



13 December 2022

Tēnā koe [REDACTED]

Thank you for your request to the Department of Conservation (DOC), received 15 November 2022, in which you asked:

*Can DOC please provide an overview of current issues faced by DOC and ski fields on public conservation land and how DOC proposes to work with the Industry to address these matters going forward.*

Our response to your enquiry is as follows.

**An overview of the current issues faced by DOC and ski fields on public conservation land and how DOC proposes to work with the ski industry going forward.**

Many ski field operators are struggling after years of dealing with issues, such as the impact of the COVID-19 pandemic on visitor numbers and climate change leading to inconsistent snowfall. Most New Zealand ski fields operate on public conservation land (PCL), and therefore, require a concession to operate.

Our Director-General, Penny Nelson, acknowledged the many challenges Ski Areas Association of New Zealand (SAANZ) members are facing in a presentation at their annual conference on 28 October 2022 in Queenstown. As part of her presentation, Penny Nelson invited SAANZ to form a joint working group with us to develop a better relationship between both parties. This was welcomed by the SAANZ members present. We are now in the preliminary stages of establishing a working group with SAANZ members.

The information below provides an overview of some of the issues faced by DOC and the ski industry. This may form part of the working group's discussions.

**Diversifying into year-round activities**

As ski seasons continue to be affected by climate change and other issues, many ski areas are looking to diversify into year-round activities, such as mountain-biking. This will give them a more consistent return on their investment and help protect them from climate change effects.

Most ski field concessions do not currently allow for such additional activities. Year-round activities, such as mountain biking, often have different impacts on conservation values than ski operations (e.g. earthworks, fire risk, effects on water bodies, greater disturbance of species such as lizards and birds). These need to be considered when seeking variations to current concessions.

When ski field concessionaires look to diversify into activities such as mountain biking, we can only approve this when it is consistent with the conservation values of PCL. Additionally, the

activities must be consistent with legislation and statutory documents, such as conservation management strategies (CMS) and national park management plans (NPMP).

We are currently exploring ways to consider mountain biking proposals more proactively in our CMS documents nationally. This work is at a preliminary stage. A partial review of the Otago CMS was completed in July 2022, which has allowed for more proactive consideration of mountain-biking proposals in Otago (including proposals on existing ski fields).

### **Fair market rates**

Operators accrue economic benefits from having a concession and we have a legislative responsibility to ensure a market return for the use of PCL. As a result, we need to charge a fair market rate for ski field operators' activities on PCL. This is called an activity fee.

Activity fees are charged by us and collected as a royalty on behalf of the Crown. This revenue is redistributed back to us the following year. The way activity fees are set up for ski fields means they are generally set as a percentage of revenue. It means that if there is reduced tourism activity, then Operators pay us less. We think this approach shares the risk between the operator and the Government.

We are looking at how we determine these activity fees for ski fields in the future. Any changes to fee methodology will be through negotiation and agreement with ski field operators.

### **Legacy infrastructure**

The increasing climate change challenges present risks to the ongoing viability of many operators. This also presents a risk for us, as we need to understand what happens to existing infrastructure when operations cease to exist. We want to work with the industry to look at diversity options in a manner consistent with conservation values and our legislative requirements.

If you wish to discuss this with the Department, please contact Vicki Crosbie, National Permissions Advisor by email [vcrosbie@doc.govt.nz](mailto:vcrosbie@doc.govt.nz).

Nāku noa, nā



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*Te Papa Atawhai*