



# Notified Concession Recommendations and Final Report to Decision Maker

**Recommendations following public notification process and Final Report to Decision Maker: Kay Booth - Deputy Director General Partnerships**

**Notified Application for a Licence Concession**

**Applicant:** Ruapehu Alpine Lifts Limited

**Permission Record Number:** 40011-SKI

**File:** PAC 05 06 05

The purposes of this report are:

- (a) To provide a summary of all objections and comments received as a result of the public notification process;
- (b) To make a recommendation as to the extent to which they should be allowed or accepted; and
- (c) To make a recommendation whether to proceed with the proposal.

## 1.0 Summary of proposal

A decision in principle was made to grant this concession on 11<sup>th</sup> of August 2015. It was publicly notified between the 20<sup>th</sup> and the 26<sup>th</sup> of August 2015 and the public notice was present on the DOC website for the duration of the public notification period. The public notification period closed on the 21<sup>st</sup> of October 2015. A total of 716 submissions were received within that time and as no-one requested the right to be heard there was no requirement to hold a hearing.

**Type of concession sought:** Notified Licence

**Term sought:**

The term under application is a total of 60 years. This comprises an initial term of 30 years with six 5 year extensions if certain criteria are met.

**Description of the proposed activity:**

Ski field - Whakapapa

A Licence to occupy land, to conduct a ski field on land. The application is for the continuing operation of the Whakapapa Ski Area, for which the applicant currently holds a licence.

**Description of locations where activity is proposed:**

The location is defined by the ski area boundary and the location of the buildings and infrastructure as depicted in schedule 4 of the draft licence.

A copy of the application is attached as Appendix 1.

A copy of the first determination report is attached as Appendix 2.

A copy of the draft licence is attached as Appendix 3.

## 2.0 Information available for consideration

### **First Determination report:**

This report, attached as appendix 2 provides a thorough analysis of the application within the context of the legislation, the statutory planning framework and actual and potential effects. The decision of the first determination report was to approve the application in principle, subject to the public notification process.

### **Additional information available:**

During the public notification period, RAL and Ngati Tuwharetoa entered into a Relationship agreement. The effect of the relationship agreement will be to provide the platform for decision making for the extension periods that will be available to RAL, should the agreed performance criteria be met. In addition to the signed Relationship agreement, Ngati Tuwharetoa also made a formal submission in the public notification process that recorded the following:

*'We have long sought to ensure the protection of the Maunga. Development and heavy recreational use of the Maunga offends against our tikanga. We are deeply unhappy that the mauri of the Maunga is under pressure because of the large number of visitors. We have long opposed construction of infrastructure in the area known as 'the tuku', and the use of buildings to stay overnight on the Maunga.*

*We have discussed the proposed lease with the applicant. We understand that the public's recreational use of the Maunga extends across all parts of the national park. The applicant is able to manage the public's use of the Maunga and is a mechanism to control and manage the public's environmental and cultural impacts by providing appropriate services and infrastructure.*

*Accordingly, we and the applicant have signed a Relationship Agreement. The Relationship Agreement addresses how we will engage together in respect of RAL's operations. The Relationship Agreement provides a basis for Ngati Tuwharetoa to engage directly with RAL to address our environmental and cultural concerns.'*

Consultation was undertaken by the Department and RAL with Ngati Rangi, Uenuku and Ngati Haua. The Department was advised that consultation with Ngati Hikairo occur via the office of the Ariki Sir Tumu Te Heuheu. As a result of this consultation, the Department has an understanding of the views of those iwi.

The views expressed were similar to those expressed by many of the submitters, as outlined below, and so they won't be repeated here. Many of the concerns raised were operational

in nature and are addressed through the conditions of the licence. These concerns include matters such as rubbish management and annual reporting and monitoring.

Ngati Rangi expressly raised the desire for a Kahui Maunga Management Plan. While this may be an outcome of treaty settlement for the Park and is clearly a wider issue than this application, the current relevant statutory documents are those that the application has been assessed against.

Concerns were raised about the expansion of infrastructure. The application is for the infrastructure detailed in the application. Over the time of the current licence, there has been new facilities constructed and redundant infrastructure removed. Over time RAL has moved from an operating style that saw many smaller lifts to their current focus of fewer, higher capacity lifts to reduce their footprint and improve the visitor experience. Continuation with their development and reduction plans will see a further reduction of the infrastructure on the Maunga.

Ngati Rangi, Uenuku and Ngati Haua all had concerns with the length or the proposed term and considered that it may prejudice their collective Treaty of Waitangi claim for the Tongariro National Park. The collective grouping also includes Ngati Tuwharetoa and Ngati Hikairo, a hapu of Ngati Tuwharetoa. RAL is seeking a term that is for an initial period of 30 years. In addition to that, performance reviews will occur every 5 years during that time that will provide them, if the criteria are met, to earn an additional 5 year extension to that term. RAL have advised that should they be successful in earning their extensions, that they will most likely be seeking a new concession well before the end of the term. This is because RAL need to ensure that they have a sufficient timeframe in which to ensure a return on the investment in their infrastructure and to provide for uninterrupted reinvestment in infrastructure, maintenance, marketing, relationships and any long term environmental enhancement projects.

## **THE PUBLIC NOTIFICATION PROCESS**

### **Analysis of Submissions:**

A total of 716 submissions were received during the public notification period. Of these 714 either were supportive or identified as being supportive, some with commentary regarding possible matters for consideration. One submission was in opposition and one submission was considered to be neutral.

To facilitate the submission process, RAL provided on their website, a standardised submission letter for submitters to use. This enabled submitters to submit on the points that they agreed with and to further detail their personal connections to the Ski area. Many submitters also provided additional information for consideration, over and above the standardised submission provided by RAL.

The Ruapehu Mountain Clubs Association submitted in support on behalf of their member clubs. In addition, many ski clubs also lodged their own personal submission in support and those clubs are detailed below.

Aorangi Ski Club  
Arlberg Ski Club (Inc)  
East Coast Ski Club  
Graduates Ski Club (Inc).  
Havelock Ski Club  
Hutt Valley Tramping Club  
Iwikau Ski Club  
Manawatu Tramping and Skiing Club Inc.  
Massey University Alpine Club  
Matamata Ski Club  
Ngauruhoe Ski Club (Inc)  
Otaihape Alpine Club  
Pinnacle Ski Club  
Puketoi Mountain Club  
Rangatira Alpine Sports Club  
Rotorua Tramping & Ski Club  
Royal New Zealand Navy Alpine Ski Club  
Ruapehu Mountain Clubs Association  
Ruapehu Snow Sports Inc.  
Ski One 50 Ski Club  
Skyline Ski Club  
Slopes Ski Club  
Snow Line Ski Club  
Summit Skiers  
Takapuna Ski Club  
Taupo Ski Club  
Tauranga Ski Club  
Tauwira Ski Club  
The Boomerang Ski Club Incorporated  
The Hawkes Bay Ski Club Incorporated  
Tokoroa Alpine Club  
Tongariro Ski Club  
University of Auckland Ski Club Inc  
University of Auckland Snowsports Club  
Waitomo Ski Club  
Wanganui Ski and Snowboard Club

A number of Council and community based marketing and promotional organisations submitted in support, these included:

Destination Great Lake Taupo  
National Park Village Business Association Inc.  
National Park Village Progressive Association  
Ohakune 2000 Inc.  
Ruapehu District Council  
Taupo District Council

Taupo Pathways for Youth Employment  
Tourism Lake Taupo Incorporated  
Towncentre Taupo Inc.  
Turangi Taupo Community Board

A number of business, including local accommodation providers, local businesses, ski areas and others also submitted in support:

39 South Ski Lodge  
Browns Ski Shop  
Colorado Traders Ltd  
Edge to Edge  
Mt Hutt Ski Area  
Rotary Club of Taupo Espresso  
Ski Areas Association NZ Inc  
Ski Industries Ltd  
Skotel Alpine Resort  
Taupo Pack & Pedal  
The Chateau Tongariro  
Turangi Ski & Snowboard Hire (2010) Ltd

Submissions in support were also received from Federated Mountain Clubs of New Zealand and local schools.

### **Summary of comments**

The greatest numbers of submissions were received from either individuals or families who submitted in support on their own account or on behalf of their family. These submissions numbered 650 and also include those submissions where it was unclear whether the submitter was representing an organisation and submitting on their behalf. Many submitters detailed their long, continued association with the mountains of the central plateau and specifically with the Whakapapa Ski Area. Some submitters outlined 4 generations of their family who had skied together at Whakapapa enjoying a recreational pastime that is deeply embedded in their families. The experiences noted by submitters was many and varied, ranging from those that have recently become snow recreationalists through to those that have most of their social interaction based around the ski area and the friendships that they have formed as a result. Submitters detailed the passion and spiritual connection that they hold for the place and what it means for them to be able to visit, not only in winter while the skiing and snowboarding facilities operate, but also during the summer when the facilities offered by RAL facilitate summer recreational activities such as tramping to the Crater Lake and climbing.

### **Recommendation:**

It is recommended that the comments be noted

Several submitters, while submitting in support or noting that a concession should be granted also noted concerns that they wished to see addressed through the

process a granting a new concession.

**Recommendation:**

It is recommended that the comments be noted

The issue of the perceived monopoly that RAL have due to their ownership of both the Turoa and Whakapapa ski areas was raised. This manifested in a number of ways through the submissions, including submitters outlining their views as to the facilities provided, the opening times and the operation of the facilities and the potential desirability of an alternative operator for the Turoa Ski area.

The previous owners of the Turoa ski area placed the business into voluntary liquidation. RAL purchased the assets of the Turoa ski area and were assigned the concession in the year 2000, following a rigorous process undertaken by the Commerce Commission to establish whether the sale of Turoa to RAL would substantially lessen competition and create a monopoly situation. Approval of the Commerce Commission was required before RAL could purchase the Turoa ski area. This approval was granted and the purchase proceeded. For this reason it is not accepted that the ownership of both Ski Areas by RAL has resulted in adverse effects. Furthermore the Tongariro National Park Management Plan recognises and promotes the benefits of having one concessionaire over the two commercial Ski Areas on Mount Ruapehu.

**Recommendation:**

It is recommended that the comments be noted

Some submitters commented on the types of facilities provided by RAL, such as a double chair lift or a quad chair lift and the manner in which they operated them, such as lifts operating more slowly at some times during the season. It is noted that if the application is approved that RAL will then have the security of tenure to progress with their approval for construction of the Eastern Terrain project. RAL has an indicative development plan that outlines several new proposals for enhancing the visitor experience with regards to lift facilities. Other factors such as weather and snow fall are outside RAL's ability to control. They influence snow availability with the use of snow making, however this is also weather dependant. The other constraint to the operation of the ski area is the Tongariro National Park Management Plan objectives and policies. RAL has worked with the Department over many years to agree appropriate development for the ski area that meets the requirements of the management plan.

**Recommendation:**

It is recommended that the comments be noted.

In contrast to those submitters that outlined their concerns with RAL having a perceived monopoly, other submitters outlined that they supported the need for RAL to have the ability to operate all of the functions and business opportunities at the ski area. They identified that the various revenue earning business units

subsidise the non-revenue earning areas, such as car parking and roading services that are provided to all visitors participating in recreational experiences and not only those that purchase services from RAL. These submitters support RAL in providing these services free of charge to all visitors that come to experience and appreciate the National Park.

**Recommendation:**

It is recommended that the comments be noted

Submitters noted the lack of investment at Whakapapa over the last several years and therefore concluded that only providing a short term for the new licence would 'keep RAL on their toes'. These submitters have identified what RAL themselves have also identified and that is without the certainty of term on the licence, Directors cannot prudently invest in new facilities at Whakapapa. Accordingly a shorter term is likely to result in less investment in the Ski Area facilities which is counterproductive to the submitters' desire to see more investment in Whakapapa. This application includes the as yet unconstructed Eastern Terrain lifts and RAL are anxious to commence this project once final approval on the licence application is received. Noting the view of some submitters regarding a shortened term, RAL themselves have proposed the performance criteria that will be required to be met, to ensure that licence extensions beyond 30 years are granted. It is considered that these measures adequately address the submitters concerns.

**Recommendation:**

It is recommended that the comments be noted.

Submitters noted the operational decisions that RAL make on a day to day basis with regards to opening times and operational lifts and facilities. It is understood that RAL must make these operational decisions based on weather, staffing, demand, costs of operation etc and therefore special conditions in the licence document would be an impractical method to address these submitters concerns. Any condition would be subject to such variables that it would be impractical to measure and monitor.

**Recommendation:**

It is recommended that the comments be noted.

Several submitters commented about the support that their organisation enjoyed from RAL to be able to provide recreational experiences to their students or participants. This is highly valued, particularly in the local community and RAL are regarded by those submitters as a good corporate citizen as a result of this.

**Recommendation:**

It is recommended that the comments be noted

Operational matters were raised by some submitters. These included the issue of rubbish and the perceived lack of attention given to rubbish on the ski area and

outside of the ski area, where that rubbish has clearly emanated from the ski area. Matters of rubbish collection are covered under the conditions of the licence and are managed by RAL, as required by the Department.

**Recommendation:**

It is recommended that the comments be noted and that the conditions of the licence provide the ability to manage this effect.

Matters of volcanic hazard information were also raised and the suggestion that RAL better inform their customers of the risks. As with the requirements to manage rubbish above, there are special conditions in the licence that require RAL to manage the visitor health and safety needs on the ski area. RAL contribute significantly to the early detection system and continue to work with the Department to ensure that risks to visitors are well managed.

**Recommendation**

It is recommended that the comments be noted and that the conditions of the licence provide the ability to manage this effect.

One submitter suggested that RAL be required to establish an Environmental Management system that is consistent with the ISO14001 standard as it would provide for increased environmental protection for the National Park. The purpose of the system is to identify significant environmental aspects of the operation that are not currently identified. RAL have advised that they have already commenced the development of an Environmental Management Plan and are undertaking EnviroMark annual environmental audits currently. As a requirement of the concession application process, the Department considers that the known environmental effects have been identified and are adequately avoided, remedied or mitigated through the conditions in the licence. The Department will continue to work with RAL to identify effects that may not be currently known and to ensure that these are adequately managed through the term of the licence. The performance criteria that RAL will be required to meet to secure their 5 yearly extensions will also promote effective environmental practice.

**Recommendation:**

It is recommended that the comments be noted and that the conditions of the licence provide the ability to manage this process.

Several submitters outlined ski field management practises they believe are required - which essentially can be summarised to state that RAL should sell lift tickets and be required to transport skiers uphill - and then customers should then be able to undertake whatever activities they desire. The submitters' wishes are noted however RAL has significant responsibilities as an operator in respect of Health and safety legislation, as well as ensuring a positive recreational experience for their customers. This means that RAL must be able to manage the ski area in keeping with weather, snow conditions, staffing requirements and other operational matters. The submitters concerns cannot be accepted.



**Recommendation:**

It is recommended that the comments not be accepted. RAL have a requirement under both the licence, if approved and under current health and safety legislation to manage health and safety on the ski area.

Submitters noted that the 47 club lodges on the Whakapapa ski area and within the Whakapapa village were by and large dependant on an economically viable, quality operator to ensure their own success as viable clubs. They noted that the clubs enhanced the recreational experiences provided by RAL, giving recreational users an enhanced experience within the Tongariro National Park. They are highly supportive of the term that RAL have applied for as this provides long term certainty and the ability for RAL to invest in quality improvements to facilities that their members will enjoy during their recreation activities on the mountain.

**Recommendation:**

It is recommended that the comments be noted

Submitters highlighted the economic contribution that RAL makes to the local economy, including increasing and diversifying the tourism opportunities in the region. As discussed in the first determination report, matters of economic contribution cannot be considered by the delegate of the Minister. What can be taken in to account and is noted is the contribution that RAL makes to the recreational pursuits of those visitors to the Tongariro National Park. The services and facilities provided by RAL supports the recreational opportunities for in excess of 200,000 visitor days annually at Whakapapa.

**Recommendation:**

It is recommended that the comments be noted

**Summary of Objections**

One submitter opposed the granting of the licence to RAL and instead suggested that the licence be granted to an Iwi Maori organisation with charitable aims and that a sub-licence be provided to RAL to operate some, but not all aspects of the ski area operation. Section 49 of the National Parks Act 1980 imports Part 3B of the Conservation Act 1987. Section 17R(1) of the Conservation Act states that *“any person may apply to the Minister for a concession to conduct an activity in a conservation area”*. Section 17T(1) further provides that *“The Minister shall consider every complete application for a concession that is received by him or her”*. The Department of Conservation has received an application from RAL for the activities of the Whakapapa ski area and has considered that application in accordance with Part 3B of the Conservation Act 1987. Furthermore, consultation has been undertaken with Iwi and no interest in obtaining a licence was expressed during that consultation.

**Recommendation:**

It is recommended that the objection not be allowed.

**Summary of Hearing:**

No hearing was held in respect of the application

**Summary of special conditions proposed in response to analysis above:**

No further special conditions are proposed that are in addition to those proposed in the draft licence document.

**3.0 Acknowledgement of complete application (s17S)**

An application is deemed complete once all information required under section 17S has been received.

**Comment**

This application is deemed to be complete for the purposes of the Act.

**4.0 Fees**

## **5.0 Applicant's comments on draft report**

The applicant was sent a copy of the draft final report on 3/12/2015 and made minor comments which have been incorporated in to this report.

## **6.0 Summary and Conclusions**

RAL are a long standing operator of the Whakapapa Ski area. The application is for the continuation of the existing activity and infrastructure and that infrastructure that has already been authorised for construction.

RAL have entered into a Relationship agreement with Ngati Tuwharetoa which will provide for more active participation in matters pertaining to the ski area.

The proposed term of 30 years, with the ability to earn six 5 year extensions will ensure that RAL are active in ensuring ongoing protection and enhancement of conservation, culture, community and customer.

The application is consistent with legislation and statutory plans. The effects are managed by special conditions.

The matters raised in the submissions have been adequately addressed in the special conditions of the draft licence. The overwhelming number of submissions in support from the local community and wider community is especially noted.

**7.0 Recommendations to decision maker**

Pursuant to the delegation dated 29th August 2013 it is recommended that the Deputy Director General Partnerships:


- (a) Note the summary of comments and objections (set out above) received during the public notification period;
- (b) Accept my recommendations as to the extent to which the objection and comments should be allowed or accepted;
- (c) Accept my recommendation that the licence concession be granted;
- (d) Approve the granting of a Notified Licence concession to Ruapehu Alpine Lifts Limited subject to the attached concession contract.



Deidre Ewart  
Permissions/ SLM Manager  
Date: 7 December 2015

Recommendation:

- (a) Noted
- (b) Accept/~~Reject~~
- (c) Accept/ Reject
- (d) Approve/~~Decline~~

Signed:   
Kay Booth  
Deputy Director General Partnerships  
Date: 11.12.15