

Concession number: CA/251/ACC

DATED 22nd March 2004

Between

MINISTER OF CONSERVATION
("the Lessor")

and

**LOCH KATRINE ASSOCIATION INCORPORATED OR
ASSIGNEE**
("the Concessionaire")

CONCESSION DOCUMENT
(LEASE)



Department of Conservation
Te Papa Atawhai

THIS LEASE is made this 22ND day of MARCH 2004

PARTIES:

1. MINISTER OF CONSERVATION, ("the Lessor")
2. LOCH KATRINE ASSOCIATION INCORPORATED OR ASSIGNEE, ("the Concessionaire")

BACKGROUND

- A. The Reserve described in Schedule 1 as the Land is vested in the Lessor;
- B. Section 59A of the Reserves Act 1977 authorises the Lessor, in accordance with Part IIIB of the Conservation Act 1987, to grant a Concession in respect of a Reserve vested in the Crown including a reserve vested in the Crown but controlled and managed by an administering body under any of sections 28, 29, 30, 35 and 36 of the Reserves Act 1977;
- C. The Concessionaire wishes to carry out the Concession Activity on the Land subject to the terms and conditions of this Document.
- D. The Lessor is satisfied that the requirements of Part III B of the Conservation Act 1987 have been met

OPERATIVE PARTS

TERMS AND CONDITIONS

1.0 DEFINITIONS AND INTERPRETATION

1.1 In this Document, unless the context otherwise requires:

"**Activity**" has the same meaning as "Activity" in section 2 of the Conservation Act 1987.

"**Background**" means the matters referred to under the heading "Background" on p2 of this Document.

"**Concession**" means a concession as defined in section 2 of the Conservation Act 1987.

"**Concession Activity**" means the use of the Land for purposes of the Activity carried out by the Concessionaire and specified in Item 2 of Schedule 1.

"**Concession Fee**" means the amount specified in Item 6 of Schedule 1 and charged by the Lessor for the Concessionaire's right to carry out the Concession Activity on the Land. It includes any variation in that amount following a Concession Fee Review.

"**Concession Fee Payment Date**" means the date specified in Item 8 of Schedule 1 on which each instalment of the Concession Fee falls due for payment.

"**Concession Fee Review**" means a review of the Concession Fee determined in accordance with clause 7 of this Document.

"**Concession Fee Review Date**" means the date specified in Item 10 of Schedule 1 on which the Concession Fee Review occurs being at 3 year intervals calculated from the date of commencement of this Document.

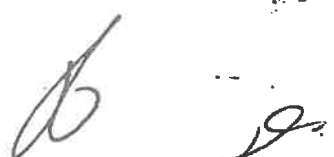
"**Conservation**" has the same meaning as "Conservation" in section 2 of the Conservation Act 1987.

"**Conservation Area**" has the same meaning as "Conservation area" in section 2 of the Conservation Act 1987.

"**Co-Site**" and "**Co-Siting**" mean the use of the land or the Concessionaire's structures or facilities on the Land by a third party for a purpose permitted by the Lessor; and "**Co-Sitee**" has a corresponding meaning.

"**Department**" means the Department of Conservation established by section 5 of the Conservation Act 1987.

"**Director-General**" means the Director-General of Conservation.



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"Document" means this Lease and any subsequent amendments and all schedules, annexures, and plans attached to it.

"Final Expiry Date" means the date specified in Item 5 of Schedule 1.

"Guarantor", where relevant, means the person guaranteeing this Document under clause 40.

"Land" means a Conservation Area, a Park, or a Reserve, whichever is relevant in the context of this Document, and is the area more particularly described in Item 1 of Schedule 1.

"Lease" means the Lease granted under this Document by the Lessor to the Concessionaire under either section 17Q of the Conservation Act 1987, section 59A of the Reserves Act 1977, or section 49 of the National Parks Act 1980.

"Park" means a national park constituted under the National Parks Act 1980.

"Penalty Interest Rate" means the rate specified in Item 9 of Schedule 1.

"Reserve" means a reserve vested in the Lessor under the Reserves Act 1977

"Site" means those sites within the Land as specified in Schedule 1.

"Term" means the period of time specified in Item 3 of Schedule 1 during which this Document operates. It includes, where relevant, any period of renewal of the Term.

"Working Days" means days on which the registered banks are open for general banking business in Wellington.

1.2 In this Document unless the context otherwise requires:

- (a) a reference to a party is a reference to a party to this Document and includes that party's successors in title;
- (b) schedules and annexures form part of this Document and have effect accordingly;
- (c) words appearing in this Document which also appear in Schedule 1 mean and include the details appearing after them in that Schedule;
- (d) a provision of this Document to be performed by two or more persons binds those persons jointly and severally;
- (e) a reference to a person includes an individual, a body corporate, an association of persons (whether corporate or not), a trust, or an agency of State or of the Crown (in each case whether or not having separate legal personality);
- (f) words in a singular number include the plural and vice versa;

- (g) words importing a gender include all other genders;
- (h) references to a statute or statutory provision, or order or regulation made under it, include that statute, provision, or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date of this Document;
- (i) where the Lessor's consent or approval is expressly required under a provision of this Document, the Concessionaire must seek the consent or approval of the Lessor for each separate occasion it is required notwithstanding that the Lessor has granted consent or approval for a like purpose on a prior occasion.

1.3 Words used in the Background to this Document have the same meaning given to them in clause 1.1.

1.4 The covenants and powers contained in sections 106 and 107 of the Property Law Act 1952 are not to be implied in this Concession and are expressly negated.

2.0 GRANT OF LEASE

2.1 In exercise of the Lessor's powers under section 59A of the Reserves Act 1977 the Lessor **GRANTS** to the Concessionaire a **LEASE** to carry out the Concession Activity on the Land subject to the terms and conditions contained in this Document.

3.0 TERM

3.1 The Lease is for the Term specified in Item 3 of Schedule 1.

3.2 The Term and all renewals, if any, will end on the Final Expiry Date specified in Item 5 of Schedule 1.

4.0 SURRENDER OF DOCUMENT

4.1 If the Concessionaire wishes to terminate this Document before the expiry of the Term the Concessionaire must give the Lessor 3 months' notice in writing.

4.2 The Lessor must accept the Concessionaire's notice of termination but in doing so may impose whatever terms and conditions the Lessor considers appropriate, including the matters referred to in clause 6.2.

5.0 CONCESSION FEE

5.1 The Concessionaire must pay to the Lessor in advance and in the manner directed by the Lessor the Concession Fee plus GST in the installments and on the Concession Fee Payment Dates specified in Items 6, 7 and 8 of Schedule 1.



5.2 If the Concessionaire defaults in payment of the Concession Fee for 14 days after a Concession Fee Payment Date the Concessionaire is to pay interest on the unpaid Concession Fee from the Concession Fee Payment Date until the date of payment at the Penalty Interest Rate specified in Item 9 of Schedule 1.

6.0 OTHER CHARGES

6.1 In addition to the Concession Fee the Concessionaire must pay the following charges ("Other Charges") on demand and in the manner directed by the Lessor:

- (a) all rates, grants in lieu of rates, levies, taxes, duties, assessments, charges and other outgoings which may be charged, levied or reasonably assessed or which may become payable in relation to the Land, any structure or facility on the Land, or the Concession Activity;
- (b) all costs in relation to the supply of water, sewage, drainage and rubbish disposal which are not otherwise included in any charges or assessments made by any authority or by the Lessor, except as provided for in Schedule 3;
- (c) all costs incurred by the Lessor in providing an annual building warrant of fitness to a territorial authority, including costs paid to an independent qualified person for a report establishing or re-establishing compliance with a compliance schedule. If work is required to a structure or facility of the Lessor's on the Land in order to obtain a new building warrant of fitness, the Lessor is to pay the cost of the work subject to the Concessionaire's obligations under clause 10.

6.2 If the Concessionaire surrenders this Document with the consent of the Lessor, the Concessionaire will continue to be liable for and must pay to the Lessor on demand in respect of its occupation of and activity on the Site all Other Charges which may be due for the current payment period even though this period may not expire until after the date of surrender.

6.3 Where the Lessor or Director-General has provided a community service, benefit or facility for the benefit of the Concessionaire under section 17ZH of the Conservation Act 1987, the Concessionaire must pay the Lessor whatever contribution the Lessor determines as specified in Schedule 2.

6.4 The Concessionaire must pay all charges for electric power, water supply, geothermal energy, telephone rental and other utilities supplied to the Land by the Lessor at the request of the Concessionaire, or by or at the request of the Concessionaire. The Lessor will not be liable for any cost incurred in re-establishing the supply of any of these utilities in the event of any of them becoming unavailable for any reason and the Concessionaire is not liable if it does not require such utilities.

6.5 If, during the Term, the Site becomes rateable, following any amendment to the Rating Powers Act 1988 or the introduction of a new Act in substitution for it and the Site's rateability is attributable to the Concession Activity, or if separate rates are levied under section 7 of the Rating Powers Act 1988 in respect of the Site and are attributable to the



Concession Activity, the Concessionaire is to pay any rates which may be struck or levied and which are attributable to the Concession Activity.

7.0 CONCESSION FEE REVIEW

7.1 The Lessor will review the Concession Fee on the Concession Fee Review Dates in the following manner:

- (a) the Lessor will commence the review not earlier than 3 months before a Concession Fee Review Date and no later than 9 months following the Concession Fee Review Date by giving written notice to the Concessionaire.
- (b) subject to clause 7.1(e), the notice must specify the Concession Fee which the Lessor considers to be the market value for the Concession Activity as at the Concession Fee Review Date having regard to the matters specified in section 17Y(2) of the Conservation Act 1987.
- (c) if, within 28 days of receipt of the Lessor's notice, the Concessionaire gives written notice to the Lessor that the Concessionaire disputes the proposed new Concession Fee the new Concession Fee is to be determined in accordance with clause 7.2 (a) or (b).
- (d) if the Concessionaire does not give notice to the Lessor under clause 7.1 (c) the Concessionaire will be deemed to have accepted the Concession Fee specified in the Lessor's notice.
- (e) notwithstanding clause 7.1(b), the new Concession Fee so determined or accepted must not be less than the Concession Fee payable during the year preceding the particular Concession Fee Review Date and will be the Concession Fee payable by the Concessionaire from the Concession Fee Review Date.
- (f) until determination of the new Concession Fee, the Concession Fee payable by the Concessionaire from the Concession Fee Review Date is to be the Concession Fee specified in the Lessor's notice. On determination of the new Concession Fee an adjustment is to be made and paid, either by the Lessor or by the Concessionaire, whichever is applicable.

7.2 Immediately the Concessionaire gives notice to the Lessor under clause 7.1(c) the parties will endeavour to agree on a new Concession Fee. If the parties are unable to reach agreement within 28 days the new Concession Fee is to be determined either:

- (a) by one party giving written notice to the other requiring the new Concession Fee to be determined by arbitration; or, if the parties agree,
- (b) by registered valuers acting as experts and not as arbitrators as follows:

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- (i) each party will appoint a valuer and give written notice of the appointment to the other party within 14 days of the parties agreeing to determine the new Concession Fee by this means.
 - (ii) if the party receiving a notice does not appoint a valuer within the 14 day period the valuer appointed by the other party is to determine the new Concession Fee and that valuer's determination will be binding on both parties.
 - (iii) before commencing their determination the respective valuers must appoint an umpire who need not be a registered valuer.
 - (iv) the valuers are to determine the new Concession Fee which they consider to be the market value for the Concession Activity as at the Concession Fee Review Date having regard to the matters specified in section 17Y(2) of the Conservation Act 1987 but in no case is the new Concession Fee to be less than the Concession Fee payable during the year preceding the particular Concession Fee Review Date. If they fail to agree the Concession Fee is to be determined by the umpire.
 - (v) in determining the Concession Fee the valuers or umpire are to disregard the annual cost to the Concessionaire to maintain or provide Access to the Land.
 - (vi) each party is to be given the opportunity to make written or verbal representations or submissions to the valuers or the umpire subject to such reasonable time and other limits as the valuers or the umpire may prescribe.
 - (vii) the valuers or the umpire must have regard to any such representations but will not be bound by them.
- (c) the valuers or umpire must give written notice to the parties once they have determined the new Concession Fee. The notice is to provide how the costs of the determination are to be borne and is to be binding on the parties.
- (d) (i) if a Concession Fee Review Date is postponed because of a moratorium imposed by law the Concession Fee Review is to take place at the date the moratorium is lifted or so soon afterwards as is practicable; and
- (ii) the Concession Fee Review will establish the market value for the Concession Activity as at that date instead of the date fixed under clause 7.1 having regard to the matters specified in section 17Y(2) of the Conservation Act 1987 and the requirements of Clause 4 of Schedule 3 but in no case is the new Concession Fee to be less than the Concession Fee payable during the year preceding the particular Concession Fee Review Date; and

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- (iii) each subsequent Concession Fee Review Date will take place in accordance with the date fixed in clause 7.1.

8.0 CONCESSION ACTIVITY

8.1 Subject to clause 42, the Concessionaire is not to use the Land for any purpose other than the Concession Activity.

8.2 The Concessionaire must, as a condition of this Document:

- (a) take out and maintain and pay all fees for all licences, permits, authorisations, consents (including resource consents under the provisions of the Resource Management Act 1991), and renewals ("the Permissions") as may be necessary for the proper conduct of the Concession Activity;
- (b) not do or suffer to be done any act whereby these Permissions may be forfeited or suspended or refused.

9.0 SUPPLY OF INFORMATION

9.1 At the Lessor's request the Concessionaire must supply the Lessor with a complete statement of audited financial accounts.

9.2 Information supplied to the Lessor under clause 9.1 is subject to an obligation of confidence; but the parties acknowledge that such information may be subject to the provisions of the Official Information Act 1982 and the Privacy Act 1993.

10.0 COMPLIANCE

10.1 The Concessionaire will comply where relevant:

- (a) with the provisions of any conservation management strategy or conservation management plan as required by section 17W(7) of the Conservation Act 1987 pursuant to Part IIIA of the Conservation Act 1987 or Part IIA of the Reserves Act 1977 or any general policy statement or management plan under section 44 or 45 of the National Parks Act 1980, whichever is appropriate to the Site, together with any amendment or review of any policy, strategy or plan whether approved before, on, or after the date on which this Document takes effect; and
- (b) with the Conservation Act 1987, the Reserves Act 1977 the National Parks Act 1980 and any other statute, ordinance, regulation, bylaw, or other enactment (collectively the "Legislation") affecting or relating to the Site or affecting or relating to the Concession Activity, including any bylaws made under the Reserves Act 1977 or the National Parks Act 1980.

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- 10.2 The Concessionaire must comply with all conditions imposed by the Lessor in granting this Document.
- 10.3 (a) A breach or contravention by the Concessionaire of a relevant conservation management strategy, conservation management plan, management plan or general policy statement will be deemed to be a breach of this Document.
- (b) A breach or contravention by the Concessionaire of any Legislation affecting or relating to the Land or affecting or relating to the Concession Activity will be deemed to be a breach of this Document.
- 10.4 Not applicable.
- 10.5 If the Legislation requires the Lessor to spend money on structures, facilities or land alterations on the Land which the Lessor considers unreasonable, the Lessor may determine this Lease and any dispute as to whether or not the amount is unreasonable is to be determined in accordance with clause 32.

11.0 CONCESSIONAIRE'S STRUCTURES, FACILITIES AND LAND ALTERATIONS

Except as provided for herein;

- 11.1 The Concessionaire must not erect or bring on to the Land any structure, install any facility or alter the Land in any way without the prior written consent of the Lessor.
- 11.2 In giving approval under clause 11.1 the Lessor may, in the Lessor's sole and absolute discretion, impose any reasonable terms and conditions, including a review of the Concession Fee, as the Lessor considers appropriate under this clause; and may also decline the grant of such approval after consideration of the relevant conservation and environmental issues.
- 11.3 The Concessionaire must pay to the Lessor all costs associated with applications for approval under this clause determined at the standard rates then applying in the Department for cost recovery of staff time and expenses.
- 11.4 The Concessionaire must, upon request by the Lessor, submit written engineering or building plans and details to the Lessor for approval before :
- (a) erecting or altering any structure on the Land;
 - (b) bringing any structure on to the Land;
 - (c) installing any facilities on the Land; or
 - (d) altering the Land in any way.

- 11.5 The Concessionaire must not commence any work on the Land until the Lessor has given written approval.
- 11.6 When undertaking any work under this clause the Concessionaire must comply with all statutory requirements including obtaining building consents and code compliance certificates under the Building Act 1991.
- 11.7 The Concessionaire is to keep and maintain its structures and facilities on, or alterations to, the Site in good repair.

12.0 LESSOR'S STRUCTURES, FACILITIES AND LAND ALTERATIONS

- 12.1 The Concessionaire is to keep and maintain in good and substantial repair and condition the Lessor's structures, facilities and land alterations.
- 12.2 Not applicable.
- 12.3 Subject to the Lessor providing to the Concessionaire reasonable notice the Lessor and the Lessor's employees and agents may at all reasonable times enter the Land to view its condition and the condition of the structures and facilities on it.
- 12.4 The Concessionaire must comply with any written notice given by the Lessor of any failure on the part of the Concessionaire to comply with any requirement of this Document.

13.0 INSURANCE OF STRUCTURES, FACILITIES AND LAND ALTERATIONS

- 13.1 The Concessionaire must insure and keep insured with an insurer approved by the Lessor all structures, facilities and land alterations on the Site in the joint names of the Lessor and Concessionaire for their respective interests to their full replacement value against loss or damage caused by fire, earthquake, fire consequent on earthquake, avalanche, flood, volcanic activity; and including indemnity insurance for the cost of demolition, removal of debris and clearance of the Site.
- 13.2 The Concessionaire must provide the Lessor with a copy certificate of currency for the policy or policies of insurance before commencing the Concession Activity and on each renewal of the policy.

14.0 CONCESSIONAIRE'S FURTHER OBLIGATIONS

- 14.1 The Concessionaire must at the Concessionaire's expense:
- (a) take all steps necessary to control any pest, insect or rodent infestation occurring in or emanating from the Site or any structure or facility on the Site, and if required by the Lessor, engage a pest exterminator approved by the Lessor;

- (b) comply strictly with the provisions of the Biosecurity Act 1993;
- (c) comply with all requirements of any competent authority regarding sanitation and with all relevant bylaws and fire safety requirements;
- (d) at all times display a copy of the relevant current building warrant of fitness under the Building Act 1991 showing the location of the compliance schedule in a place in each building (as defined in that Act) on the Site to which users of the building have ready access;
- (e) keep and maintain all building systems and any structure on the Site in accordance with the requirements of any compliance schedule;
- (f) retain and make available to any territorial authority and any other person with a right to inspect any structures on the Land under the Building Act 1991 a copy of the compliance schedule together with the written reports relating to compliance with the compliance schedule over the previous two year period.

15.0 PROTECTION OF THE ENVIRONMENT

15.1 Except as approved in writing by the Lessor the Concessionaire will not, whether by act or omission:

- (a) interfere with, remove, damage, or endanger the natural features, animals, plants, or historic resources on the Land; or
- (b) bring any plants or animals, on to the Land; or
- (c) deposit on the Land debris, rubbish or other dangerous or unsightly matter, or contaminate any water body on the Land; or
- (d) pile or store materials in any place on the Land where it may obstruct the public or create a nuisance; or
- (e) conduct any noxious, noisome, dangerous or offensive activity on the Land.

15.2 The Concessionaire will keep the Site in a clean and tidy condition and free of weeds and all organisms specified as pests in a relevant pest management strategy.

15.3 The Concessionaire must make adequate provision for suitable sanitary facilities for the Site if required by the Lessor and for the disposal of all refuse material and is to comply with the reasonable directions of the Lessor in regard to these matters.

15.4 The Concessionaire will keep all structures, facilities and land alterations in respect of each Site and their immediate surroundings in a clean and tidy condition. The Concessionaire will paint all structures and facilities in colours specified in writing by the Lessor and with paints of a type approved in writing by the Lessor.

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- 15.5 If, during the Term, the Concessionaire removes a structure or facility from the Land the Concessionaire will, unless the Lessor indicates otherwise in writing, repair and make good at its own expense all damage which may have been done by the removal and will leave the Land in a clean and tidy condition.
- 15.6 Should the Concessionaire fail to repair and restore the damage within 6 months of the removal of a structure or facility or such further time as the Lessor may approve in writing, the Lessor may undertake whatever works and operations are necessary to effect the same and may recover from the Concessionaire any costs and expenses incurred in doing it as a debt due by the Concessionaire to the Lessor.
- 15.7 The Concessionaire must, except as provided for in Schedule 3:
- (a) take all reasonable precautions to ensure no fire hazards arise from its carrying out of the Concession Activity or from any act or neglect of its employees, contractors, invitees or agents;
 - (b) not light or permit to be lit any fire on the Site without the written permission of the Lessor
 - (c) not store or permit to be stored fuels or other combustible materials on the Land without the written permission of the Lessor. In that event storage of fuels and combustible materials must be in accordance with the provisions of the Dangerous Goods Act 1974;
 - (d) comply with the Lessor's requirements for fire warning and safety equipment and for fire fighting equipment to be kept on the Land at all times.
- 15.8 The Concessionaire must ensure that its employees, clients and invitees do not carry out any acts prohibited under clause 15.
- 15.9 The Concessionaire must immediately report to the Lessor any act in contravention of clause 15 and wherever possible the names and addresses of any person carrying out such acts; and must provide the Lessor with details of the circumstances surrounding such incidents.
- 16.0 ADVERTISING**
- 16.1 The Concessionaire must not erect or display any signs or advertising on the Land without the prior written approval of the Lessor. 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.
- 16.2 Where required by the Lessor, the Concessionaire must ensure that all its advertising and promotional material specifies that it is carrying out the Concession Activity under a Concession granted by the Lessor on land administered by the Department.

16.3 If required by the Lessor in writing the Concessionaire must include information in its advertising and promotional material which assists its clients to understand the features and values of the natural and historic resources of the land and the surrounding area.

16.4 In preparing such information the Concessionaire must obtain information from and have regard to the views of tangata whenua.

17.0 EMPLOYMENT OF STAFF

17.1 The Concessionaire must ensure that the Concession Activity is conducted at all times by a person or persons suitably and qualified to carry out the Concession Activity.

17.2 The Concessionaire must provide the Lessor with evidence of the competency and qualifications of its employees if the Lessor so requests.

17.3 The Concessionaire must comply with all statutes relating to employment of staff.

18.0 HEALTH AND SAFETY

18.1 The Concessionaire is to carry out the Concession Activity on the Land in a safe and reliable manner and must comply with:

- (a) the Health and Safety in Employment Act 1992 and its regulations; and
- (b) all other statutes, regulations and bylaws and all notices and requisitions of any competent authority relating to the conduct of the Concession Activity.

18.2 The Concessionaire must notify the Lessor of any natural events or activities on the Land or the surrounding area which may endanger the public or the environment.

18.3 The Concessionaire must :

- (a) take all reasonable steps to protect the safety of all persons present on the Land and must, where necessary, erect protective signposts warning the public of any dangers they may encounter as a result of the Concessionaire's operations;
- (b) take all reasonable steps to eliminate any dangers to the public and must clearly and permanently mark any that remain and of which the Concessionaire is aware.

18.4 Before commencing the Concession Activity the Concessionaire must, if required by the Lessor, prepare a safety plan and have it audited by a suitably qualified person approved by the Lessor.

18.5 The Concessionaire must not commence the Concession Activity until:

- (a) the person appointed to audit the safety plan has certified the safety plan is suitable for the Concession Activity; and

(b) the Concessionaire supplies the Lessor with a copy of the safety plan certified under clause 18.5(a).

18.6 Receipt of the certified safety plan by the Lessor is not in any way to limit the obligations of the Concessionaire under clause 18 and is not to be construed as implying any responsibility or liability on the part of the Lessor.

19.0 TEMPORARY SUSPENSION

19.1 The Lessor may temporarily suspend this Document if, in the opinion of the Lessor, there is a temporary risk to public safety or the safety of the Department's staff or the safety of other Concessionaires whether arising from natural events such as earthquake, land slip, volcanic activity, or flood or whether arising in any other way including the activities of the Concessionaire, its employees; clients or invitees.

19.2 If, in the opinion of the Lessor, the activities of the Concessionaire, its employees, clients or invitees are having or may have an adverse effect on the environment and the Lessor is of the opinion that the effect can be avoided, remedied or mitigated to an extent satisfactory to the Lessor, the Lessor may suspend this Concession until the Concessionaire remedies, avoids or mitigates the adverse impact to the satisfaction of the Lessor.

19.3 The Lessor may suspend this Concession while the Lessor investigates any of the circumstances contemplated in clauses 19.1 and 19.2 and also while the Lessor investigates any potential breach or possible offence by the Concessionaire whether or not related to the Concession Activity under the Conservation Act 1987 or any of the Acts mentioned in the First Schedule of that Act of which the Lessor has become aware.

19.4 The word "investigates" in clause 19.3 includes the laying of charges and awaiting the decision of the Court.

19.5 During any period of temporary suspension the Concession Fee payable by the Concessionaire is to abate in fair proportion to the loss of use by the Concessionaire of the Land.

19.6 The Lessor is not to be liable to the Concessionaire for any loss sustained by the Concessionaire by reason of the suspension of the Concession under clause 19 including loss of profits.

20.0 ASSIGNMENT

20.1 The Concessionaire is not to transfer, sublease, assign, mortgage or otherwise dispose of the Concessionaire's interest under this Document or any part of it without the prior written consent of the Lessor. The Lessor may in the Lessor's discretion decline any application for consent under this clause.

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- 20.2 Sections 17P, 17S, 17T, 17U, 17W, 17X, 17ZB and 17ZC of the Conservation Act 1987 apply to applications for consent under this clause unless the Lessor, in the Lessor's discretion, decides otherwise.
- 20.3 If the Lessor gives consent under this clause the Concessionaire is to remain liable to observe and perform the terms and conditions of this Document throughout the Term and is to procure from the transferee, sublessee, or assignee a covenant to be bound by the terms and conditions of this Document.
- 20.4 The Concessionaire must pay the costs reasonably incurred by the Lessor incidental to any application for consent, whether or not such consent is granted.
- 20.5 Any change in the shareholding of the Concessionaire altering the effective control of the Concessionaire will be deemed to be an assignment and will require the consent of the Lessor.

21.0 DAMAGE OR DESTRUCTION OF LESSOR'S STRUCTURES OR FACILITIES

Not applicable.

22.0 TERMINATION

- 22.1 The Lessor may terminate this Concession by 14 days notice in writing to the Concessionaire if:
- (a) the Concession Fee or any other money payable to the Lessor under this Document is in arrears and unpaid for 14 days after any of the days appointed for payment where it has been lawfully demanded; or
 - (b)
 - (i) the Concessionaire breaches any terms of this Document; and
 - (ii) the Lessor has notified the Concessionaire in writing of the breach; and
 - (iii) the Concessionaire does not rectify the breach within 28 days of receiving notification; or
 - (c) the Concessionaire ceases to conduct the Concession Activity or, in the reasonable opinion of the Lessor, the services provided by the Concessionaire are manifestly inadequate; or
 - (d) the Concessionaire is convicted of an offence, whether or not related to the Concession Activity, under the Conservation Act 1987 or any of the Acts listed in the First Schedule to that Act; or the Health and Safety in Employment Act 1982; or the Building Act 1991; or the Resource Management Act 1991; or the Biosecurity Act 1993; or

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- (e) the Concessionaire or the Guarantor is dissolved; or enters into any composition with or assignment for the benefit of its creditors; or is adjudged bankrupt; or being a company, has a receiver appointed; or is put into liquidation; or is placed under statutory management; or has a petition for winding up presented against it; or is otherwise unable to pay its debts as they fall due; or the estate or interest of the Concessionaire is made subject to a Writ of Sale or charging order; or the Concessionaire ceases to function or operate; or
- (f) there is, in the opinion of the Lessor, a permanent risk to public safety or the environment whether arising from the conduct of the Concession Activity or from natural causes such as earthquake, land slip, volcanic activity, flood, or arising in any other way, whether or not from any breach of the terms of this Document on the part of the Concessionaire.

22.2 If the Lessor terminates the Concession under this clause all rights of the Concessionaire are to cease absolutely; but the Concessionaire is not to be released from any liability to pay the Concession Fee or other monies up to the date of termination or for any breach of any term up to the date of termination.

22.3 The Lessor may exercise the Lessor's right under this clause to terminate the Concession notwithstanding any prior waiver or failure to take action by the Lessor or any indulgence granted by the Lessor for any matter or default.

23.0 LESSOR MAY REMEDY CONCESSIONAIRE'S DEFAULT

23.1 The Lessor may elect to remedy at any time without notice any default by the Concessionaire under this Concession.

23.2 The Concessionaire must pay to the Lessor forthwith on demand all reasonable costs and expenses incurred by the Lessor, including legal costs and expenses as between solicitor and client, in remedying such default.

24.0 DISTRAINT

24.1 The Lessor may distrain for the Concession Fee (plus GST) and any other monies otherwise payable by the Concessionaire under this Concession which are in arrears or unpaid for the space of 14 days after they have become due and payable whether demanded or not.

25.0 QUIET ENJOYMENT

25.1 The Concessionaire, while paying the Concession Fee and performing and observing the terms and conditions of this Document, is entitled peaceably to hold and enjoy the Land and have non-exclusive use of the toilet without hindrance or interruption by Lessor or by any person or persons claiming under the Lessor until the expiration or earlier determination of this Concession.



26.0 LESSOR'S DIRECTIONS

26.1 The Concessionaire must comply with all reasonable notices and directions of the Lessor concerning the Concession Activity on the Land or the conduct of any person on the Land under the authority of this Document.

27.0 POWERS, RIGHTS AND AUTHORITIES

27.1 All powers, rights and authorities of the Lessor under this Document and any notice required to be given by the Lessor may be exercised and given by the Director-General or any officer, employee, or agent of the Director-General.

28.0 INDEMNITIES AND INSURANCE

28.1 The Concessionaire will indemnify and keep indemnified the Lessor against all claims made by any person in respect of any injury, loss, or damage, including fire, caused or suffered as a result of or arising out of any acts or omissions of the Concessionaire, its employees, agents, contractors, clients or invitees or otherwise caused as a consequence of its occupation of the Site or as a result of its conduct of the Concession Activity on the Site.

28.2 This indemnity is to continue after the expiry or other determination of this Document in respect of those acts or omissions occurring or arising before its expiry or determination.

28.3 Without prejudice to or in any way limiting its liability under clause 27.1 the Concessionaire must take out and keep in force during the Term:

(a) a policy of public liability insurance against liability for loss, damage or injury from any one single accident or event arising out of the Concessionaire's use of the Site or its conduct of the Concession Activity on the Site and covering:

(i) general indemnity for a sum not less than the amount specified in Item 11 of Schedule 1; and

(ii) Forest and Rural Fires Act 1977 extension for a sum not less than the amount specified in Item 12 of Schedule 1; and

(b) statutory liability for the amount specified in Item 13 of Schedule 1; and

(c) such other policy or policies of insurance against any other liability and for such other sums which the Lessor specifies in Item 14 of Schedule 1, including those matters specified in clause 13.



- 28.4 With respect to clause 28.3 the Concessionaire must provide copy certificates of currency for the policies of insurance before commencing the Concession Activity and on each renewal of them.
- 28.5 (a) Without prejudice to any other provision of this Document the Concessionaire will indemnify the Lessor against all damage or loss resulting from any act or omission on the part of the Concessionaire or the Concessionaire's employees, agents, contractors, clients, or invitees;
- (b) The Concessionaire is to recompense the Lessor for all expenses incurred by the Lessor in making good any damage to the Land or the property of the Lessor resulting from such act or omission.
- 28.6 (a) The Lessor will not be liable and does not accept any responsibility for damage to or interference with the Concession Activity or to the structures or facilities on the Land or any other indirect or consequential damage due to any natural disaster, vandalism, sabotage, fire or exposure to the elements except where, subject to the clause 28.6(b), such damage or interference is caused by any wilful act or omission of the Lessor, the Lessor's employees, agents or contractors;
- (b) Where the Lessor is found to be liable due to a wilful act or omission, the total extent of the Lessor's liability is limited to \$1M in respect of the Concessionaire's structures and facilities.
- 28.7 Notwithstanding anything else in clause 28 the Lessor is not liable for any indirect or consequential loss howsoever caused.

29.0 ENVIRONMENTAL MONITORING AND LAND REHABILITATION

- 29.1 The Concessionaire must, during the Term, if the Lessor so requests in writing, design in consultation with the Lessor and undertake a programme to monitor and report on the environmental effects of the Concessionaire's occupation of and activities on the Land.
- 29.2 If the Lessor does not make a request under clause 29.1 the Concessionaire must, during the Term, pay to the Lessor the annual environmental monitoring contribution specified in Item 15 of Schedule 1 to enable the Lessor to design and undertake a programme to monitor the environmental effects of the Concessionaire's occupation of and activities on the Land.
- 29.3 Subject to any conditions imposed by the Lessor and set out in Schedule 3, at the expiry, surrender or termination of this Document, the Concessionaire must reinstate the Land to its condition at the commencement of the Term and replant the Land with indigenous vegetation of a similar abundance and diversity as at the commencement of the Term.

30.0 EXPIRY OF LEASE

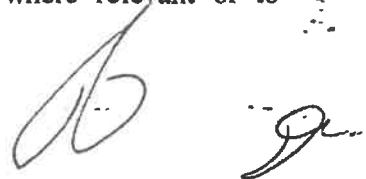
- 30.1 If the Lessor permits the Concessionaire to remain in occupation of the Land after the expiry or earlier termination of the Term, the occupation is to be on the basis:
- (a) of a monthly tenancy only, terminable by 1 month's written notice by either party; and
 - (b) at the Concession Fee then payable; and
 - (c) otherwise on the same terms and conditions, as they would apply to a monthly tenancy, as expressed or implied in this Document.
- 30.2 If, on expiry of the Term, the future occupation of, or any operation on, the Land is not authorised by the Lessor, the Concessionaire accepts that the Lessor will have no liability whatsoever for any costs incurred by the Concessionaire as a result of the expiry of this Document.
- 30.3 All structures or facilities remaining on the Land at the expiry, surrender or termination of this Document, or as otherwise approved by the Lessor, will be deemed to be fixtures and property in them will vest absolutely in the Lessor.
- 30.4 In that case the Lessor will not be liable to pay compensation to the Concessionaire for the structures and facilities and may, at the Lessor's option, remove or destroy or otherwise dispose of them, and recover the costs and expenses of their removal or destruction from the Concessionaire as a debt due to the Lessor.

31.0 FORCE MAJEURE

- 31.1 Neither party will be liable to the other party for any delay in performance, of or failure to perform, its obligations (other than a payment of money) under this Document as a result of any cause beyond its reasonable control.
- 31.2 If the delay or failure continues for at least 28 days either party will be entitled to terminate this Document by notice in writing.

32.0 DISPUTE RESOLUTION AND ARBITRATION

- 32.1 If a dispute arises between the parties in connection with this Document including without limitation the interpretation, validity, breach or termination of any of its provisions, the parties will, without prejudice to any other rights or entitlements they may have under this Document or otherwise, attempt to resolve the dispute by agreement using informal dispute resolution techniques such as negotiation, mediation, independent expert appraisal or any other alternative dispute resolution technique. The rules governing any such technique adopted are to be agreed between the parties.
- 32.2 If the dispute is not capable of resolution by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to the Disputes Tribunal, where relevant or to

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arbitration which arbitration is to be carried out in accordance with the provisions of the Arbitration Act 1996.

- 32.3 All arbitration proceedings are to take place in New Zealand and to be governed by New Zealand law.
- 32.4 If the parties do not agree on an arbitrator within 10 working days of a party giving written notice of the requirement to appoint an arbitrator the President of the New Zealand Law Society is to appoint the arbitrator. In either case the arbitrator must not be a person who has participated in an informal dispute resolution procedure in respect of the dispute.
- 32.5 The arbitrator must include in the arbitration award reasons for the determination.

33.0 NOTICES

- 33.1 Any notice to be given under this Document by one party to the other is to be in writing and made by personal delivery, by pre-paid post or by facsimile addressed to the receiving party at the address or facsimile number set out in Item 16 of Schedule 1.
- 33.2 A notice given in accordance with clause 33.1 will be deemed to have been received:
- (a) in the case of personal delivery, on the date of delivery;
 - (b) in the case of a letter, on the third working day after posting;
 - (c) in the case of facsimile, on the date of dispatch.

34.0 COSTS

- 34.1 The Concessionaire must pay the Lessor's legal costs and expenses of and incidental to preparing and executing this Document or any extension or variation of this Document.
- 34.2 The Concessionaire must pay in full immediately on demand all costs and fees (including but not limited to solicitors' costs and the fees of debt collecting agencies engaged by the Lessor) arising out of and associated with steps taken by the Lessor:
- (a) to enforce or attempt to enforce the Lessor's rights and powers under this Document if the Concessionaire is in breach or default;
 - (b) to recover outstanding money owed to the Lessor.

35.0 RELATIONSHIP OF PARTIES

- 35.1 Nothing expressed or implied in this Document shall be construed as:

- (a) constituting the parties as partners or joint venturers;
- (b) preventing the Lessor from granting similar concessions to other persons.

36.0 OFFENCES

36.1 Where any breach of this Concession by the Concessionaire also constitutes an offence under the Conservation Act 1987 or any of the Acts listed in the First Schedule to that Act:

- (a) no waiver or failure to act by the Lessor under this Document is to preclude the Lessor from prosecuting the Concessionaire; and
- (b) no failure by the Lessor to prosecute the Concessionaire is to preclude the Lessor from exercising the Lessor's remedies under this Document; and
- (c) any action of the Lessor in prosecuting the Concessionaire is not to preclude the Lessor from exercising the Lessor's remedies under this Document.

37.0 SEVERABILITY

37.1 Any illegality, or invalidity or unenforceability of any provision in this Document is not to affect the legality, validity or enforceability of any other provisions.

38.0 ENTIRE UNDERSTANDING

38.1 Except as provided by legislation, this Document and any written variation agreed by the parties contain the entire understanding between the parties with reference to the subject matter of this Document and there is no other agreement, representation or warranty whether it is expressed or implied which in any way extends, defines or otherwise relates to the provisions of this Document.

39.0 REGISTRATION

39.1 The Lessor is not required to do any act or thing to enable this Document to be registered and the Concessionaire will not register a caveat in respect of the Concessionaire's interest under this Document.

39.2 Nevertheless, in the event that the Concessionaire wishes to register this Document under the Land Transfer Act 1952, the Lessor must take all such steps as are necessary to enable a certificate of title to issue in respect of the land against which this Document may be registered subject to the Concessionaire being responsible for and bearing all costs of and incidental to any survey necessary to enable such issue of title and all costs incurred by the Lessor in enabling such an issue of title and in having this Lease re-executed by the parties in a form suitable for registration.

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40.0 VARIATIONS

- 40.1 The provisions of section 17ZC of the Conservation Act 1987 apply to all variations sought by the Concessionaire and to any applications for extension of the Term.
- 40.2 The Lessor may vary any conditions of this Document if the variation is necessary:
- (a) to deal with significant adverse effects of the Activity that were not reasonably foreseeable at the time this Lease was granted; or
 - (b) because the information made available to the Lessor by the Concessionaire for the purposes of the Concessionaire's application contained inaccuracies which materially influenced the decision to grant the Lease and the effects of the Activity permitted by this Document require more appropriate conditions.
- 40.3 The Concessionaire is to be bound by every such variation.

41.0 GUARANTEE

- 41.1 If the Lessor notifies the Concessionaire in writing that the Lessor requires this Document to be guaranteed by a third party the following clauses are to apply.
- 41.2 Subject to clause 41.1 and in consideration of the Lessor entering into this Document at the Guarantor's request the Guarantor:
- (a) guarantees payment of the Concession Fee and the performance by the Concessionaire of the covenants in this Document; and
 - (b) indemnifies the Lessor against any loss the Lessor might suffer should the Document be lawfully disclaimed or abandoned by any liquidator, receiver or other persons.
- 41.3 Subject to clause 41.1 the Guarantor covenants with the Lessor that:
- (a) no release, delay, or other indulgence given by the Lessor to the Concessionaire to the Concessionaire's successors or assigns or any other thing whereby the Guarantor would have been released had the Guarantor been merely a surety is to release, prejudice, or affect the liability of the Guarantor as a Guarantor or as indemnifier;
 - (b) as between the Guarantor and Lessor the Guarantor may, for all purposes, be treated as the Concessionaire and the Lessor is under no obligation to take proceedings against the Concessionaire before taking proceedings against the Guarantor;

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- (c) the guarantee is for the benefit of and may be enforced by any person entitled for the time being to receive the Concession Fee;
- (d) any assignment of this Document and any Concession Fee Review in accordance with this Document are not to release the Guarantor from liability;
- (e) should there be more than one Guarantor the liability of each Guarantor under this Guarantee is to be joint and several.

42.0 CO-SITING

- 42.1 (a) The Concessionaire will not allow Co-Siting without the prior written consent of the Lessor.
- (b) The Lessor's consent must not be unreasonably withheld, but is at the Lessor's sole discretion and subject to such reasonable terms and conditions as the Lessor thinks fit, including a requirement that the Co-Sitee be liable for direct payment to the Lessor of a Concession Fee in respect of the Co-Sitee's Activity.
- (c) The Lessor may withhold consent if:
 - (i) the Co-Siting would result in a substantial change to the Concession Activity on the Land; and
 - (ii) the Lessor considers the changes to be detrimental to the environment of the land.
- 42.2 Any contract, licence or agreement by the Concessionaire to permit a Co-Sitee, with the consent of the Lessor, to Co-Site must have annexed to it a copy of this Document, and must contain a Covenant on the part of the Co-Sitee not to cause the provisions of this Document to be breached by any act or omission of the Co-Sitee.
- 42.3 For the avoidance of doubt a Co-Sitee permitted on the Land must enter into a separate agreement with the Lessor in terms of which the Co-Sitee will be required to pay a fee to the Lessor to conduct an Activity on the Land. This separate agreement must not contain provisions which conflict with the Concessionaire's rights and obligations in relation to the Land.

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Sec 9(2)(a)

Signed by:
Mike Cuddihy
for and on behalf of
the Minister of Conservation
pursuant to a written delegation
in the presence of :

Signature: _____
Witness: _____
Address: _____

Sec 9(2)(a)

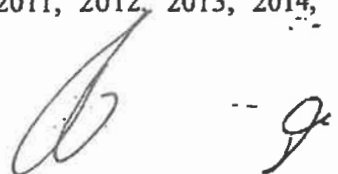
Signed by:
David Kirkness
on behalf of Loch Katrine Association Incorporated or Assignee, as concessionaires
in the presence of

Signature: _____
Witness: _____
Address: _____

Released under the Official Information Act

SCHEDULE 1

1. a) **Land** Loch Katrine Recreation Reserve - being Rural Section 41017, Blocks III and IV, Loch Katrine Survey District, as defined on survey Plan SO 14864
- b) **Site** Those Sites (pursuant to condition 6 schedule three) within the Reserve, more particularly shown on the attached Plan (Plan 1).
2. **Concession Activity:** The construction, maintenance and use, for recreational purposes including fishing, hunting, tramping, camping, nature appreciation of up to ten (10) publicly available cabins of a design approved by the Lessor for overnight stays. The Concession Activity description herein shall be read in conjunction with the special conditions contained in Schedule Three.
3. **Term:** 20 years commencing on the 1st of February 2004
4. a) **Renewal:** No right of renewal
- b) **Right of First Refusal** If, at the expiry date of the lease, the Lessor wishes to again lease the Site, the Lessor shall offer to the Concessionaire a right of first refusal to the lease of the Site on terms and conditions no less favourable than the Lessor proposes in respect of any third party. If the Concessionaire does not accept those terms and conditions within a period of three (3) months then the Lessor shall be free to offer a lease for the Site to any third party on those terms and conditions.
5. **Final Expiry Date:** 31st January 2024
6. **Concession Fee:**
- 6.1 Concession Management Fee \$200 + GST per annum
- 6.2 Site Rental Fee s9(2)(i)
- 6.3 Other Charges As defined in the standard conditions
7. **Concession Fee Instalments:** Per annum
8. **Concession Fee Payment Date:**
- 8.1 Concession Management Fee Due in advance on the 1st February, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014,



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2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023.

8.2 Site Rental Fee

Due in arrears on the 31st January, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024.

8.3 Other charges

Due in arrears on the 31st January 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024.

9. Penalty Interest Rate:

Double the Lessor's bank's current highest 90 day bank bill buy rate

10. Concession Fee Review Date:

On the 1st February 2007, 2010, 2013, 2016, 2019 and 2022.

11. Public Liability General Indemnity Cover:

For Two and a Half Million Dollars (\$2,500,000)

12. Public Liability Forest & Rural Fire Extension:

For One Million Dollars (\$1,000,000)

13. Statutory Liability:

For One Hundred Thousand Dollars (\$100,000)

14(a) Other Types of Insurance:

NIL

14(b) Amounts Insured for Other Types of Insurances:

NIL

15. Environmental Monitoring Contribution:

The Concessionaire shall (pursuant to clause 29.1) pay the Lessor an annual monitoring contribution of \$200 plus GST if invoiced.

16. Address for Notices:

(a) Lessor:

The Conservator
Department of Conservation
133 Victoria Street
Private Bag
Christchurch

Phone (03) 379 9758

Fax (03) 365 1388


(b) Concessionaire

Loch Katrine Association Incorporated or Assignee


Sec 9(2)(a)

Item 1

Sec 9(2)(a)



Released under the Official Information Act



SCHEDULE 2

Community Service Contribution

- 1) The Concessionaire shall provide such financial or other contribution as may be agreed by the Lessor and the Concessionaire from time to time for the operation and maintenance of the publicly available toilets in the Reserve.
- 2) The Concessionaire shall pursuant to clause 12.1 clean the toilet facilities:
 - weekly between the 20th December and the 31st January;
 - the week immediately prior to Easter and the week immediately after Easter;
 - fortnightly between the 1st November and the 20th December and between the 31st January and immediately prior to Easter;
 - monthly between the end of Easter and the 1st November;or, at other reasonable intervals specified in writing by the North Canterbury Area Manager.
- 3) Pursuant to special condition 44 (Schedule three), the Concessionaire shall provide such financial or other contribution as may be agreed by the Lessor and the Concessionaire from time to time for the construction of facilities associated with the cabins including but not limited to, additional toilet/ablution facilities and/or centralized cooking facility or other facilities as may be agreed.

SCHEDULE 3

Special Conditions

- 1) The Concessionaires rights pursuant to this lease extend only to the construction, maintenance and management of the cabins or other facilities provided for under the terms of this lease.
- 2) The Concessionaire shall not build on or otherwise improve the land except as authorised by this lease and no buildings or improvements shall be affected or altered without prior consent of the Lessor pursuant to clause 11.0.
- 3) The construction of the cabins shall be undertaken in two Development Stages:

Development Stage One: The Concessionaire is entitled to construction cabins 1, 2, 3, 4, 5, 6, 7 and 8 at the commencement date of this concession.

Development Stage Two: The Concessionaire is entitled to apply in writing to the Lessor to construct cabins 9 and 10 (known as Development Stage Two). This request must be made no later than two years after the completion of Development Stage One. This request shall be processed pursuant to Section 17ZC (1)(a) of the Conservation Act 1987. Approval for Development Stage Two shall be dependent on the Concessionaire demonstrating to the satisfaction of the Lessor that a demand exists for cabins 9 and 10. Should approval be granted for Development Stage Two, the cabin design shall be consistent with the cabin design in Development Stage One and subject to all the conditions of this lease.

- 4) The Concessionaire shall complete Development Stage One (refer to special condition 3, Schedule Three) within three (3) years of the commencement date of this lease. The Concessionaire may seek the written approval of the Lessor for one 3-year extension of the construction term, after which the right to complete Development Stage One shall expire. Should the Concessionaire receive approval for Development Stage Two, pursuant to special condition 3, Schedule 3, the Lessor shall also approve appropriate construction timeframes.
- 5) The Concessionaire shall submit the cabin designs to an independent architect (appointed by the Lessor) who will review the design and supply a report to the North Canterbury Area Manager and the Concessionaire making recommendations on the cabin design. The final cabin design shall be approved by the Area Manager North Canterbury.
- 6) The Concessionaire shall seek written approval from the Area Manager North Canterbury for the location of each individual cabin within the Site. The cabins shall not be located within 20 metres of the terrace edge and adequate provision shall be made for vehicle parking around each cabin.



- 7) The Concessionaire shall ensure that all fireplaces or stoves installed in the cabins are approved in writing by the Area Manager North Canterbury. No open fires or coal stoves are to be installed in any of the cabins.
- 8) The Concessionaire shall ensure that all users of the cabins are informed that all fuel for the stoves is to be from exotic trees and that coal is an unacceptable fuel source.
- 9) The Concessionaire shall ensure that all cabins are double glazed and that insulation is installed to reduce fuel consumption when heating.
- 10) The Lessor reserves the right to recover all reasonable costs from the Concessionaire associated with the removal of any incomplete cabins should the Concessionaire fail to meet its obligations pursuant to special condition 4. Any incomplete cabins at the end of the construction period shall become the property of the Lessor.
- 11) The Concessionaire shall have no right to exclude members of the public from the use of the Concessionaires dwellings on Loch Katrine Recreation Reserve when such use is in accord with the purpose for which the dwellings are constructed. Reasons the concessionaire may exclude the general public from the use of the cabins may include but are not limited to:
 - (a) knowledge that there is no booking available for a cabin at that time because all available bookings are taken,
 - (b) the proposed user is known to the Association to be unlikely to meet the obligations in respect of care in the use of the cabin or payment of cabin fee.
- 12) The Concessionaire shall have the right to inspect any cabin being used by the public if there is the suspicion on reasonable grounds of damage or abuse taking place.
- 13) The Concessionaire shall record all instances when a member of the public is refused the right to use of the cabins, with reasons for the refusal and these records shall be made available to the Lessor on request.
- 14) The cabins are only to be used under the control of the member(s) of the public who hired the cabin. No form of sub-hiring is permitted.
- 15) The Concessionaire shall have no right to exclude members of the public from the use and enjoyment of the Reserve.

Construction of cabins:

- 16) The Concessionaire shall notify the North Canterbury Area Manager prior to construction work beginning on the new cabins
- 17) The Concessionaire, contractors and subcontractors shall at all times follow the directions of the Area Manager North Canterbury or nominee thereof to avoid, remedy or mitigate any adverse effects on the Reserve.

- 18) The Concessionaire shall ensure that all machinery brought onto the Reserve associated with the construction of the cabins shall be thoroughly cleaned before any commencement of work.
- 19) The Lessor or nominee thereof shall have the power to enforce a 'stop work order' should these conditions not be adhered to by the Concessionaire, contractors and subcontractors thereof, or if any other unforeseen effects eventuate.

Re-vegetation:

- 20) The Concessionaire shall carry out a re-vegetation programme within the Site around the cabins, approved by the Area Manager North Canterbury and shall be consistent with the concept plan outlined in the Loch Katrine Recreation Reserve Management Plan.
- 21) The Concessionaire shall ensure that any plants used for re-vegetation or landscape work shall be from a source approved by the Area Manager North Canterbury.

Booking Rules and Cabin fee provisions:

- 22) Cabins shall not be booked more than 3 months in advance.
- 23) The Concessionaire shall ensure that the maximum period booked by an individual or group shall be no more than 7 consecutive nights. Extensions for up to an additional 7 nights are possible if there have been no bookings made for the cabin within 2 weeks of the required extension date.
- 24) Cabin fees:
- a) Contributory/founding Members: NIL
 - b) LKA Members: \$10 per night per person or \$25 per night maximum per cabin
 - c) Public: \$12 per night per person or \$30 per night maximum per cabin
\$30 bond refunded on return of keys
- 25) The cabin user will forfeit the key bond if damage has been done to the cabin.
- 26) The Concessionaire may alter the cabin fees and/or key bond with the written approval of the Lessor.
- 27) The Concessionaire shall display a notice on the outside of each cabin and a sign (approved by the Area Manager North Canterbury) at the entrance of the Reserve with the contact details of the person responsible for the booking system of all the cabins. The nominated person shall maintain a booking log that records;
- a) the name(s) of the person/people booked;
 - b) their contact details;
 - c) whether they are a 'founding member', 'Association member', or 'general public';

- d) the cabin number;
 - e) the date;
 - f) the length of visit;
 - g) the amount paid, and
 - h) any comments.
- 28) The Concessionaire shall provide the Lessor with a copy of the booking log on the 31st January each and every year of this concession, or shall make the log available for inspection on request.
- 29) The Lessor may, from time to time, review the booking system. Subject to the outcome of this review, the Lessor reserves the right, after consultation with the concessionaire, to amend the conditions relating to the booking system outlined in this lease or add additional conditions.
- 30) The Lessor shall be entitled to send an officer of the Department of Conservation or nominee thereof, to the Reserve to conduct an inspection of the permitted activity during the term of this lease for the purposes of:
- a) assessing the impact thereof on conservation values
 - b) assessing the compliance with the terms and conditions of this authorization
- This inspection may be conducted by a 'mystery shopper'; if this is the case, the Concessionaire shall pay all reasonable costs associated with the inspection.
- 31) The Concessionaire shall bank all fees collected from the cabins into a single separate bank account managed by the Concessionaires treasurer and shall be subject to an annual audit.
- 32) The Concessionaire shall ensure that the money generated from the cabins is only used for the following purposes:
- a) insurance, repairs and maintenance of cabins
 - b) maintenance of other structures/facilities on the Reserve as approved by the Area Manager North Canterbury or such other person authorised by the Lessor
 - c) any enhancement or protection projects on the Reserve as approved by the Area Manager North Canterbury
 - d) Any other costs related to the running of the cabins as approved by the Area Manager North Canterbury – such as the mystery shopper or lease fees

Other Special Conditions

- 33) The Concessionaire hereby acknowledges that the Lessor has the power at any time to enter upon and examine the condition of the Land and all buildings, structures, installations and other improvements and all plant and equipment and all operations thereon and the Concessionaire will comply with all directions from time to time given by the Lessor in regard to repairs, maintenance, sanitation and other matters relating thereto.
- 34) The Concessionaire shall provide and maintain in good order and ready for instant use at or near all buildings on the land proper fire-fighting apparatus approved by the Lessor.

- 35) The Concessionaire shall ensure that a notice is placed in all cabins informing users of the threats that dogs represent to the wildlife in and around the Reserve. The notice shall inform all cabin users that dogs are to be controlled on leashes at all times while within the Reserve and that dogs are prohibited from Lake Summers Forest Park and adjacent conservation areas. The Concessionaire shall include such information as part of the written information given to cabin users at the time of booking. The Lessor shall produce and pay for the notice. The Lessor shall place and maintain similar notices in prominent positions within the Reserve.
- 36) The Concessionaire shall pursuant to clause 14.1 (a) of this document ensure that appropriate permits are sought from the Lessor to ensure the correct methods of pest control are employed and that the Lessor's legislative policies are complied with.
- 37) The Concessionaire shall not except with the written consent of the Area Manager North Canterbury, take on to or permit to be taken on to the Land any poison other than specific poison bait for the control of mice and rats.
- 38) The Concessionaire shall at all times maintain the interior and exterior, including the paint-work, of all buildings structures installations and other improvements on the land in good repair order and in a habitable condition and shall keep the land at all times in a clean and tidy condition, all such things are to be done to the satisfaction of the Lessor.
- 39) The Concessionaire may carry out the following maintenance work without specific approval from the Lessor:
- a) The interior maintenance and modification of any building.
 - b) The exterior maintenance of any building, where such maintenance does not alter that outside appearance of the building.
 - c) Emergency work where failure to do the work will be prejudicial to the immediate continued safe use and existence of any facility operated by the Concessionaire.
- 40) The Concessionaire shall have use (non-exclusive) of the existing four toilets and two handbasin facility provided by the Lessor.
- 41) The Concessionaire shall provide water by the provision of two common user taps, at the rear of the reserve (on the top terrace). The installation of the water taps and water supply system shall be done in consultation with the North Canterbury Area Manager. Water shall not be supplied to individual cabins.
- 42) The Concessionaire shall obtain written approval from the Lessor and all relevant authorisations from Environment Canterbury prior to the construction of grey water disposal soakpits. The location of the grey water soakpits shall be approved by the Area Manager North Canterbury.
- 43) The Lessor shall review the operation, use and capacity of the grey water disposal soakpits, the two common water taps and the existing toilet facilities two years after (or earlier at the discretion of the Area Manager North Canterbury) the completion of

Development Stage One. This review will calculate the usage of the cabins (and the Reserve) and assess whether the existing facilities are meeting Environment Canterbury's discharge requirements.

- 44) Following the review outlined in special condition 43, the Lessor may require the concessionaire to construct toilet, ablution or cooking facilities on the Site. These additional facilities shall be funded pursuant to condition 3, schedule 2.
- 45) The Concessionaire shall be permitted to use cooking equipment within the cabins on the Site.

Current Hut/Structure removal

- 46) a) The Concessionaire members that are committed to the construction of the new cabins shall follow the hut/structure removal timeframe below (this timeframe is for when one - three current huts are combining in the construction of one new cabin):
 - i) The first hut/structure shall be removed within three (3) months of the granting of this concession.
 - ii) The second hut/structure shall be removed within six (6) months of the granting of this concession.
 - iii) The third (final) hut/structure shall be removed on completion of the new cabin, or 18 months after the granting of all consents, permits and approvals necessary for the construction of the cabins, whichever is the earliest.
- b) The Concessionaire members that are committed to the construction of the new cabins shall follow the hut/structure removal timeframe below (this timeframe is for when there are four or more current huts involved in the construction of one new cabin):
 - i) The first hut/structure shall be removed within three (3) months of the granting of this concession.
 - ii) The second hut/structure shall be removed within six (6) months of the granting of this concession.
 - iii) The third hut/structure shall be removed within (9) months of the granting of this concession.
 - iv) The fourth or final huts(s)/structure(s) shall be removed on completion of the new cabin, or 18 months after the granting of all consents, permits and approvals necessary for the construction of the cabins, whichever is the earliest.
- 47) All hut/structure owners shall ensure that their current site is returned to its natural state, to the satisfaction of the Lessor, after the removal of their hut/structure.



Received on the 14/5/02 - Amended Concept Plan as requested by the Department



LAYOUT PRINCIPLES FOR HUTS

- MINIMAL EXISTING NATIVE VEGETATION TO BE REMOVED.
- NO EXCAVATION FOR BUILDING PLATFORMS EXCEPT FOR FOUNDATION FOOTINGS.
- HUTS TO BE SET BACK AT LEAST 5.0 METRES FROM TERRACE CREST.
- HUTS TO FOLLOW THE LINE OF THE TERRACE CREST.
- HUTS TO BE CLUSTERED IN EXISTING OPEN AREAS.

BOFFA MISKELL
planning • design • ecology

CONCEPT LAYOUT PLAN - LOCH KATRINE ACCOMMODATION HUTS
 Prepared by Boffa Miskell Ltd for the Loch Katrine Association Incorporated, 13-05-02, Revision A ref. c00244, scale 1:1000 (A3)

Released under the Official Information Act



Concession Document Variation of Concession Document

Concession Number: CA-251-ACC

This Deed of Variation of a concession document is made this 8 day of June 2015

PARTIES:

Minister of Conservation, (the Lessor)

Loch Katrine Association Inc, (the Concessionaire)

BACKGROUND

- A. By a Concession dated the 22 day of March 2004 (the Concession) the Lessor granted a lease to the Concessionaire upon the terms and conditions expressed and implied in the Concession.
- B. The parties have agreed to vary the Concession.

NOW BY THIS DEED the parties agree as follows:

1. Variation

As from 8 June 2015, the Concession is varied as follows:

- (i) Schedule 3, condition 24 will be removed and replaced with:

'Cabin fees:

- a) **Contributory Members** NIL
- b) **LKA Members** \$43 per night for a single person
 \$86 per night for two persons
 \$105 per night maximum
- c) **Public** \$48 per night for a single person
 \$96 per night for two persons
 \$120 per night maximum

\$100 bond. Refunded on return of keys and confirmation by the next cabin user that the cabin has been left in a satisfactory condition.'

(ii) To Schedule 3, add new condition number 48:

'The concessionaire may alter the cabin fees and / or key bond with the prior written approval of the Lessor. The process is that the concessionaire may apply to have Cabin fees reviewed every three years on the dates set in Schedule 1(10) for the Concession Fee Review. The Lessor will consider, as part of their assessment, the criteria of Schedules 2 (3) and 3 (32 & 44) when considering the reason for any fee increase.'

(iii) To Schedule 3, add new condition number 49:

'The concessionaire has approval to construct and use three woodsheds for the storage of exotic firewood for fuel. Woodshed 1 adjacent to cabin 'Hoka Kura', and Woodshed 2 as constructed adjoining 'One Horn'. Woodshed 3 is to be built in a similar style to Woodshed 2 adjacent to 'Glengyle Hut' and the concessionaire must obtain prior written approval of the design and location from the Conservation Services Manager North Canterbury.'

(iii) To Schedule 3, add new condition number 50:

'The toilet built in the vicinity of the cabins, and authorised by the district office, is approved.'

2. Confirmation of other Concession Covenants

(a) Except to the extent to which they are varied by this Deed the covenants, terms and conditions expressed and implied in the Concession continue to apply.

3. Costs

(a) The Concessionaire will pay the costs of and incidental to the preparation and completion of this Deed

1. Incorporated Society

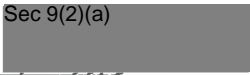

The seal of Loch Katrine Association Incorporated was affixed in the presence of :

Sec 9(2)(a)

Sec 9(2)(a)

SIGNED on behalf of the Minister of Conservation by **Leonie Fechney**, Conservation Partnerships Manager, North Canterbury District acting under delegated authority

Authorised Signatory
David Kirkness (VP Loch Katrine Association)

<p>in the presence of:</p> <p>Sec 9(2)(a) </p> <p>Witness Signature _____</p> <p>Witness Name: <u>AMANDA EDMONDS</u></p> <p>Witness Occupation: <u>Permission Advisor</u></p> <p>Witness Address: <u>DOC</u> <u>70 Moorhouse Ave</u> <u>Christchurch.</u></p>	<p>in the presence of:</p> <p>Sec 9(2)(a) </p> <p>Witness Signature _____</p> <p>Witness Name: <u>A. Edmonds</u></p> <p>Witness Occupation: <u>DOC</u></p> <p>Witness Address: <u>70 Moorhouse</u> <u>Ave.</u></p>
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Released under the Official Information Act

Concession Variation Report to Decision Maker

Report to Decision Maker: Conservation Partnerships Manager North Canterbury

Concession Variation Application to a Notified Lease Concession.

Applicant: Loch Katrine Association Inc

Permission Record Number: CA-251-ACC

File: PAC-25-07-14

The purpose of this report is to provide an analysis of the variation application within the context of the legislation so the Decision Maker can consider the variation application and decide whether it should be granted or declined.

Variations can **only** be granted where:

- The variation is of a minor and technical nature and does not materially increase the adverse effects of the activity or the term of the activity or materially change the location of the activity; or
- The variation will result in a reduction of the adverse effects or the duration of the activity

If the application is for something more than minor or may increase the adverse effects or duration then the applicant must go through a non-notified process. This is because for a minor and technical variation we do not need to do a full assessment against all the requirements in the conservation legislation.

1.0 Summary of proposal

Background:

The applicant, Loch Katrine Association Inc (The Association), holds a concession which was granted in 2004 for the building of up to ten cabins on Reserve land. To date, three cabins have been built. It is a requirement that these cabins are available to both Association members to use as well as the general public. The Association have requested a number of variations to that contract.

Information about the applicant:

This Association had many members in the earlier days, when the existing concession was agreed, however since then the majority of members have left, leaving a small Association.

Description of the current concession:

The construction, maintenance and use, for recreational purposes including fishing, hunting, tramping, camping, nature appreciation, of up to ten publicly available cabins of a design approved by the Lessor for overnight stays. A twenty year term was granted with an end date of 31 January 2024.

Description of the proposed variation:

The Association have requested the following changes to their existing contract:

- 1) To increase the fees being charged to stay overnight in a hut.
- 2) To add three woodshed structures. Two woodsheds have already been built, making this aspect of the application retrospective; construction has not started on the third shed.
- 3) To add a toilet (already built); so again this is a retrospective application in this respect.

The above three requests are set out in more detail below:

1) To increase the fees being charged to stay in a hut.

The Association wrote to the Department on 14 January 2015 to propose an increase of fees on the basis that the original fee structure as set in the 2004 concession was no longer a representative set of fees. They said that the fees should be increased to take into account the time and cost involved with the building and ongoing maintenance of the huts. The email of 2 February 2015 from the Association sets out their proposed fee structure. (dme://docdm-1552289/)

- | | |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Contributory Members | NIL |
| b) LKA Members | \$85 per night for up to two persons. Exclusive use.
\$15/adult/night for additional adults, \$5/child for additional children. (u/16)
\$130 per night maximum |
| c) Public | \$95 per night for up to two persons. Exclusive use.
\$15/adult/night for additional adults, \$5/child for additional children. (u/16)
\$140 per night maximum

\$100 bond. Refunded on return of keys and confirmation by the next cabin user that the cabin has been left in a satisfactory condition. |

The original fee structure is set as follows:

- | | |
|-------------------------|-----------------------------------------------------------------------------------------------------------------|
| a) Contributory Members | NIL |
| b) LKA Members | \$10 per night per person, or
\$25 per night maximum per cabin |
| c) Public | \$12 per night per person, or
\$30 per night maximum per cabin

\$30 bond. Refunded on return of keys. |

2) To add three woodsheds.

The Association have said that they need woodsheds to store the firewood for the huts. The District Office gave written permission to the concessionaire to build two woodsheds (and toilet) to service the huts in July 2014. See letter dme://docdm-1447140

Two of the woodsheds have already been built so the request is retrospective in nature. The third woodshed proposed has not yet been built.

3) To add a toilet.

The District Office gave written permission to the concessionaire to build the toilet next to the existing three huts in April 2014. See letter: dme://docdm-1382280

The building of the toilet has been approved by the District Office. Regardless of this fact, the Department in considering the Variation request has assessed this aspect on its own merits. It is considered that the building of a toilet to service the huts, as it is located within the vicinity of those huts amounts to a minor and technical variation.

2.0 Information available for consideration

Information received:

- From applicant – Association's letter requesting the variations can be found at: dme://docdm-1551242. A further email was sent in which they clarified their request: dme://docdm-1552289/. The email setting out the proposed dimensions of the third woodshed: dme://docdm-1553651.
- From iwi – not sought
- From Conservation Board – not sought
- From DOC staff – July 2014 letter from District office approving alterations: dme://docdm-1447140. April 2014 letter with further approval: dme://docdm-1382280

Other References:

- Original Lease document - dme://docdm-1591175

Requested information not received:

All information has been received that was requested.

3.0 Relevant information about the applicant

Past compliance with concession conditions:

There are no issues with the management of the concession fees and all are up to date.

Due to the length of time that the cabins took to be built there has not been any annual reporting from the concessionaire of the booking system, as required in schedule 3, (28) and (29) of the current contract. As part of the variation process the concessionaire has produced a booking log for the period covering November 2013 to February 2014. This will be kept updated and provided to the Department on an annual basis on 31 January, as set out in condition 28.

4.0 Analysis of relevant factors

1) To increase the fees being charged to stay in a hut.

The Association wrote to the Department on 14 January 2015 to propose an increase of fees on the basis that the original fee structure as set in the 2004 concession was no longer a representative set of fees, and that fees should be increased to 'reflect the cost and time involved in constructing the huts'.

The Association has subsequently also asked that the variation sets out the process to allow for future fee alterations without the need to go through a formal variation process. They refer to Schedule 3 (26) of the contract which says that cabin fees can be altered with the written approval of the Lessor. The Association is of the view that the 'Lessor' in this circumstance means the local area manager, which in the current structure would be the Conservation Services Manager.

They would like the variation to also include the insertion of a clause to ensure that any further fee scale alterations would be subject to a simple process of discussing proposed fee changes with the Conservation Services Manager (or other suitable Department representative) and agreeing upon those, preferably on a bi-annual basis.

Comment:

In considering the request to increase the cabin fees the Department looked at whether other clauses in the existing contract made reference to the fees that could be charged. The original contract Schedule 3 (32) sets out the acceptable uses of the money generated by the cabins. Any consideration of the increase in fee structure needs to also consider whether the additional money generated will be used for the purpose of that which is was originally agreed.

Monies generated by the huts are permitted to be used for the purposes of insurance, repairs and maintenance of cabins and also maintenance of other structures/facilities on the Reserve as approved by the Department. The Department has verified that the monies generated in the last 12 months were actually less than the allowable costs. As such the Department is satisfied that monies used are in line with the purposes originally agreed.

The total annual insurance costs for the cabins of Sec 9(2)(b)(ii) is set out in the insurance schedule, see <dme://docdm-1586482>.

Also see concessionaire's email of 9 March 2015 for a breakdown of costs: <dme://docdm-1586464>

The Department considered the reasonability of the proposed fee structure and carried out some price comparisons against a selection of Department cabins that are available for sole occupancy rental. The findings are set out in the Table in <dme://docdm-1554015>.

The comparables suggest that the Association's proposed fee structure was reasonable in the main but that the increase for a sole occupant from \$12 to \$95 a night was disproportionately high. The Department has recommended that the concessionaire adopt a slightly amended fee structure to remove the high cost to a sole occupant and to keep in line with the format of the original fee structure. The Department's recommendation is set out below, and will form the basis of the new condition.

Recommendation: As from (Insert date?) Schedule 3 condition 24 will be altered to read:

Cabin Fees:

- | | |
|-------------------------|-------------------------------------------------------------------------------------------------|
| a) Contributory Members | NIL |
| b) LKA Members | \$43 per night for a single person
\$86 per night for two persons
\$105 per night maximum |

allowed for up to ten cabins to be built, and only three have been, resulting in a much smaller footprint in total. The woodshed locations are compliant with Schedule 3, (6) which sets out that the cabins must not be located within 20 metres of the terrace edge.

The purpose of building the woodsheds, to support the cabins, is considered to be part of the wider activity of providing and maintaining cabins for recreational purposes. The original concession made reference that fuel for the cabins must be from exotic trees, therefore if wood is to be used it would seem that the building of cabins is ancillary to the already approved activity.

Woodshed number 1 was built under the eaves of one of the cabins and as such is within the original cabin footprint and is therefore classed as being minor in nature pursuant to s17ZC(1) Conservation Act.

Woodshed number 2 was built adjoining one of the cabins and as it was less than 10m square in size is also classed by the Department as being a minor variation in nature. Photos of the structure can be found at: <dme://docdm-1586403>

Woodshed number 3 has not yet been built, and the Association have proposed that it be built adjoining the third cabin. The shed will be 8.64m square in size and similar to woodshed two. See Association email: <dme://docdm-1553651>. The Department also consider that the addition of this structure will amount to a minor variation.

Recommendation: It is recommended that the Department approves the new structures. A condition will be inserted:

The concessionaire has approval to construct and use three woodsheds for the storage of exotic firewood for fuel. Woodshed 1 under the eaves of cabin 'Hoka Kura', and Woodshed 2 as constructed adjoining 'One Horn'. Woodshed 3 is to be built in a similar style to Woodshed 2 adjacent to 'Glengyle Hut' and the concessionaire must obtain prior written approval of the design and location from the Conservation Services Manager North Canterbury.

3) To add a toilet.

The District Office gave written permission to the concessionaire to build the toilet next to the existing three huts in April 2014. See letter: <dme://docdm-1382280>

Comment:

The building of the toilet has been approved by the District Office. Regardless of this fact, the Department in considering the Variation request has assessed this aspect on its own merits.

It is considered that the building of a toilet to service the cabins, as it is located within the vicinity of those huts amounts to a minor and technical variation. It is clear that if people are staying at the cabins they would benefit from having a separate toilet. Construction of the toilet has already taken place and as such the approval is retrospective in nature.

Recommendation: It is recommended that the Department approves the new structure.

District Comments:

North Canterbury:

Comments were received from the District office, and they are of the view that that the Association be granted the approval to build a third wood shed on the basis that the design and location are approved by Conservation Services Manager (CSM). See email: <dme://docdm-1552357>

There are no issues with the structures that have already been built. With regards the proposed fee structure, the District Office have no issues with increasing the fees.

Assessment against Management Plans:

Canterbury Conservation Management Strategy

The 2000 CMS, volume 2, schedule 2, highlights the management issues as being recreational use management and the water quality threat to the lake from the settlement. The building of a toilet to service the huts is therefore consistent with the purpose of managing water quality. The draft CMS November 2014 sets out more specifically the need for ongoing management of the approved Loch Katrine Association huts that are publically available for use. It is considered that the building of woodsheds and a toilet are necessary structures required to allow for public to use the accommodations and are therefore consistent with both the current and the draft Canterbury CMS.

The 1999 Loch Katrine Reserve Management Plan makes reference to the larger unauthorised accommodation settlement but does not make reference to authorised cabins, and therefore is not relevant.

5.0 Applicant's comments on draft report

The Association were sent a copy of the draft report on 8 May and they provided their comments, as set out below, on 17 May.

- The Association comments about section 1, 'Information about the Applicant'. They do not agree that the majority of members have left the Association. They say that whilst almost half the members have not renewed or have left they have also had new members join and membership has been static around 30 for some time.

Comment:

It appears that there may have been a misinterpretation of the comments made by the concessionaire when discussing the Association on the phone. In any event, the size of the membership was not a factor in the analysis of the application and had just been provided as some background. The Associations comments are noted.

- The Association had not considered that the building of the toilet was a matter for their concession. They were of the view that they were merely undertaking a joint project with the Department to build toilet facilities on the Reserve, as other people, not just the cabin users, can and do use this facility.

Comment:

As the toilet is on public conservation land and as they were built at the request of the Association and for the purpose of servicing the cabins this structure needs a concession. The letter of 17 July 2014 from the district office to the Association, dme://docdm-1447140, clearly explains this:

'Thank you for your plans and building consent from Hurunui District Council for the construction of a double containment toilet. Permission is given for you to build the toilet on the site agreed by the Senior Ranger.....The toilet will be added to your concession, together with the two wood sheds, when the concession is reviewed following the Conservation Management Strategy approval.'

It is therefore appropriate that the toilet is included in this concession.

- There was a typing error in the fee structure in section 4. The fee should read \$105 not \$205 per night maximum.

Comment:

This is correct and has been altered above.

- The Association are of the view that had they have asked to just change the cabin fees and not the actual structure that the decision would have been able to be taken by the equivalent of the Area Manager. They would like the District Office to have the authority to make the decision on any future fee changes, which they are of the view was the original intention when the concession was initially approved.

Comment:

The Department considers the alteration of the cabin fees to be a change to one of the original contract conditions and therefore subject to the variation process. It is irrespective whether it was the fee structure or the fee amount that was being altered. The new condition setting out the fee review process has been included in this variation so that future alterations would not need to go through this variation process. The Department does not share the Association's view, that the fee changes should be approved by District Office. As explained at section 4 above, the original contract did specify where the District Office could give authority to various actions, such as approving cabin designs, however the contract did not allow for the District Office to approve fee alterations. Approval to future fee alterations will not lie with the District Office, it will be considered as part of the fee review process.

6.0 Recommendations to decision maker

Pursuant to the delegation dated 02 September 2013 it is recommended that the Conservation Partnerships Manager North Canterbury (Christchurch):

Approve the granting of a variation to concession CA-251-ACC held by Loch Katrine Association Inc subject to the standard concession contract; and the special conditions identified in this report.

Amanda Edmonds
Permissions Advisor
Date:

Recommendation: Approved / ~~Declined~~

Sec 9(2)(a)

Signed: _____
Leonie Fechny
Partnerships Manager, North Canterbury
Date:

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Item 4

PROPERTY	SLEEPS	ELECTRICITY?	HOB TO COOK	FULL KITCHEN	HOT SHOWERS	OUTDOOR BATHROOM	EXCLUSIVE OCC	PRICE FOR 2	COMMENTS
LK Hut	8	Y	Y	Y	N	Y	95 TO 140	95.00	Exclusive use \$95 for 1 or 2 ppl. \$15 pp after that. \$140 max.
1A	2	Y	Y	Y	Y outdoors	Y	24.50	24.50	
1B	4	Y	Y	Y	Y outdoors	Y	49.00	49.00	
2	5	Y	Y	N	NO - COLD	N	51.50	51.50	
3	5	Y	Y	Y	Y	N	70.00	70.00	
4	4-7	Y	Y	Y	Y shared	Y	79.00	79.00	69.00 week days
5	5	Y	Y	Y	Y	N	80.00	80.00	
6	10	Y	Y	Y	Y	N	100.00	100.00	Shared bathroom / sleeps 10
7	12	Y	Y	Y	N	N	100.00	100.00	Sleeps 12
8	24	Y	Y	Y	Y	N	110.00	110.00	Sleeps 24
9	8	Y	Y	Y	Y	N	200.00	200.00	150 pn low season / sleeps 8
10	10	Y	Y	Y	Y	N	200.00	200.00	\$200 for 3 separate units, sleeps 10
11	8	Y	Y	Y	Y	N	200.00	200.00	Sleeps 8, shower and bath
12	30	Y	Y	Y	Y	N	105.00	105.00	Sleeps 30
GREAT WALKS							EACH PERSON		
TIER 1							54.00		Huts come with water, toilets,
TIER 2							32.00		cooking stove. May not come with
TIER 3							22.00		cooking utensils.

LK supplied Comparables

DoC Cheaper than proposed LK fees

DoC in line with or more expensive than LK fees

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1	Pureora Cabins
2	Motuora Island bach
3	Mahinapua Cottage
4	Whakapapa Holiday Park Cabins
5	Stony Bay Bach
6	Rarangi Surf club
7	Okarito School House
8	Waikuku Lodge
9	Knox Coastal Cottage
10	Te Kopi Cottage
11	Forest and Bird Somes Island
12	Caretakers Cottage Somes Island

Released under the Official Information Act