measures will be made during or following significant periods of rainfall.
- d. Where monitoring establishes significant risks to rehabilitation, DOC will require NZSki Limited to take any reasonable steps to rectify the situation and return the area to its desired condition. Any additional work required will be carried out at the cost of NZSki Limited;
- e. In the event that an area is not rehabilitated following works, monitoring will continue until rehabilitation works have begun. Attention will be paid to preventing erosion during any lay period;
- f. DOC should reserve the right to recover the actual and reasonable costs of monitoring work.

7. Contracted monitoring:

DOC may contract monitoring to an external person/s. This approach not only provides time savings, but can also source specialist expertise on how to rehabilitate the sensitive alpine vegetation. This expertise is also vital to advise on appropriate remedial actions for any issues, and to provide expert input to planning processes. Contracted monitoring will take place as follows;

- a. The contractor is generally tasked to monitor the implementation of this protocol during any ski area development work that disturbs the natural environment;
- b. The monitor is to resolve any concerns of a routine nature directly with NZSki Limited. Issues should be referred to DOC when problems are recurrent, significant in scale, unconventional or if a mutual agreement cannot be reached;

- c. To advise both DOC and NZSki Limited whenever their action (or inaction) may present a problem for ski area environment, whether related to a specific development or any other activity;
- d. The monitor is to immediately advise DOC and NZSki Limited if unauthorised works may be occurring, of significant risks to the natural environment that warrant suspension of works, and of any concerns with geotechnical hazards and/or public safety;
- e. Monitoring visits are to be scheduled in consultation with NZSki Limited and DOC at a frequency of no more than once a week and no less than three times a summer (depending on nature of works over summer);
- f. If agreement on scheduling cannot be reached, DOC will make a final decision and notify NZSki Limited of when monitoring is to occur;
- g. A brief written report of each monitoring visit is to be forwarded to DoC and NZSki Limited in a timely manner. Reports should take a broad approach to assess overall performance, record agreements reached on site and highlight unresolved issues. Reports should take advantage of photo monitoring where possible;
- h. The time required for visits (and reports) are to be appropriate to the works in progress. The monitor is to notify and seek agreement from NZSki Limited on where the combined time required for site visits and reporting is likely to exceed 5 hours;
- i. Support tasks supplementary to monitoring and reporting (eg research and meetings) are to be agreed with DOC and NZSki Limited prior work occurring;
- j. The time spent on monitoring visits, reporting and support work will be billed directly to NZSki Limited at a rate equivalent to DOC's current hourly rate for field staff, plus GST. Disbursements are to be billed separately.
- k. All monitoring reports and discussions between the contractor, NZSki Limited and DOC will be subject to the Official Information Act 1982.

8. Right to suspend works

- a. DOC will, at its sole discretion, suspend any development work or activity should contracted monitoring, public feedback or DOCs own observations determine there are unexpected and/or significant impacts on the natural environment that are not being adequately rehabilitated.
- b. Any suspension shall remain in place until a response plan is agreed with NZSki Limited.

Monitoring

Extensive monitoring will be carried out by Department of Conservation staff and an independent monitor, if required. Refer to proposed special conditions in section 7.2 in this Report (Schedule 3: 14, 71-72; Schedule 3A, clauses 6-7).

7.3 Term

17Z Term of concession

- “(1) A lease or a licence may be granted for a term (which term shall include all renewals of the lease or licence) not exceeding 30 years or, where the Minister is satisfied that there are exceptional circumstances, for a term not exceeding 60 years.
- (2) A permit may be granted for a term not exceeding 10 years but shall not be renewable.
- (3) An easement may be granted for a term not exceeding 30 years, but—
- (a) in exceptional circumstances, the Minister may grant a term not exceeding 60 years:
 - (b) where the easement provides a right of way access to a property to which there is no other practical access, the term may be for such longer period as the Minister considers appropriate:
 - (c) where the easement is for a public work (as defined in the [Public Works Act 1981](#)), the term may be for the reasonably foreseeable duration of that public work.”

Term: The Applicant stated on application Form 3b, F. Term that:

“A term of 40 years is being applied for the lease (along with the licence and easement aspect of the application) concession activities.

The reason for this term length is the Applicant has injected significant capital into the ski area and will continue to do so to maintain and upgrade the existing facilities and infrastructure, in accordance with operational and development plans. This investment requires surety and security for a length of term to enable a reasonable return in such an investment.”

The Applicant stated on application Form 3c, B. Term that:

“A term of 40 years is being applied for the easement (along with the lease and licence aspect of the application) concession activities.

The reason for this term length is the Applicant has injected significant capital into the ski area and will continue to do so to maintain and upgrade the existing facilities and infrastructure, in accordance with operational and development plans. This investment requires surety and security for a length of term to enable a reasonable return in such an investment.”

The Applicant stated on application Form 4a, C. Term that:

“A term of 40 years is being applied for the Licence (along with the lease and easement aspect of the application) concession activities. The guiding activities would be considered as part of the Licence application. Review of the activity would occur throughout the term of the concession (if it was granted) and can be varied accordingly if factors determined a change would be necessary.

Discussion

The reason for this term length is the Applicant has injected significant capital into the ski area and will continue to do so to maintain and upgrade the existing infrastructure, services and utilities in accordance with operational and development plans. The Applicant considers summer activities within the Coronet Peak Recreation Reserve is a sustainable option looking forward, and is committed to operating summer activities, if a concession is approved for these activities. Any

investment in the infrastructure, facilities and services by the Applicant requires surety and security for a length of term to enable a reasonable return in such an investment.”

The only submission received in relation to term is recorded under Hearing Report Issue 1.1⁵⁰:

Submitter Issue 1.1:

- I am concerned at the long nature (40 years) of the lease, licence and easement application, without periodic review.
- s.17Z - Applicant has sought 40 years. Inga Smith submitted *“It is not clear to me that exceptional circumstances have been shown to justify a 40 year lease, licence and easement. The application states that a 40 year term is necessary “to enable a reasonable return on such an investment” in facilities and infrastructure. I could not see anything in the 20 documents and folders that comprised the application that related to such a financial assessment, but I may have missed something there.”*
- Submitter stated that a shorter term, such as 20 year with a 10 year periodic review, should be considered as this is particularly important in a warming climate, where circumstances are likely to change markedly over the next 40 years.

Comment from the Chair

The Minister must be satisfied that exceptional circumstances exist pursuant to s.17Z(1) and s.17Z(3)(a) for a term exceeding 30 years to be granted.

The Decision Maker may wish to consider if it is appropriate for the term to be structured to enable ongoing consideration of environmental issues, including climate change, similar to how the term was determined for Whakapapa skifield⁵¹.

This term consideration could be in accordance with the submitter’s contention that a 20 year term with a 10 year periodic review should be considered i.e. 20 years, plus one 10 year ‘extension’, with the extension subject to conditions.

Likewise, as the Applicant has sought a term of 40 years, pursuant to s.17Z(1)⁵² and s.17Z(3)(a)⁵³ the Minister will need to decide, if the application is approved, whether it is appropriate to grant a 40 year term (for the concession duration) or, for example, structure as

⁵⁰ [DOC-6071709](#).

⁵¹ Concession Number 40011-SKI.

⁵² s.17Z(1) *“A lease or a licence may be granted for a term (which term shall include all renewals of the lease or licence) not exceeding 30 years or, where the Minister is satisfied that there are exceptional circumstances, for a term not exceeding 60 years.”*

⁵³ s.17Z(3)(a) *“An easement may be granted for a term not exceeding 30 years, but – (a) in exceptional circumstances, the Minister may grant a term not exceeding 60 years.”*

a 30 year term with either one 10 year or, two 5 year extensions; with the extensions subject to conditions.

Note: the Minister will need to decide if exceptional circumstances exist to warrant a term of over 30 years (which term includes all renewals and/or extensions).

Applicant response:

The Applicant, in their right of reply⁵⁴ at the hearing covered off the relevant legislation under s.17Z and reiterated that “*Exceptional circumstances are not defined in the Act.*”, and that the reasoning for the proposed length of term was as detailed in their concession applications as detailed above i.e. “*NZSki have injected significant capital into the ski area and will continue to do so to maintain and upgrade existing facilities and infrastructure, in accordance with operational and development plans. The investment requires surety and security for a length of term to enable a reasonable return on such an investment.*”

The Applicant added that “NZSki feels it prudent to have surety and security regarding its occupation of the land for its ski operations, both winter and summer, given its large capital investment and the significant ongoing maintenance and development. While the legislation enables a term if up to 60 years if the Minister is satisfied that exceptional circumstances do exist, NZSki considers a term of 40 years provides the protection for its investment.

The Applicant was provided a copy of the draft Report for any comments. In that draft the issue of the duration or term of the concession was discussed. As a result, the Applicant was alerted to the fact that a term greater than 30 years could only be granted in exceptional circumstances. In reply, the Applicant provided the following additional information on the topic in a letter dated 7 January 2021⁵⁵ the contents of which has been discussed in section 8 in this Report.

⁵⁴ [DOC-6072269](#) (Hearing Notes [DOC-6066970](#)).

⁵⁵ Letter dated 7 January 2021 recorded as [DOC-6543276](#).

Schedule 1. Clause 3. Term

Exceptional circumstances do exist.

A key reason for seeking this is the value and life expectancy of the infrastructure at Coronet Peak. There is a significant investment in Coronet Peak by NZSki and it is a fair expectation that in order to make a commercial return the concession term should at least match the lifetime of the major infrastructure.

It is also important while considering this to bear in mind that it is in both the public and DOC's best interest that this infrastructure is **continually** replaced and updated through this Concession term. An estimate of the expected capital cost (not R&M) of replacement of key infrastructure and improving the assets over the life of the 40 year concession in today's dollars would be around NZD160m. Additionally the 11,000 m² of building envelope at \$5,000 pm works out at another NZD55m.

This Draft DSD and concession documents contain improved reset mechanisms such as the decadal reviews that allow DOC to monitor and revisit the concession conditions more frequently rather than waiting for the full term. Again, this is at a substantial cost to NZSki. The occupation of the land is a **privilege and it could be argued that the occupation deters from the recreation reserve value.** Conversely the roading, carparks, trails, toilets and enjoyable facilities has facilitated the departments intended purpose for the land and attracted more and a wider user range than would have been possible as 'raw' front country.

It is also expected that there will be an increase in conservation value through the life of the concession and this will benefit the public in various ways without the resource requirement by the Department. The investment and interest in the land is continual.

Lastly the existence of the ski area since 1947 and ongoing occupation with a 75 year history of occupation, investment and improvement in access proves its sustainability and enduring relationship with the land. It is important to be mindful that the fundamentals of the occupation are evolving since its inception, however this does not take away from the sustainability of the occupation nor the desire to maintain and more importantly, improve the conservation value of the recreation reserve by NZSki.

Examples of infrastructure life expectancy.

| Type | Years | Examples |
|----------------|----------|---|
| Aerial ropeway | Up to 40 | Chair lifts. Turoa lifts installed 1978 still in use. |
| Surface lift | 50 | T Bar, carpet lifts. |

| | | |
|--------------------------------|------|---|
| Buildings 11,034m ² | 50 + | Base building, Heidi's is already over 50 years old. |
| Snowmaking pipes / power | 50 + | New equipment has a use by of 50 years, old equipment 30 years in use has a use by of 12 years. |
| Snowmaking guns / pumps | 25 | Technological estimate. |
| Fuel storage | 20 | Certified expiration period. |

Note that technological changes can make it desirable for some items that the lifetime is less than indicated. Conversely some items really have an infinite lifetime.

Discussion:

The Applicant is correct that exceptional circumstances are not defined in the Conservation Act 1987 under which this concession application is being processed under.

For the circumstances to qualify as “exceptional” the Decision Maker needs to be satisfied that:

they are well outside the normal range or are unusual. The circumstances do not however need to be extraordinary, unique, very rare or unprecedented.

The decision-making power under section 17Z involves the exercise of a discretion based on the decision maker’s assessment of the factual situation and use of his/her expertise and judgement.

In order for the decision-maker to reach a conclusion that there are exceptional circumstances sufficient to justify a grant of more than 30 years there must be some evidential basis for doing so. The onus is on the Applicant, in the first instance, to provide such evidence.

To assist in this deliberation, the Decision Maker needs to consider the following feedback from the following parties:

1. Applicant’s supporting reasons for a 40-year term under exceptional circumstances can best be summarised as *“the significant capital investment by the Applicant at Coronet Peak ski area and the need to continue to maintain and upgrade the existing facilities and infrastructure, in accordance with operational and development plans, with the surety and security required of a 40 year term to enable a reasonable return in such an investment.”*;
2. Submitter’s contention *“...that a shorter term, such as 20 year with a 10 year periodic review, should be considered as this is particularly important in a warming climate, where circumstances are likely to change markedly over the next 40 years.”*;
3. DOC’s ecologist that *“A 40-year concession is considered excessive and inappropriate given the ecological concerns resulting from past skifield operations and from the uncertainties resulting from climate change (including the potential requirement for DOC to have to account for the Carbon footprint of concessionaire activity)”* coupled with a recommendation that *“a 40-year concession is not approved, instead a concession of 20 or less years in considered.”*;
4. District Office adding in their contributions that *“careful deliberation is needed in determining an appropriate concession term.”*

The Applicant’s reasoning for requiring 40 years rather than the maximum of 30 is based on a four-fold argument:

- First, it has made significant capital investments in the past and the lifespan of some of those items is expected to be longer than 30 years;
- Second, it will have ongoing maintenance and upgrading work to perform in the future in accordance with its development plans and in response to the requirements in the draft concession to undertake conservation initiatives;
- Third, in order to obtain a return on its investment in the existing infrastructure and its planned upgrades and/or maintenance it needs more than 30 years to do so;
- Fourth, that the field has been occupied for 75 years for recreational purposes and that need or desire for recreational opportunities at the reserve is likely to continue into the future.

It is correct that the bulk of facilities and structures owned by the Applicant were installed during the lifetime of its previous lease. That includes the quad chair which was installed without the Applicant having any certainty as to its future occupation of the reserve. The costs of the quad chair replacement were reportedly \$20 million.

In terms of future development, the application does not anticipate substantial new structures being developed apart from the Snowfactory. Any new buildings (other than the Snowfactory) would need to be dealt with as new applications or variations since they will almost inevitably over-step the thresholds set by section 17ZC(1).

The result is that this current application does not seek approval for significant new infrastructure apart from the Snowfactory. Instead, it proposes to continue operating using infrastructure that was installed under a previous lease.

Although the Applicant asserts that a term of 40 years is required, and even though the Applicant provided further comments about needing to continually replace assets, the Applicant has still not provided detailed financial assessments, opinions or analyses to clearly support that assertion. Consequently, the Decision Maker may conclude that the evidence available fails to demonstrate that:

1. the investment made under the previous lease requires a term of more than 30 years to recoup those sunk costs;
2. that the new development (i.e. the Snowfactory) and the maintenance obligations require a term longer than 30 years;
3. that the further comments received about the costs associated with continual replacement of assets is sufficient to give rise to exceptional circumstances.

The Decision Maker may therefore conclude that there is insufficient evidence to reach a conclusion that exceptional circumstances exist in this case.

If, in the future, the Applicant wants to install additional structures it can apply to do so. At that point the Applicant could also seek to extend the term beyond the 30-year limit if it could be demonstrated that the new investment warranted such an extension.

Term for Summer Guiding Activities

To be read in conjunction with discussions on Licence Area (Guiding Activities) in section 6.4.1 in this Report

The Applicant has indicated that it wishes to undertake guiding for the same period as its other activities. That is, it wishes to be granted a concession to perform guiding activities for 40 years.

As noted above, a licence to undertake guiding for more than 30 years could only be approved if the concessionaire demonstrates that there are exceptional circumstances at play.

There is a preliminary decision to be made however. Namely, whether to separate the guiding activities from the other licence activities and to deal with the guiding as a permit.

Section 17Z, like s.17U(5) requires the Decision Maker to make a statutory decision as to whether:

1. to decline the guiding activities; OR

2. grant consent for the guiding activities to take place but do so by way of a permit (in which case the term for the guiding activities must be capped at 10 years); OR
3. grant consent in the form of a licence (not as a permit) in which case the decision maker has two further and supplementary decisions to make:
 - a. whether there are exceptional circumstances which would enable a licence term of up to 40 years; OR
 - b. whether there are no exceptional circumstances in which event the statutory maximum of 30 years will apply.

With regard to the guiding activity applied for as a 40 year licence pursuant to s 17Z(1). A licence was applied for as it is the intention of the Applicant to potentially carry out guiding activities all year-round using ski field infrastructure and the skiable terrain area. It could be considered by the Decision Maker that these guiding activities go beyond the definition of a permit “a grant of rights to undertake an activity that doesn’t require an interest in the land” that requires a level of tenure commensurate with a licence.

The approach of considering the grant of a licence rather than a permit for the guiding component is not unique in activities that require significant infrastructure (buildings and facilities) e.g. the Great Walks. However, the primary purpose of Concessionaire infrastructure on the Great Walks is to support the primary purpose of guiding and these have been granted as licences for terms of up to 30 years. In the case of this application, the infrastructure is to support the activities associated with an existing ski field and the guiding activities could be considered an “added value activity.” If this activity was applied for independent of the other ski field activity components then it could be considered that it is more appropriate to consider the issuing of permit (not a licence) – consistent with the approach for the majority of other applications received for guiding activities on conservation land. A permit, is of course, limited to 10 years by statute (see option 2 below).

Decision on Term

To assist the decision maker in deliberations on the term for the entire proposal, tiered recommendations have been included in section 9 in this Report (see recommendations 4 and 5).

To assist the decision maker the Recommendations portion of this Report provides 4 options which canvass the range of possibilities set out above.

1. Option 1 addresses the situation where the Decision Maker decides to refuse to grant any form of concession for the guiding activities.
2. Option 2 addresses the situation where the Decision Maker determines that a guiding concession should be granted but that it ought to take the form of a permit rather than a licence with the result that the permit could only be issued for up to 10 years.
3. Option 3 addresses the situation where the Decision Maker decides to grant the guiding concession as a licence but also concludes that exceptional circumstances **do not** exist with the result that the term is capped at 30 years.
4. Option 4 addresses the situation where the Decision Maker decides to grant the guiding concession as a licence **AND** concludes that exceptional circumstances **do exist** such that a term of 40 years is appropriate.

A term of 40 years (Option 4) could only be selected if the Decision Maker is satisfied that exceptional circumstances exist. As outlined above it is considered that there is no clear evidence to support an exceptional circumstances argument in favour of guiding being permitted to continue beyond 30 years, since the arguments relating to infrastructure costs and ongoing maintenance do not apply to guiding.

In conclusion, there is nothing in any of the material provided by the Applicant which makes a strong case in favour of there being exceptional circumstances, sufficient to justify a term of more than 30 years.

7.4 Fees

17Y Rents, fees, and royalties

- (1) *It shall be a condition of the Minister's granting a concession under this Part that the person or body to whom the concession is granted—*
 - (a) *shall pay any specified rents, fees, and royalties to the Minister; and*
 - (b) *shall pay any other levy or charge made on an occupier or owner of land, as a result of the grant of a lease, licence, or easement, either to the Minister or as directed by the Minister.*
- (2) *The rent, fee, or royalty may be fixed at the market value, having regard to—*
 - (a) *any circumstances relating to the nature of the activity; and*
 - (b) *the effects of the activity on the purposes of the area affected; and*
 - (c) *any contractual conditions, covenants, or other encumbrances placed upon intrinsic resources, natural resources, or historic resources by the concession.*
- (3) *Rent, fees, and royalties for a concession shall be reviewed at intervals not exceeding 3 years.*

Section 17Y enables the Minister to require the Concessionaire to pay any specified rents, fees or royalties and also any levies or charges imposed on an occupier of land. In setting the rent, fee or royalty the Minister may set the amount according to market value. Section 17Y (2) also requires that regard shall be had to:

5. *Any circumstances relating to the nature of the activity; and*
6. *The effects of the activity on the purposes of the area affected; and*
7. *Any contractual conditions, covenants or other encumbrances placed upon intrinsic resources, natural resources, or historic resources by the concession.*

All fees have been determined in accordance with the Department's current pricing manual recorded as [docDM-1326222](#), unless stipulated otherwise.

7.4.1 Application Processing Fee

Redacted from Public abridged version of Decision Support Document.

7.4.2 Concession Activity Fee

Redacted from Public abridged version of Decision Support Document.

7.4.3 Environmental Premium Fee

Redacted from Public abridged version of Decision Support Document.

7.4.4 Concession Management Fee

Redacted from Public abridged version of Decision Support Document.

7.4.5 Bond

Redacted from Public abridged version of Decision Support Document.

7.4.6 Environmental Monitoring Contribution Fee

Redacted from Public abridged version of Decision Support Document.

7.4.7 Ecological Compensation

Redacted from Public abridged version of Decision Support Document.

7.4.8 Fee Reviews

Redacted from Public abridged version of Decision Support Document.

7.4.9 Fee Methodologies

The Department is in the process of reviewing its percentage of gross revenue framework methodology and alternative means of arriving at a market rent may be applied in the future via the concession fee reviews. In addition, the department is tightening its reporting requirements where gross revenue is the method used to derive the Concession Activity Fee. These changes in approach are reflected in proposed special conditions 87 to 101 in section 7.2 in this Report.

8. Applicant Comments

Comments received from Applicant

Redacted from Public abridged version of Decision Support Document.

9. Decision Making

Recommendations

It is considered that the proposed activity is consistent with the relevant Reserves Act 1977 (s.3(2)), is not contrary to the purpose for which the land is held nor with other provisions of the Conservation Act 1987 (s.17U3), and is consistent with the Conservation General Policy (CGP) and Otago CMS (s.17W(1)).

The provision in section 17U(2) also states that the Minister may decline any application. With regard to this discretion, the effects of the Coronet Peak ski area within the Coronet Peak Recreation Reserve have been long established. It has provided public recreation, benefit and enjoyment since it was set aside in 1955 following the initial development of a ski area here in 1947 and added to since then, and the effects of a ski field operating at this location are well known and understood by the Applicant and the Department of Conservation.

Submissions received

For such a large concession application, covering a wide variety of proposed all-year round activities within the reserve, there was only 1 submission received. This submission was not specifically against the proposal as a whole, just raised issues and concerns on specific matters that have been referred to and commented on in this Report.

Snowfactory facility

It is considered that there are no adequate methods or no reasonable methods for fully remedying, avoiding, or mitigating the permanent adverse effects of establishing a new Snowfactory facility that requires minor earth disturbance to establish the facility. While the proposal will result in permanent minor modification to the landscape e.g. establishment of the Snowfactory, it is recognised, due to the nature of a ski area at this location, that ongoing improvements and modifications consistent with the operation of a ski area will result, as reflected in this Report and the relevant parts of the Otago CMS as discussed in section 6.5.2.

Whilst the permanent impact of the Snowfactory proposal on conservation lands and waters cannot be fully remedied, avoided, or mitigated, the proposal can be managed by conditions (based on similar proposals carried out by the Applicant at this location), with the inclusion of establishment and restoration/rehabilitation proposed special conditions 1-15 in section 7.2 in this Report.

In addition, it is considered that there are no concerns with the establishment of the Snowfactory facility however, departmental staff strongly recommend that the Snowfactory facility is not used over summer i.e. it is only to be operational during the period 1 May to 15 October each year. Refer to the detailed discussion and recommendations in section 6.1.2 in this Report.

Summer activities

The use of the Applicant's proposed ski area for summer activities is fully supported by Departmental staff however, the decision maker will need to decide if these activities should be considered to be granted as a permit (for a term not exceeding 10 years), rather than a licence. Refer to discussions in sections 6.4.1 and 7.3 and recommendations 4 & 5 in section 9 in this Report.

Recommendations on dimensions and definition of the Lease, Licence and Easement Areas

In section 6.4.1 in this Report, under the proposed lease area, the following context has been added:

The Decision Maker needs to be made aware that the original application that was publicly notified recorded the JSD lodge (Base Building) as a lease area of 4,334m² which correlates to the architectural plans of the building supplied by the Applicant⁵⁶. During discussions relating to the Applicant's liquor licence and outdoor dining activities (see Map 5), it was discovered that this lease area was under-represented and was closer to 7,334m² as a key area affixed to the building called the Apron and a service/work area were not included. This larger lease area is considered consistent with the bullet-point considerations above i.e. required for public safety, for the security of assets and to ensure that the Applicant can operate all the concession activities competently and safely. Even though this represents a 169% increase in the area applied for in relation to the JSD lodge (Base Building) and immediate surrounds, in the context of a ski-field environment, the 3,000m² represents only 0.0011% of the total lease and licence area of 285 hectares.

Therefore, the lease area from the application will increase from approximately 53,499m² to approximately 56,499m² (a 5.6% increase).

Term

The concession term has probably had the most diverse range of input from the various parties involved in the processing of this application. To assist in a decision to be made on the term, detailed analysis has been provided in section 7.3 along with tiered recommendations 4 & 5 in section 9 below.

Applicant's comments on Decision Support Document

Extensive comments (24 points) were received from the Applicant, and these have been discussed or resolved in section 8 in this Report, and the relevant sections in this Report have been updated (if required).

Conclusion

Based on the District Office's knowledge, DOC Technical expert advice and independent expert advice, and with the exception of the Snowfactory facility summer snow experience, the proposed activities are considered to be in keeping with what is expected at a commercial ski area on conservation land.

Any effects of the proposal (including the addition of summer activities) on conservation values such as biodiversity, historic, landscape, social and amenity values are well understood due to the historic nature of the Applicant's activities at this location, and can be adequately avoided, remedied or mitigated by conditions.

The Minister needs to be satisfied that the provisions of Part 3B of the Act have been met, before deciding to proceed with the proposal pursuant to s.49(2)(e) and to grant a concession under s.17Q.

⁵⁶ Recorded as [DOC-6576454](#).

Decision: Notified Concession under Part 3B of the Conservation Act 1987

1. Deem this application to be complete in terms of s17S of the Conservation Act 1987:

Agree / Disagree

2. Note that the application was publicly notified:

Noted (please circle)

3. Agree that a bond pursuant to s.17X(e) is not required:

Agree / Disagree

4. With respect to all concession activities but excluding guiding activities:

- (a) Agree that exceptional circumstances **do** exist and grant a Lease, Licence and Easement Concession for a Term of **40 years** subject to the standard concession contract and the special conditions listed above.

Agree / Disagree

OR

- (b) Agree that exceptional circumstances **do not** exist and grant a Lease, Licence and Easement Concession for a Term of **30 years** subject to the standard concession contract and the special conditions listed above.

Agree / Disagree

5. With respect to the guiding activities:

- (a) Decline to grant a concession for the guiding activities:

Agree / Disagree

OR

- (b) Agree to grant a guiding permit for a Term of 10 years subject to the standard concession conditions applicable to guiding permits and the special conditions described above

Agree / Disagree

OR

- (c) Agree to grant a guiding licence for a Term of 30 years subject to the standard concession conditions applicable to guiding licence activities and the special conditions described above

Agree / **Disagree**

OR

- (d) Agree that there are exceptional circumstances and grant a guiding licence for a Term of 40 years subject to the standard concession conditions applicable to guiding licence activities and the special conditions listed above

Agree / **Disagree**

Special conditions to be included: 1-125 and Schedule 3A in section 7.2 in this Report.



Signed by Aaron Fleming,
Director Operations, Southern South Island Region
Pursuant to the delegation dated 9 September 2015 / 7 July 2019

Date 10/06/21

Decision Maker comments

After reviewing the DSD I am comfortable with the proposed conditions following consideration of the applicant's feedback.

Term

- I am not satisfied that exceptional circumstances exist pursuant to s.17Z(1) and s.17Z(3)(a) for a term exceeding 30 years to be granted. This is because there is no sufficient evidence that the existing investment requires a term of more than 30 years, or that the new development requires a term of more than 30 years.
- I therefore approve a term of 30 years. This also takes into consideration the contributions in this DSD where a shorter term is recommended for consideration.

Guiding permit

- The primary purpose of the infrastructure on the skifield is for winter activities, and not guiding.
- I therefore approve a separate guiding permit for 10 years, and for guiding not to be covered through the substantive concession.

ADDENDUM

The purpose of this addendum is to advise the Decision Maker of any amendments or additions that have been made before the contracts⁵⁷ are ready for signing. Several relate to the “de-shackling” of the guiding activities from substantive concession 74167-SKI.

- Refer to the summary table below that includes the relevant section, page number and footnote reference in this Report, and
- Provision below table for noting, signing, dating and adding any comments to Addendum.

| Section | Page No | Description of amendment/addition | Footnote |
|----------|--|--|----------|
| Preamble | 1 | Addition of Guiding Permit 94735-GUI | 1 |
| 7.2 | 88 | Special condition 21 (Re-vegetation protocol): Added “18 or”. | 38 |
| | 97 | Special condition 72 (Climate Change Considerations) “Start Date” replaced with “commencement”. | 40 |
| | 102 | Special condition 102 (Surrender of Concessions): Entire sentence added beginning “ <i>The surrenders do not release...</i> ” | 41 |
| | 102 | Special condition 107 (Use of toilets by public): Use of toilets equivalent in Guiding Permit 94735-GUI to read “ <i>During the Concession Activities in Item 2 of Schedule 1 the Concessionaire must make available toilet facilities located in any of the Concessionaire’s buildings on the Land.</i> ” | 42 |
| | 103 | In addition to Map 2, included reference to Maps 4 & 6 in special condition 110 (Vehicle parks and access-ways) to better illustrate siting of car parks and access-ways. Capitalised “ <i>Annual Work Plan</i> ” | 43-44 |
| | | | 45 |
| | 104 | GUIDING PERMIT [ACTIVITIES] - SPECIFIC CONDITIONS 118- 119 to be included in Guiding Permit 94735-GUI | 46 |
| | 105 | Special condition 119(e): Addition of words “...(<i>including drones and helicopters</i>)...” and “... <i>however, motorised vehicles, excluding drones or helicopters, may be used to deliver clients to the existing carparks located on the Land.</i> ”. | 47-48 |
| 105 | New special conditions 119(g)-(i) due to ‘de-shackling’ of Guiding activities: (g) <i>Activities which are not genuinely ancillary to the guiding are not permitted unless they are explicitly authorised by the Grantor under a separate concession.</i> (h) <i>Caches of equipment must not be placed on the Land unless express permission has been given in advance by the Grantor.</i> (i) <i>Where food and beverages are to be supplied to the clients the cooking/serving equipment, food or beverages must not be carried by the guides or their client unless the Grantor has</i> | 49-51 | |

⁵⁷ 74167-SKI ([DOC-6042468](#)) and 94735-GUI ([DOC-6678169](#)).

| | | | |
|--|--------------|--|----|
| | | <i>given express permission to deliver those items independently of the group.</i> | |
| 7.4 | 120 | Redacted from Public abridged version of Decision Support Document. | 59 |
| 8 | 181 | Climate Change conditions: "Start Date" replaced with "commencement" | 80 |
| Index to Plans, Maps and Diagrams | 190-193; 197 | Draft Maps 1-3 replaced and addition of Map 6 | 82 |
| Schedule 4.1: Table of Structures and Facilities | 200 | Added Maps 4 and 6 to Map 2. Map 6 to be included in Concession 74167-SKI referencing Appendices 2 & 3 in this Report, that show approximate location of car parks and access-ways. | 85 |
| | 200 | Balance of ski area (includes skiable terrain). Originally recorded as 196.65 ha. Balance of ski area reduced to 196.3431 ha (i.e. by 3,069m ²) to allow for increase to lease area (for al fresco dining and servicing area) as described on Map 5. | 86 |

Contents of Addendum noted and agreed to:



Signed by Aaron Fleming,
 Director Operations, Southern South Island Region
 Pursuant to the delegation dated 9 September 2015 / 7 July 2019

Date 01/07/2021

Decision Maker comments on Addendum

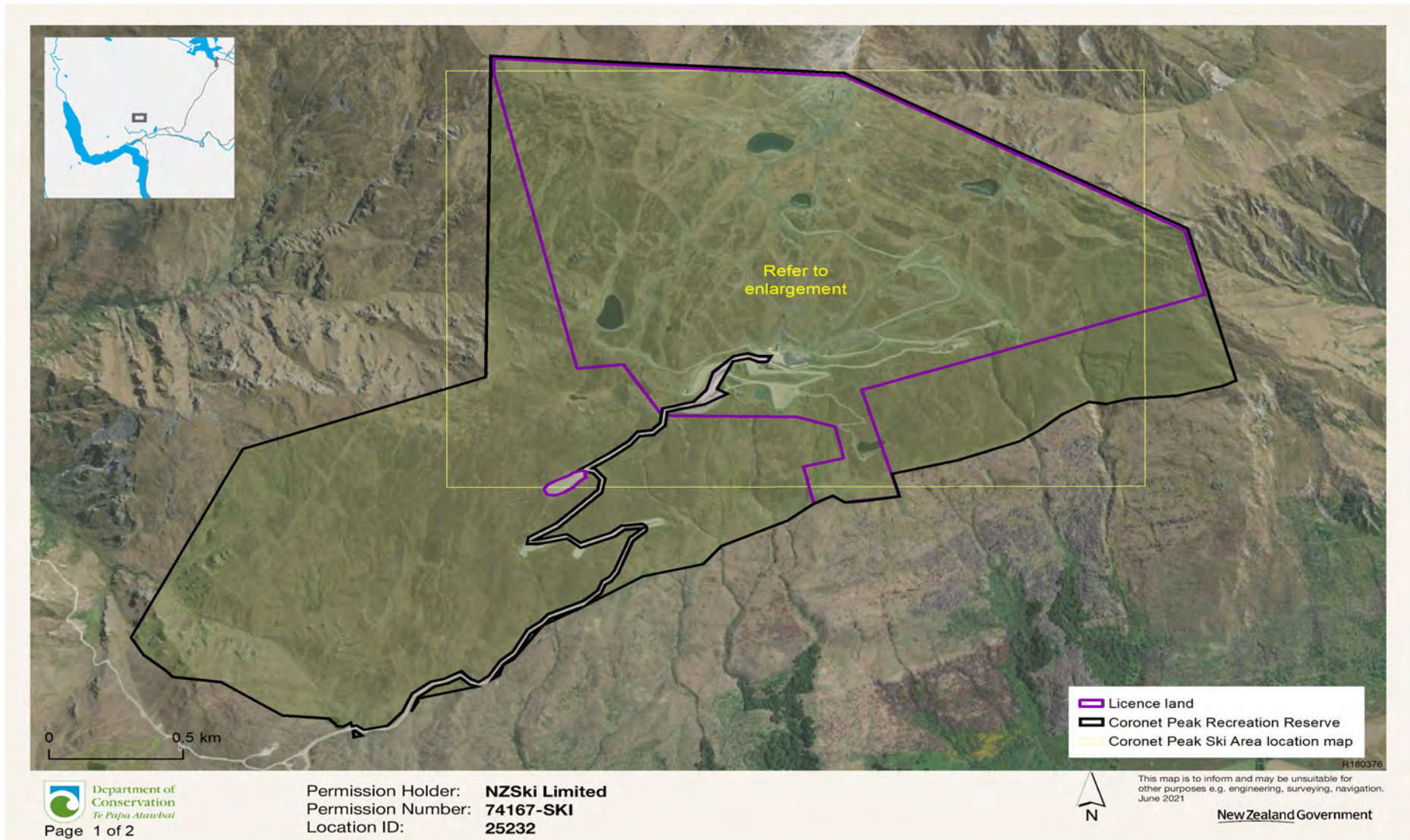
Amendments supported.

Index to Plans, Maps and Diagrams⁵⁸

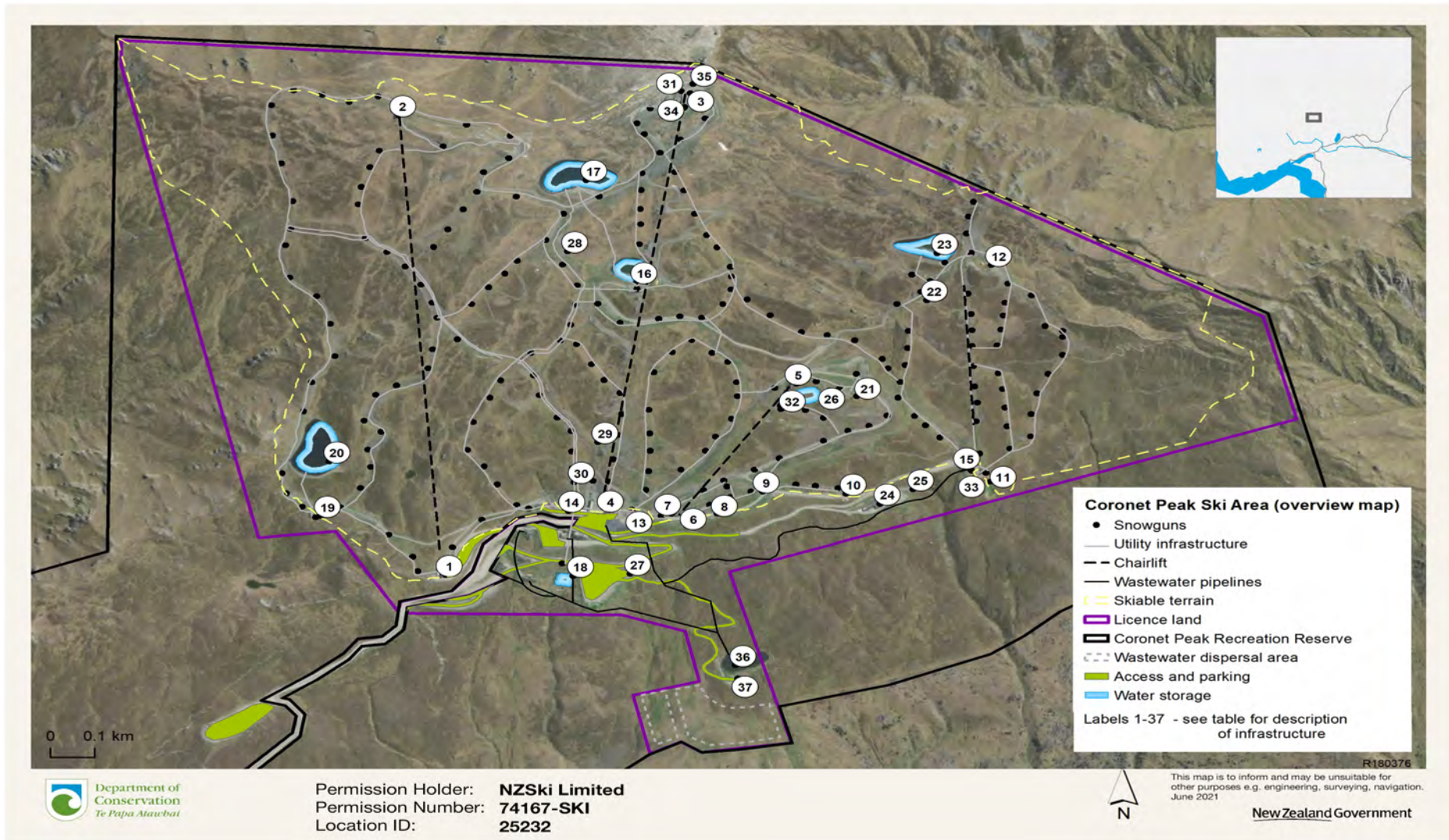
- Map 1: Location map
- Map 2: Overview map of ski area infrastructure
- Map 3: Above and below ground right of way and utilities (easements). Note: Detailed infrastructure shown on Map 3.1
- Map 3.1: Detailed plan of above and below ground right of way and utilities (easements) as shown on Map 3
- Map 4: Wastewater system. Note: Refer to Map 2 for continuation of pipeline up to Heidi's Hut (label 15)
- Map 5: Depicting (a) the lease area of the JSD Lodge (Base Building) which measures 7,334m² and is outlined in (orange); and (b) The al fresco dining area which may be used for the purposes of providing outdoor seating, tables and providing dining services to the public and is hatched in (yellow) within the lease area, and (blue) within the licence area
- Map 6: Map to be included in Schedule 4 of Guiding Permit 94735-GUI
- Schedule 4.1: Table of Structures and Facilities (to be read in conjunction with Maps 2 and 4)
- Schedule 4.2: Wastewater (refer to Maps 2 and 4)
- Schedule 4.3: Telecommunications (refer to Map 3)
- Schedule 4.4: Potable water (refer to Map 3)
- Schedule 4.5: Trail network
- Schedule 4.6: Third Party Operators
- APPENDIX 1: Proposed skiable terrain area of approximately 218 hectares (application Appendix 1.4)
- APPENDIX 2: 9. Access Roads and carparks (application Appendix 1.5)
- APPENDIX 3: Approximate location of car park 7 (application Appendix 1.5)

⁵⁸ Draft Maps 1-3 replaced and addition of Map 6.

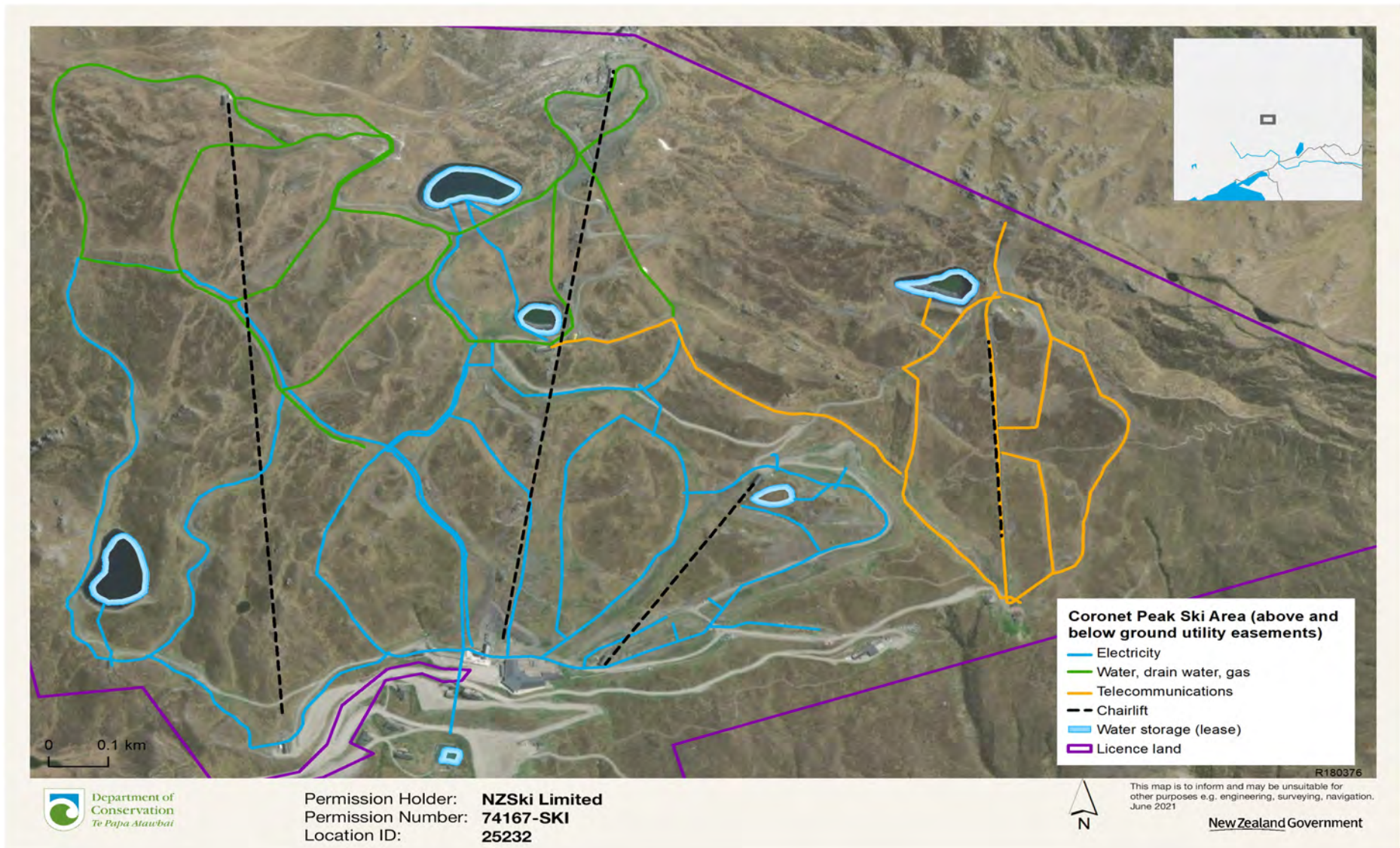
Map 1: Location map



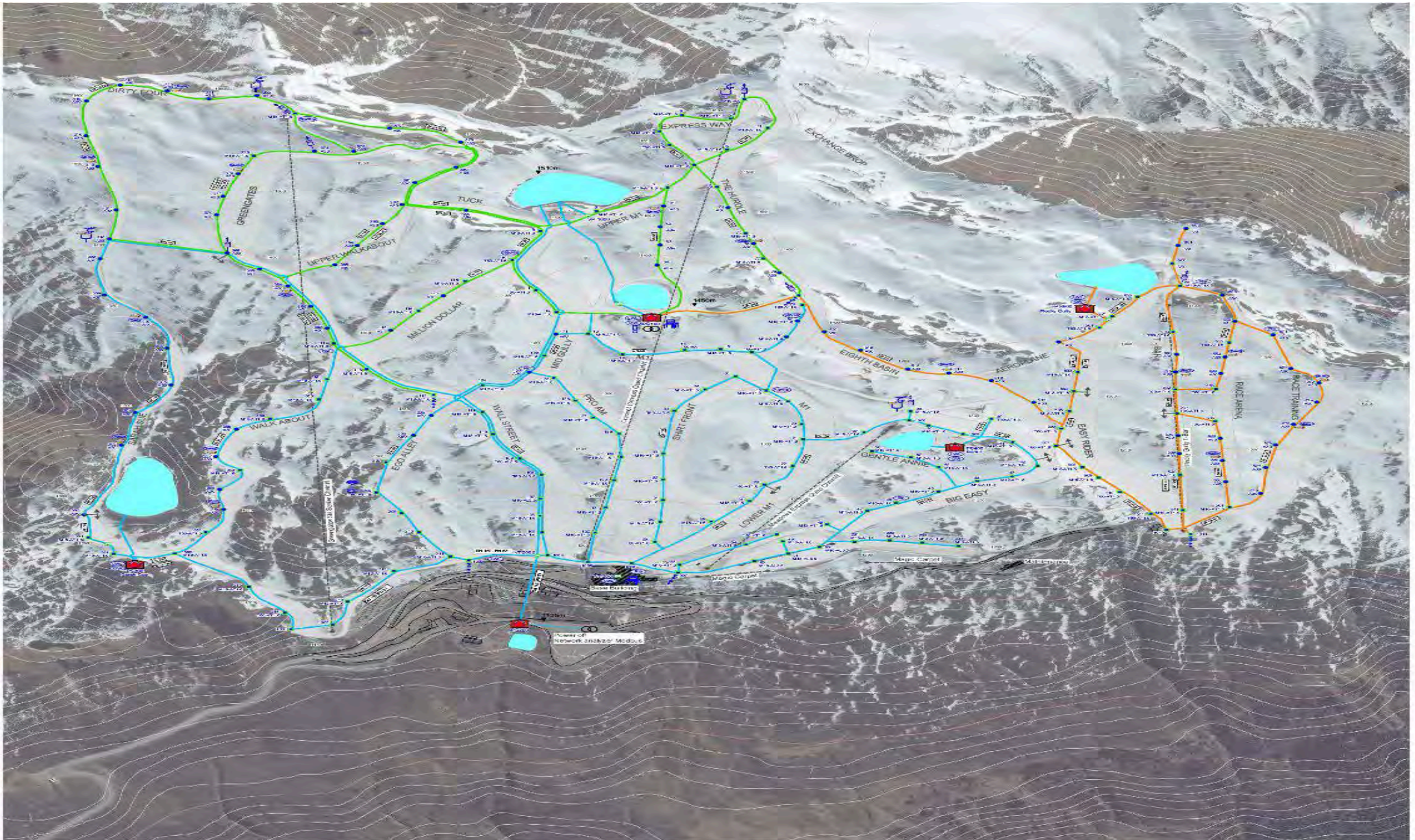
Map 2: Overview map of ski area infrastructure



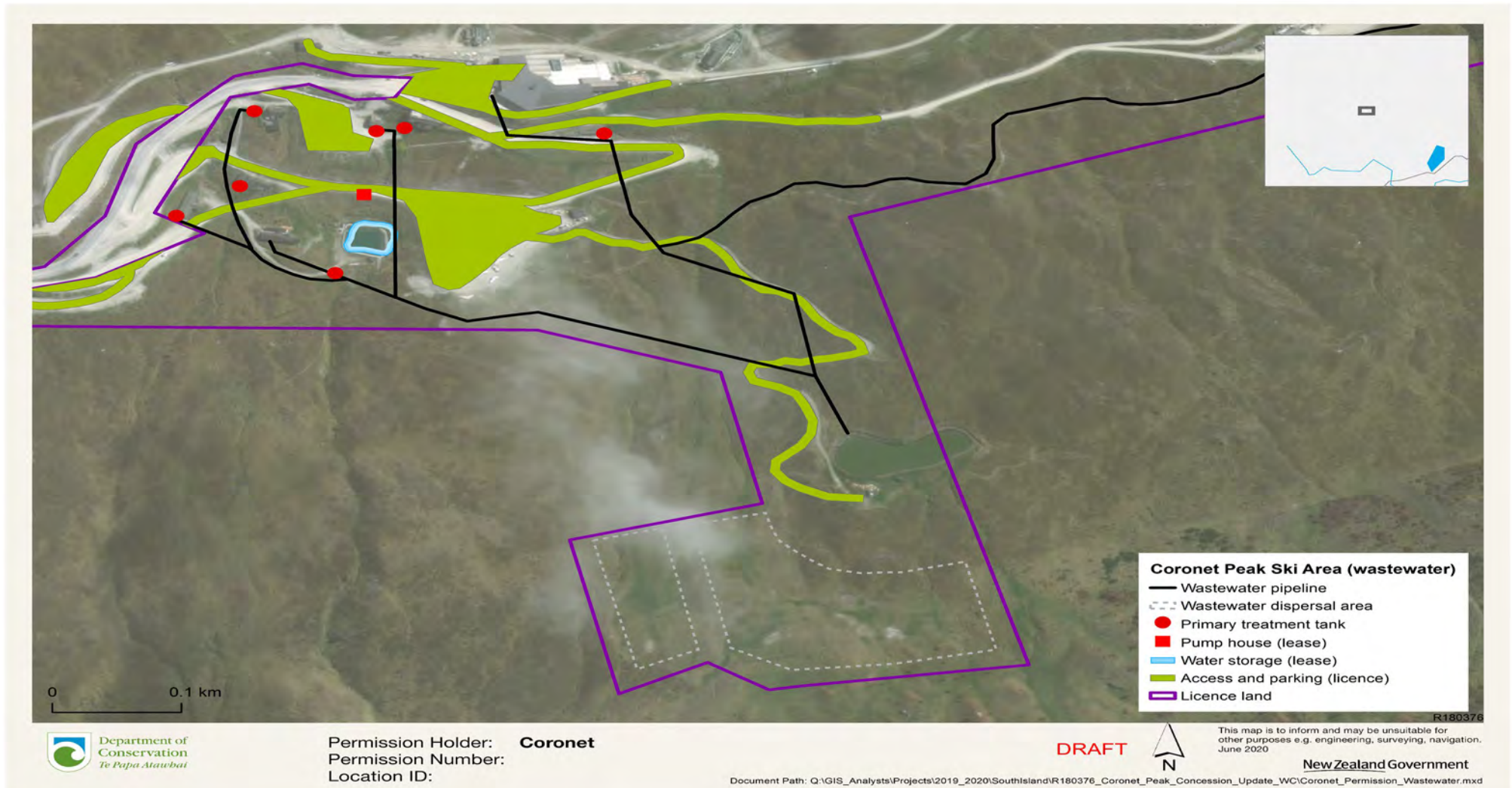
Map 3: Above and below ground right of way and utilities (easements). Note: Detailed infrastructure shown on Map 3.1 below



Map 3.1: Detailed plan of above and below ground right of way and utilities (easements) as shown on Map 3 above



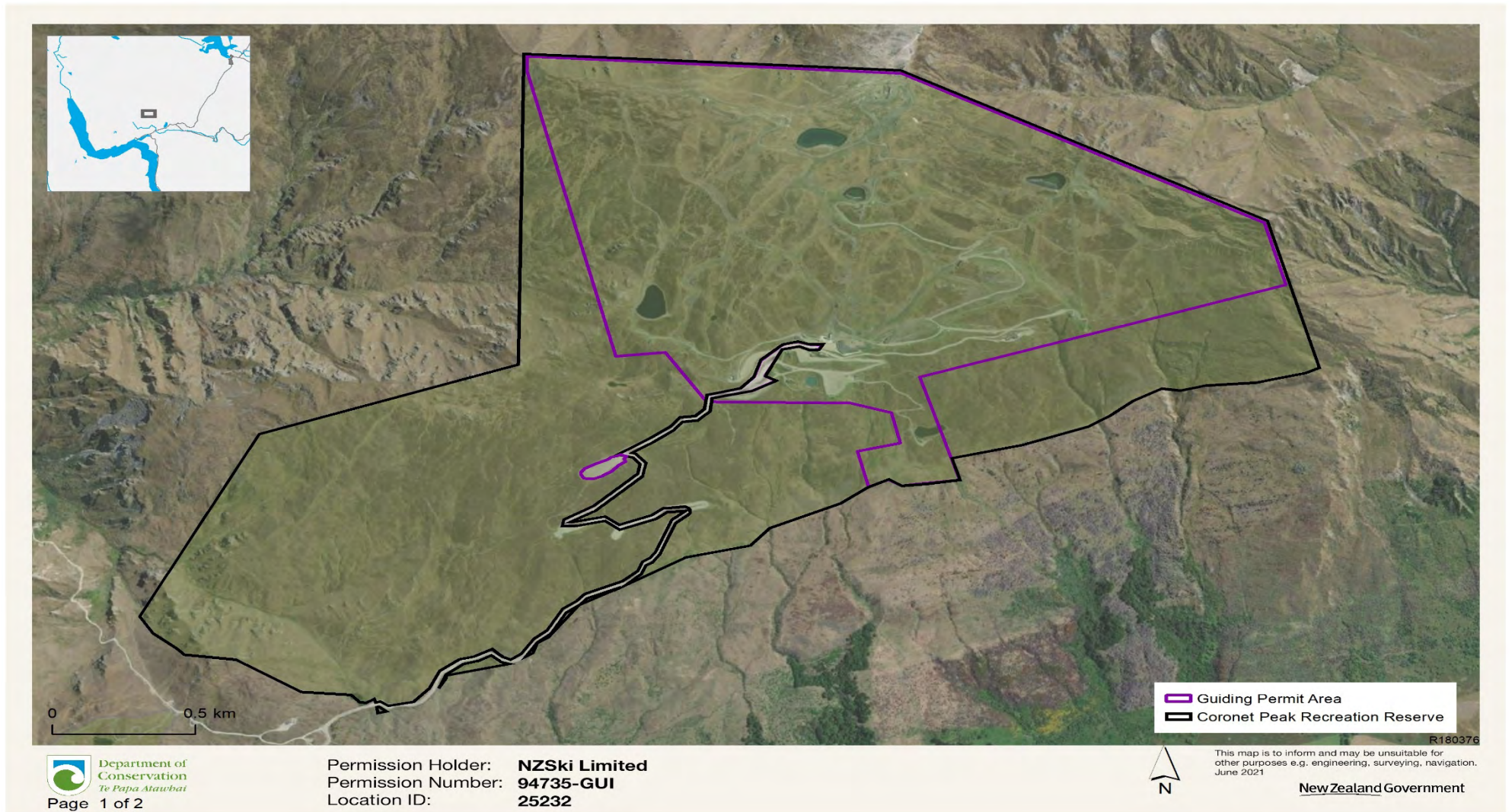
Map 4: Wastewater system (easement). Note: refer to Map 2 for continuation of pipeline up to Heidi's Hut (label 15)



Map 5: Depicting (a) the lease area of the JSD Lodge (Base Building) which measures 7,334m² and is outlined in orange; and (b) The al fresco dining area which may be used for the purposes of providing outdoor seating, tables and providing dining services to the public and is hatched in (yellow) within the lease area, and (blue) within the licence area



Map 6: Map to be included in Schedule 4 of Guiding Permit 94735-GUI



Schedule 4.1: Table of Structures and Facilities⁵⁹

This table to be read in conjunction with Maps 2 (labels), 3, 4 and 5 above

| Description of structure or facility | Label / Map / Schedule / Photo Figure (Map 2 label unless specified) | Concession category | Area m ² (unless ha) |
|---|---|---------------------|--|
| Greengates Drive Station | 1 | Lease | 200 |
| Greengates Return Station | 2 | Lease | 206 |
| Greengates chair and cables | | Easement | 0.7998 ha [1,333m (l) x 6m (w) = 7,998m ²] |
| Coronet Express Return Station | 3 | Lease | 370 |
| Coronet Express Drive Station, including storage garage | 4 | Lease | 880 |
| Coronet Express chair, gondola and cables | | Easement | 0.7752 ha [1,292m (l) x 6m (w) = 7,752m ²] |
| Meadows Drive Station | 5 | Lease | 267 |
| Meadows Return Station | 6 | Lease | 139 |
| Meadows chair and cables | | Easement | 0.2496 ha [416m (l) x 6m (w) = 2,496m ²] |
| Sunkid Carpet | 7 | Lease | 43 |
| Beginner Carpet | 8 | Lease | 224 |
| Dual Magic Carpet | 9 | Lease | 471 |
| Kaser Carpet | 10 | Lease | 328 |
| T-Bar Drive Station | 11 | Lease | 61 |
| T-Bar Return Station | 12 | Lease | 20 |
| T-Bar cables | | Easement | 0.2250 ha [375m (l) x 6m (w) = 2,250m ²] |
| JSD's Lodge (Base Building) (includes apron and service/working area) | 13; Map 5 | Lease | 7,334 |

⁵⁹ Table adopted from Asset Catalogue included with application. Amendment to asset catalogue received from applicant (28/02/2020 [DOC-6237874](#)) "I confirm that the numbering and figures are correct in the asset catalogue, it has the images in the wrong place, along with the area (m2) that have been detailed incorrectly. Therefore, the current image of Figure 3, Drive Station is actually the return station and the current image of Figure 4, Return Station (and includes the storage facility in the image) is actually the drive station. Previously, on the old Coronet Express chair, it was vice versa."

| Description of structure or facility | Label / Map / Schedule / Photo Figure (Map 2 label unless specified) | Concession category | Area m ² (unless ha) |
|---|--|------------------------|--|
| First Aid / Patrol Base | 14 | Lease | 138 |
| Heidi's Hut | 15 | Lease | 113 |
| RS1B - Elephant pit reservoir* | 16a | Lease | 5,666 |
| PS100 Pump House & Transformers* | 16b | Lease | 102 |
| RS1A - Top reservoir | 17 | Lease | 12,705 |
| PS200 & RS200 - co sited shed and reservoir | 18 | Lease | 1,825 |
| PS300 - Sara Sue Pump shed | 19 | Lease | 107 |
| RS300 - Sara Sue Reservoir | 20 | Lease | 12,293 |
| PS400 - Big easy Pump shed and bore | 21 | Lease | 38 |
| PS500 - Rocky Gully Pump Shed | 22 | Lease | 71 |
| RS500 - Rocky Gully Reservoir | 23 | Lease | 7,784 |
| Maintenance Workshop | 24 | Lease | 709 |
| 30,000L Diesel Tank | 25 | Lease | 18 |
| 10,000L Petrol Tank | 26 | Lease | 17 |
| Power Factor Hut | 27 | Lease | 102 |
| Ice Bar | 28 | Lease | 24 |
| Water tanks (in ground) | 29 | Easement | .0150 ha [5 x 30m ² = 150m ² being circular area] |
| Wall St Transformer & switch gear | 30 | Lease | 9 |
| Viewing deck (timber) | 31 | Licence | 70 |
| Snowfactory (to be established) | 32 | Lease | 31 |
| Race team huts | 33 | Lease | 62 |
| Patrol top hut | 34 | Lease | 14 |
| Airways Hut (Summit Building) | 35 | Lease | 28 |
| Wastewater Treatment Pond | 36 | Lease | 4,000 |

| Description of structure or facility | Label / Map / Schedule / Photo Figure (Map 2 label unless specified) | Concession category | Area m ² (unless ha) |
|---|--|---------------------|--|
| Wastewater treatment tanks (in ground) and hut above. | 37 | Lease | 100 |
| Wastewater Dispersal Field | Maps 2 & 4; Schedule 4.2 | Easement | 3.00 ha |
| Underground systems and infrastructure (Sewage/communication/ water) | Maps 2 to 4; Schedules 4.2 to 4.4 | Easement | 6.37 ha [18,925m (l) x 3m (w) = 56,775m ²] + Wastewater pipeline [2297m (l) x 3m (w) = 6,891m ²] |
| Telecommunication | Maps 2 to 3.1; Schedule 4.3 | Easement | Included in 6.37 ha area above |
| Power reticulation | Maps 2 to 3.1 | Easement | Included in 6.37 ha area above |
| Snowmaking infrastructure (snow guns/water reticulation) | Maps 2 to 3.1; Schedule 4.4 | Easement | Included in 6.37 ha area above |
| Carparks and access road | Map 2, 4 and Appendix 2 & 3 ⁶⁰ | Licence | 83.00 ha |
| Balance of ski area (includes skiable terrain) | Maps 1 & 2 | Licence | 196.3431 ha ⁶¹ |
| Comments: | Total Lease area | | 5.6499 ha |
| *PS and RS refer to Pump Stations and Reservoirs, part of the snow making infrastructure. | Total Licence area (excluding lease area) (as shown as purple outline area on Maps 1 and 2 in Schedule 4) | | 279.3501 ha |
| | Total Easement area | | 11.4346 ha |

⁶⁰ Added Maps 4 and 6 to Map 2. Map 6 to be included in Concession 74167-SKI referencing Appendices 2 & 3 in this Report, that show approximate location of car parks and access-ways.

⁶¹ Originally recorded as 196.65 ha. Balance of ski area reduced to 196.3431 ha (i.e. by 3,069m²) to allow for increase to lease area (for al fresco dining and servicing area) as described on Map 5.



Schedule 4.2: Wastewater (refer to Maps 2 and 4 above)

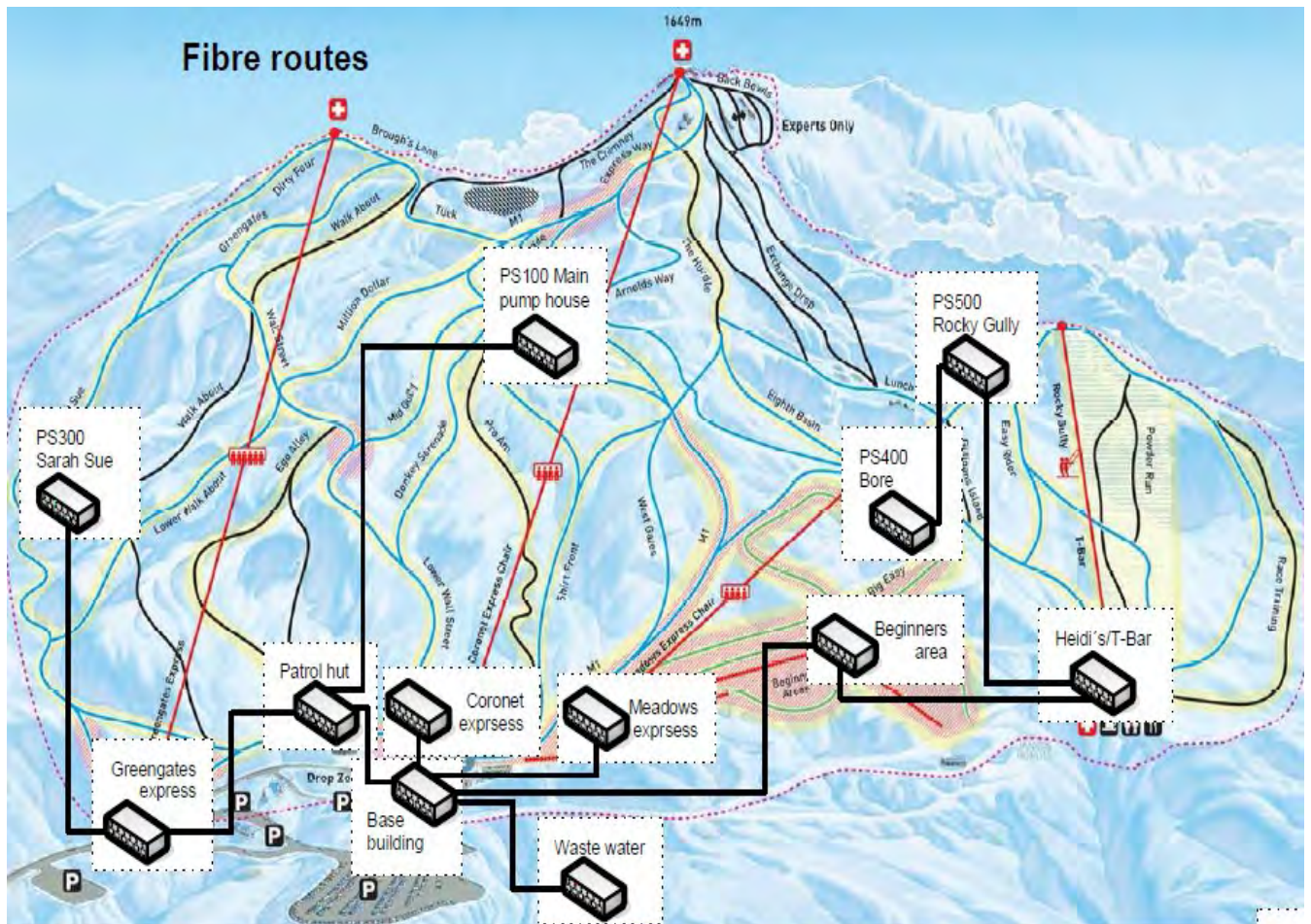
Coronet Peak uses a submerged air filtration system to process all wastewater and sewage. The wastewater treatment plant (WWTP) is located 400m below JSD's lodge and is also used by each of the 6 club huts, Heidi's Hut (figure 15) and the Maintenance workshop (figure 24). The WWTP can treat and discharge up to 65m³ of treated effluent per day. Any inflow greater than 65m³ is diverted into a 3000m³ storage pond where it is stored and treated when inflow is less than 65m³ per day.

The treated effluent is discharged to an irrigation field which further treats the effluent prior to it entering the natural waterways.



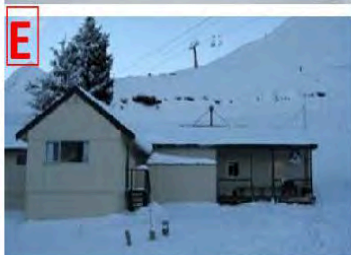
Schedule 4.3: Telecommunication (refer to Map 3 above)

Coronet Peak utilises a voice over internet protocol (VOIP) telecommunication system. The VOIP system operates via an underground network of Fibre cables with the main server located in Queenstown and backup server located at Mt Cook. A simplified schematic of the fibre network is displayed below.



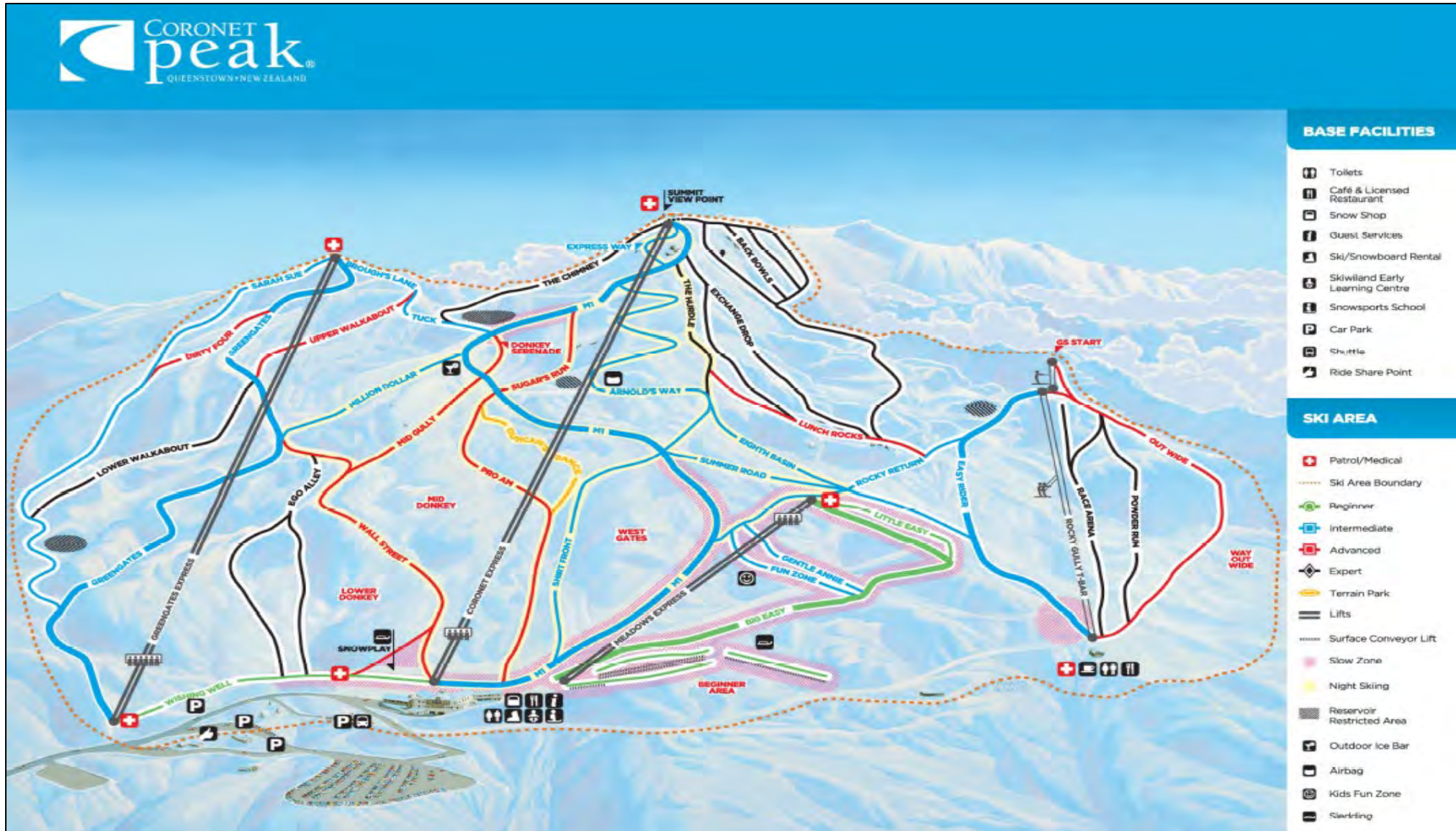
Schedule 4.4: Potable water (refer to Map 3 above)

Coronet Peak has consent to take up to 4.3L of water per second from an unnamed spring located 100m to the west of JSD's lodge. The spring is one of many tributaries of Station Creek. The spring water is pumped 180m above the JSD's Lodge and stored in 5 x 25,000l underground tanks before travelling back down the mountain to be shared with 6 ski club huts occupying sites located around the Coronet Peak car parks. These club huts have independent leases with DOC.



A - Gobblers Lodge, **B** - Rocky Gully Ski Club, **C** - Wakatipu Ski Club, **D** - Southland Ski Club, **E** - Vincent Ski Club, **F** - Otago Ski Club

Schedule 4.5: Trail Network



Schedule 4.6: Third Party Operators

This table to be read in conjunction with clause 44 in Schedule 3.

4.6.1 Tables - General description of third party activities

| Map ref | General Description | Location |
|---------|--|---|
| 1-5 | Transmission equipment and antennae | Schedule 4.6.2 map and photo's |
| 1 | The 'airways' hexagon (Summit building) is owned by the Concessionaire. Kordia (photo below) infrastructure has been linked to this building via over ground galvanised pipes. | <ul style="list-style-type: none"> • Schedule 4.6.2 map and photo • Schedule 4.1 table (label 35) |
| 2 | An aerial mounted on a wooden post above the top of Greengates lift. Mediaworks hosts the control equipment in a corner of the lift control hut at top of Greengates. See Schedule 4.1 (label 35). | <ul style="list-style-type: none"> • Schedule 4.6.2 map and photo • Schedule 4.1 table (label 2) |
| 4 | Hut and aerial tower side of Learners slope. | <ul style="list-style-type: none"> • Schedule 4.6.2 map and photo • Schedule 4.1 table (labels 7 & 8) |
| 5 | Hosted within the basement of JSD's Lodge (Base Building) and aerals mounted on outside of building. Includes Concessionaire's own reticulation of network to Remarkables. | <ul style="list-style-type: none"> • Schedule 4.6.2 map and photo • Schedule 4.1 table (label 13) |
| 6 | Launch from 4 sites | Schedule 4.6.2 map and photo's (6A-D) |
| 6A | Launch site 6A is outside the Coronet Peak Recreation Reserve. | Schedule 4.6.2 map and photo (6A) |
| 6D | Outside Coronet Peak Recreation Reserve and administered under NZSki agreement with LINZ. | Schedule 4.6.2 map and photo (6D) |

| Map ref | Business | Activity Description | Area m ² |
|--------------|--|--|----------------------|
| 1 | Kordia | New Zealand government-owned broadcast and telecommunication company, operating in New Zealand and Australia | 22 |
| | Airways Corporation | Controls all domestic and international air travel within New Zealand's Flight Information Region (FIR) | 21 |
| | Tourism Milford Limited | Guided walks and overnight lodges on the Routeburn and Milford tracks (sister company of Concessionaire's) | 1 |
| | Northern Southland Transport | Freight and haulage company (sister company of Concessionaire's) | 1 |
| | Queenstown Lakes District Council (QLDC) | Local government - district council | 1 |
| | Delta | Utility services company. co-hosting with Kordia | |
| 2 | Mediaworks | New Zealand based television, radio and interactive media company | 1 |
| 4 | 2 Degrees | Telecommunication provider | 6 |
| | Lightspeed | Optimisation of network design to installation, maintenance and improvements | 1 |
| 5 | Vodafone NZ | Telecommunications | 4 |
| | Chorus | Provider of telecommunications infrastructure | 3 |
| | Spark | Telecommunications | 3 |
| | NZSki Limited | Internet and phone relay to Remarkables Ski Area across the valley | |
| | NZ Police | NZ Police force | 1 |
| 6 A,B,C,D | Coronet Tandems | Independent operator providing tandem paragliding and hang gliding tours | 6A = 350 6B = 450 |
| | Skytrek | Independent operator providing tandem paragliding and hang gliding tours | 6C = 300 6D = 300 |
| | Infinity Paragliding | Independent paragliding school offering range of courses from 1 day introduction to advanced solo piloting | |
| | G-Force | Independent operator providing tandem paragliding and hang gliding tours | |
| | Extreme air | Independent paragliding and hang gliding school | |
| | Ski Lodges | The ski lodges are referred to in Item 1 of Schedule 1 and Schedule 4.4: A. Gobblers Lodge (Coronet Work Limited) B. Rocky Gully Ski Club C. Wakatipu Ski Club D. Southland Ski Club E. Vincent Ski Club F. Otago Ski Club | |

Site 6D is outside of the DOC recreation reserve and administered under the NZSki agreement with LINZ.



Indicative locations of third-party operators



APPENDIX 1⁶²: Proposed skiable terrain area of approximately 218 hectares (from application)



⁶² Appendix 1.4 from application.

9 Access Road and Car Parks

The Coronet Peak access road is publicly owned and managed by Queenstown Lakes District Council (QLDC). The sealed access road is 8km from the turn off at Malaghans road and it provides access to Skippers road and several residential properties. Downer have the annual maintenance contract for the QLDC road network. Coronet Peak become sub-contractors to Downer between 1st June and the end of the ski season each winter and take responsibility of the winter road maintenance.

There are 7 dedicated car parks at Coronet Peak with an approximate capacity for 1250 vehicles. The top 6 car parks are included in the primary Coronet Peak lease. A Department of Conservation concession was acquired for car park 7 on the 29th November 2011 (OT-27836-SKI).



APPENDIX 3⁶⁴: Approximate location of car park 7 (from application)



⁶⁴ Appendix 1.5.1 from application.