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Attention: Lynette Trewavas - Senior Permissions Advisor

Submission on Tūroa Ski Field Concession Application

Ruapehu Skifields Stakeholders Association (RSSA) welcomes the opportunity to participate in, and provide feedback on, the application by Pure Tūroa Limited to operate recreational and tourism operations within the Tongariro National Park.

Vision and Background of RSSA

The RSSA was started by a mix of volunteers from the local community, life pass holders, season pass holders, former mountain staff and local businesses. Several of the founding members were members of the RAL Shareholders and Life Pass Holders Group. The RAL Shareholders and Life Pass Holders Facebook Group was originally created in 2016 as a place for the shareholders of RAL to connect together and discuss areas of common interest regarding the company. Over time, the group had advocated for more transparency from the Company, Board of Directors, and the Shareholding Trust (who acts as the legal majority shareholder).

The RSSA has a large representative base of 1000 plus financial members and donors. As well as representing tens of thousands of mountain users and life pass holders via the Save Mt Ruapehu website, mailing list and Facebook groups. Based on our large surveys of these mountain users the people's vision for the Whakapapa and Turoa Skifields is to:

- Retain both Tūroa and Whakapapa under the same ownership and governance.
- Retain a community ownership structure and governance model.
- Finance the operation through crowdfunding, long-term product pre-sales, and equity investment from the skiing community.

This was further supported by the vote outcomes of the watershed meeting.

Submission

RSSA, as representatives of tens of thousands of stakeholders, are opposed to the concession application from Pure Tūroa Limited due to several negative downstream impacts.

We are firmly of the view that maintaining and enhancing not for profit skifield operations on Mount Ruapehu is a critical priority for all stakeholders, most importantly Iwi and local residents, and for the thousands of members of the public that visit every year.

Our members are passionate skiers and snowboarders, lovers of the Maunga, everything it represents, and everything that happens on it. Ruapehu provides the primary North Island access for winter snowsports. We are acutely aware that skiing on Ruapehu is vital for the economic and social wellbeing of communities in the Central North Island.

The importance of the mountain to everyone is eloquently captured in the *Tongariro National Park Management Plan* where it says, "In New Zealand, national parks are areas of publicly owned land that are preserved in perpetuity for their intrinsic worth and for the benefit, use and enjoyment of the public." The management plan reflects the intent of the National Parks Act.

Primary Concerns

We do not believe that the application for concessions by Pure Tūroa Limited is well aligned with the Management Plan (or Act) just quoted, with other earlier and current proposed options being more aligned. More importantly, the timing of granting a concession to a privately owned operation does not reflect well on current Treaty negotiations in the region, with Tongariro National Park being at the heart of these negotiations. Treaty obligations are firmly embedded in the Conservation Act and the Conservation Management Strategy. Although these two concerns are the most pertinent, there are other concerns we will elaborate on later.

Positive Aspects

There are a number of aspects within Pure Tūroa's application that we consider are positive, and for that, they are to be commended. These are as follows:

Low environmental impact of operations:

Pure Tūroa outlines their vision for reducing the environmental impact of their operations within the Tūroa Ski Area. Whilst we have some concerns over aspects of how this will be achieved, we are generally in full support of implementing measures to ensure skifield

operations appropriately minimise environmental impact. In particular, we are supportive of all measures which:

- Minimise the disturbance to natural flora and fauna
- Minimise the risk to contaminants to land and waterbodies
- Reduce energy use, particularly the use of fossil fuels
- Reduce the production of solid waste, particularly that sent to landfill.

Summer Activities:

Pure Tūroa outlines a desire to establish low impact summer operations within the Tūroa Ski Area. RSSA would like more information about proposed summer activities, and acknowledge that this could provide financial diversification, and may provide a local tourism benefit year-round.

However, RSSA understands that these positive environmental aspirations were already being pursued by RAL so there is nothing uniquely different being proposed by PTL to that of the current concession holder.

Negative Impacts

Reduction in lift capacity:

RSSA fully supports the removal of infrastructure that is truly redundant and has no further use, such as buildings, pylon foundations, cables and pipes. However, the removal of ski area lifts concentrates skiers and snowboarders onto fewer lifts, reducing the spread of customers over the field, and eroding the overall customer experience. In particular, the Nga Wai Heke opens up access to the Triangle and the Glacier areas, which provides exceptional skiing and snowboarding when conditions permit. This area can often be Tūroa's finest experience and is looked forward to by many as a highlight in the season.

We don't believe there is much merit on environmental grounds. The infrastructure is already in place, and a far larger part of the damage is caused by construction rather than the pre-existence of the pylons and stations.

Running additional terrain like the Triangle and the Glacier make the field more attractive to a diverse range of visitors who might otherwise choose to go to the South Island. Keeping customer satisfaction high is imperative to financial viability, and more importantly to the region generally.

The proposal that the Giant and Wintergarden lifts also be removed and that both the Parklane and the Movenpick lifts be replaced by a single lift, means that only two lifts will be operating on the whole upper mountain. This will create some major issues:

- 1) Regardless of how new and well maintained a lift is, it will still experience outages, sometimes caused by unavoidable ice build-up and other weather events. This considerably increases the risk of the ski area being partially or fully inaccessible.

- 2) Reducing lifts channels the customers into choke areas on the mountain, creating a significant impact on visitor experience and enjoyment, and overloading key parts of the mountain.
- 3) Reduced lifts places skiers of all abilities into the same areas and as such creates these choke points because slope capacity may be exceeded. Once slope capacity has been exceeded and combined with a high concentration of beginner/intermediate skiers adding in expert skiers into the same terrain causes high traffic congestion. This in turn ruins the customer experience and is likely to create serious safety issues in a sport where H&S management is already paramount. No responsible operator would create these kinds of choke points or design a skifield with a high risk that the slope capacity will be exceeded.

Reduction of overall ski area capacity:

RSSA appreciates that crowd control and managing visitor numbers is a critical component of achieving a good overall user experience. However, we refute the assertion made in the Pure Tūroa application that a reduction from a maximum carrying capacity from 5500 to 4500 is 'slight'. Rather, this represents a 18% reduction in capacity, which is notable and has likely flow on effects:

- 1) Reduced visitors to the Ruapehu District over the winter months, particularly during the busiest part of the season (August to mid-September)
- 2) Increased frustration for visitors that have booked weekend trips, and potentially cannot get up the mountain. For example, the Covid restrictions on numbers, albeit significantly greater, highlighted this frustration.
- 3) Possibly unforeseen increase in visitors to the Whakapapa Ski field causing potential issues on that side of the Mountain, also impinging on visitor experience.
- 4) Reduces accessibility to snow sports in the North Island where most of our population is, and particularly to New Zealanders who want to participate in snow sports, with the majority of overseas visitors going straight to Queenstown.

Note that reducing visitor numbers does not address the issues created by the reduction in lifts that is discussed above. These issues would still exist, with H&S being of particular concern. The reduction in visitor numbers reduces viability while the reduction in ski area and usable lifts negatively impacts the customer experience and their safety.

Splitting the skifields:

The skiing community wants the skifield operations to be kept together. This provides important benefits including improved financial stability and flexibility of choice for the customer to ski both sides on one pass. Ruapehu is renowned for its variable weather conditions where quite often Tūroa and Whakapapa will experience variability in conditions between the two fields on any given day, for example one field could be closed for strong winds while the other side is open with light winds. Keeping the fields together means more

of the public benefit from experiencing the mountain, while also making the whole operation more viable.

Short concession term:

The application as submitted is somewhat misleading in that it appears to seek approval for a 10-year concession, with what appears to be a 20-year right of renewal. However, the subsequent email clarification (on the Department of Conservation website) appears to confirm that only 10 years is being sought, and presumably Pure Tūroa will need to apply for a fresh concession after 10 years.

That noted, RSSA accepts that any operator of Tūroa Skifield will face significant infrastructure expenditure and will require a reasonable concession duration in order to justify such infrastructure. RSSA remain concerned that the 10-year concession being sought does not provide an adequate time frame for Pure Tūroa to justify and implement any significant investment.

As mentioned earlier, a more logical approach would be to utilise the concessions already granted by restructuring the existing organisation. This approach was put forward by the RSSA at the watershed meeting and received the support of 72% of the creditors. The RAL Liquidation Committee is currently advocating a similar approach for a Creditors Compromise that has the benefit of longer concessions, allowing for a much more feasible investment period.

Incompatibility with Treaty negotiations:

Shifting away from a not-for-profit community-based organisation to a private for-profit entity in the midst of Treaty negotiations that encompass the whole mountain, is not only poorly timed but shows a significant lack of respect for the current process and the history behind the creation of the Tongariro National Park. The August 2022 edition of North & South magazine¹ provides critical context for why the shift that is being proposed in the Pure Tūroa concession is not appropriate and not beneficial to securing the best future of the Taonga and all who benefit from it:

“In 1887, as the Crown was rapidly buying up land for settlement on the Central Plateau, Ngāti Tūwharetoa paramount chief Horonuku Te Heuheu Tūkino IV sought to protect the iwi’s most sacred lands. He signed a deed giving the volcanic cones of Tongariro, Ngāuruhoe and Ruapehu to the government to form the country’s first national park, the world’s fourth by DOC’s count...

But in 2013, the Waitangi Tribunal found the story of the gift was a myth. Te Heuheu never intended to give the land to the Crown, the tribunal wrote in its Te Kāhui Maunga report. Instead, he was “inviting the Crown to share their taonga as joint owners and trustees”. The

¹ North & South Magazine, August 2022, The Fate of Our National Estate

tribunal found the translations between the English and Māori texts of the deed were “fundamentally incompatible”. The iwi claimed the peaks were “their sacred taonga” and “the very essence of their identity” which they would never have given away. The tribunal agreed this was inconceivable.

Two years later, in its report on claims relating to Tongariro National Park, the [Waitangi] tribunal recommended it be taken out of Crown ownership and become jointly owned and managed with iwi.

In 2018, the Supreme Court found DOC’s policies for national parks and conservation wrongly asserted that the treaty clause could be trumped by other parts of the Conservation Act. It said the department was required to take into account the economic interests of iwi when making decisions under the treaty principle of active protection. In essence, if DOC failed to give effect to the principles of te Tiriti o Waitangi in all of its work, it was open to legal challenge from iwi.

“Sustainable use is an essential part of the conservation ethic for the sustenance of tangata whenua as a people; it is critical for cultural survival, identity and knowledge,” the report said.”

It is important to note that Uenuku Iwi from whom the name “Tūroa” originated have already signed a deed of settlement, further highlighting the significance of Treaty negotiations at the current time.

It is imperative that both ski fields continue to benefit Maori and their lands economically, with further delays only creating economic and social pain for all those connected to the region.

The RSSA believe that it is highly likely and desirable that Iwi and the skiing community become the owners/guardians of the ski fields and that their ongoing operation should benefit Iwi and all New Zealanders. RAL is already a public benefit entity that should be restructured to involve Iwi in a Kaitiakitanga role. At the very least the existing structure should be retained until the treaty settlement process has concluded.

RAL already has concessions to operate Tūroa and has 70 years of experience operating on Ruapehu.

The PTL proposal will require significant debt forgiveness of the Crown, this is taxpayer money. There is already a ski operator in place that has concessions to operate the Tūroa skifield. RAL has operated for 70 years, and financial modelling shows it will be financially viable if the Crown provides the same debt forgiveness to the existing operator that is being offered to PTL and other private bidders. The RAL Liquidation Committee is pursuing a creditors compromise which provides significantly more certainty to the region as it provides

a solution to both Tūroa and Whakapapa. The creditors at the watershed voted over 71% in support of restructuring RAL.

Lack of transparency:

The PTL proposal has redacted the names and experience of key governance and management personnel. The RSSA cannot make an informed opinion on whether PTL have the appropriate level of experience to operate a skifield (note earlier concerns regarding slope capacity limitations of proposed tow line model). This is particularly concerning considering that the three earlier operators of Tūroa (prior to RAL) were all short-lived, as opposed to RAL's 70-year tenure.

The PTL proposal has redacted the financial forecast and key assumptions. The RSSA cannot make an informed opinion on whether PTL have the financial capacity to fund the ski operations long term and whether their business model is financially sustainable. The RSSA due diligence and financial modelling shows that Tūroa will be significantly more financially viable if the skifield is kept together with Whakapapa. The skiing community wants the skifields to remain together and they are the customer.

This is also in line with the key recommendations from the Commerce Commission findings when RAL purchased Tūroa in 2000. Specifically, that both ski fields together were substantially stronger. It must be noted that Tūroa has been in receivership twice prior to the RAL.

https://comcom.govt.nz/_data/assets/pdf_file/0017/77210/Decision-410-_7.pdf

Removal of the make good provisions:

The RSSA understands that the PTL concession will exclude the make good provisions. This means at the end of PTL ten-year concession, the cost of removing the infrastructure will fall onto DoC, and therefore falls onto the taxpayer. The RSSA does not think this is appropriate and alternative approaches should be considered to minimise this burden to the taxpayer. For instance, a restructured solvent RAL has lengthy concessions in place to accumulate capital to put aside to fund the future make good provisions, therefore minimising the future burden on the taxpayer.

Summary

The RSSA are supportive of increased investment and improvements to the field but cannot support lift removals or splitting of the skifields as proposed by PTL, which is detrimental to the skifield and will negatively impact the general public's enjoyment of the national park. The short length of the concession period does not support increased investment considering the type of capital works required. The skifield proposed by PTL does not support the explicit aim of *Tongariro National Park Management Plan*: "In New Zealand, national parks are areas of publicly-owned land that are preserved in perpetuity for their intrinsic worth and for the benefit, use and enjoyment of the public." This is because the range of people who can actually benefit from the skifield will almost certainly reduce, with the proposed visitor cap reduction and changes to lifts impacting skiable terrain and creating choke points.

A move into private ownership away from a community-based structure directly conflicts with the Treaty negotiations already occurring. This is not helped by a lack of transparency in this process, including PTL's governance and management team, source of investment, and redacted financials.

Tūroa skifield has a bright future ahead of it if we act now, but the PTL proposal is not the appropriate answer on many levels. These skifields have already served multiple generations and are uniquely important to those families; and we want to see them serve many generations to come.

Nāku

Rob Eller

President

Ruapehu Skifields Stakeholders Association