



COVERSHEET

Minister	Hon Shane Jones	Portfolio	Regional Development
Title of Cabinet paper	Decisions on the Future of Ruapehu Alpine Lifts Limited In Liquidation and Receivership - post March 2024	Date to be published	24 April 2023

List of documents that have been proactively released

Date	Title	Author
March 2024	Decisions on the Future of Ruapehu Alpine Lifts Limited In Liquidation and Receivership - Post March 2024	Office of the Minister for Regional Development
11 March 2024	Decisions on the Future of Ruapehu Alpine Lifts Limited In Liquidation and Receivership - Post March 2024 CAB-24-0070.01 Minute	Cabinet Office

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of Commercial information.

In Confidence

Office of the Minister for Regional Development

Cabinet Economic Policy Committee

Proposal

- 1 To confirm the government’s support for the sale of the Tūroa ski field assets from Ruapehu Alpine Lifts Limited (in Liquidation and Receivership) (RAL) to Pure Tūroa Limited (PTL) and to provide PTL with \$3.05 million of government support to enable it to complete the purchase of the Tūroa ski field assets from RAL and operate the Tūroa ski field, conditional on PTL obtaining a concession from the Department of Conservation (DOC); and
- 2 To continue to provide government support to the Ruapehu economy by providing RAL’s receivers with \$7 million of existing ringfenced funding as a transitional arrangement to allow the 2024 ski season to run on the Whakapapa ski field and for
Confidential advice to Government
[Redacted]

Relation to government priorities

- 3 This paper does not relate to a specific government priority but requires Cabinet approval given the significant policy implications.

Executive Summary

- 4 RAL has been in various insolvency processes since October 2022. Pre-insolvency, the Ministry of Business, Innovation and Employment (MBIE) had loaned RAL \$15 million. Since insolvency, MBIE has advanced a further \$17.3 million. Decisions on the future of RAL need to be made before April 2024 when RAL is expected to deplete its cash reserves. If no decision is made, RAL’s operations will cease.
- 5 There are two key decisions for Cabinet relating to RAL’s Tūroa and Whakapapa ski field assets. For Tūroa, I propose that Cabinet approves \$3.05 million of ringfenced funding to allow PTL to complete the purchase of RAL’s Tūroa assets and commence operations, conditional on PTL obtaining a DOC concession. If the sale is not completed, I recommend that the \$3.05 million of ringfenced funding be provided to RAL’s receivers to allow Tūroa to continue operating.
- 6 For Whakapapa, I propose that Cabinet agrees to provide RAL’s receivers with \$7 million of funding to allow the 2024 ski season to run on the Whakapapa ski field,
Confidential advice to Government
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- 7 **Confidential advice to Government**
[Redacted]

Confidential advice to Government

8 Confidential advice to Government

. Continued support preserves up to 1,070 jobs (full-time and casual) in an area with a high level of deprivation, and provides an opportunity to engage with iwi on the longer-term future and viability of the ski-fields.

Background

9 RAL operates under concessions granted by DOC and has control of infrastructure that enables it to operate the two ski fields, Whakapapa and Tūroa, on Mount Ruapehu. During the summer, RAL operates the Sky Waka gondola.

10 The activities on Mount Ruapehu are a significant contributor to the economy in the Central North Island. RAL is one of the largest employers in the Ruapehu region. The regional spend from RAL's visitors is around \$100 million annually. An estimated 880 FTEs are supported on an ongoing basis by the economic activity of RAL.

11 The Crown is committed to collective negotiations with iwi with interests in the Tongariro National Park (TNP) (including Ngāti Hāua, Ngāti Rangī, Ngāti Tūwharetoa, and the iwi of Te Korowai o Wainuiārua). TNP collective negotiations have not yet commenced. Those negotiations will be limited to the provision of cultural redress and will likely include discussions on its future governance and management (with a similar scope to the recently concluded Taranaki Maunga arrangements).

12 Since 2018, the government has had considerable involvement with RAL and to date has provided \$32.3 million in loan funding to support the ski fields. An additional \$^{Commercial Info} million of funding remains ringfenced for RAL under the Regional Strategic Partnership Fund (RSPF), which is managed by MBIE. \$3.05 million has been ringfenced to finalise the sale of the Tūroa ski field. \$^{Commercial Info} million is ringfenced for decisions relating to RAL's Whakapapa assets.

13 On 2 October 2023, Cabinet approved a \$7.35 million support package to allow RAL to continue until March 2024 that included [CAB-23-MIN-0456]:

13.1 Moving RAL into receivership and providing RAL with a \$4.3 million loan to continue operating both the Tūroa and Whakapapa ski fields until the end of March 2024;

13.2 In-principle agreement to provide \$3.05 million of support to the preferred bidder of the Tūroa ski field, PTL to purchase and operate RAL assets on the Tūroa ski field, subject to being granted a concession, and final Cabinet approval; and

14 Since Cabinet's decision, RAL's receivers signed a conditional Sale and Purchase Agreement with PTL. PTL applied for a DOC concession in December 2023. MBIE

officials continued to negotiate with Whakapapa Holdings Limited (WHL) on a revised commercial bid to purchase and operate the Whakapapa ski field. Despite several attempts, no mutually agreeable deal could be reached.

- 15 In a letter to WHL in December 2023, MBIE expressed its concern that if WHL’s proposal was accepted in its existing form, the bid could be open to criticism that the Crown was taking on a disproportionate level of risk. The Crown would be bearing the full cost of the ski field without any forecasted financial contribution from WHL, and funding was being provided on non-commercial terms that disproportionately favoured WHL. WHL subsequently formally withdrew its bid in December 2023. This means that there are no viable bids remaining for the Whakapapa ski field.

Options and framework for decision making

- 16 Cabinet has two key decisions to make regarding RAL:
 - 16.1 To approve its support of the sale of the Tūroa ski field assets to PTL, and provide PTL with \$3.05 million of equity and loans, thus satisfying the condition in the sale and purchase agreement for Cabinet approval (noting the sale and funding are still subject to PTL obtaining a concession from DOC on terms acceptable to PTL); and
 - 16.2 Whether to continue to provide government support for RAL’s remaining assets/the Whakapapa ski field.
- 17 I propose that Cabinet considers options on the future of RAL and Ruapehu against their cost to the Crown, impact on the regional economy, and Iwi and Treaty considerations.

Cabinet agreement and funding to complete the sale of the Tūroa ski field

- 18 I recommend that Cabinet agree to provide PTL with \$3.05 million of support out of existing ringfenced funding to allow it to purchase and operate RAL Tūroa ski field assets, if PTL is granted a DOC concession.
- 19 A conditional Sale and Purchase Agreement was signed between RAL and PTL in February 2024. The agreement involves \$3.05 million of funding from the Crown, comprised of loans from the RSPF to PTL, and equity in PTL for the Crown. Pure Tūroa Holdings Limited (PTHL), being the other shareholder in PTL, will contribute \$Commercial Information of equity capital to PTL. The Crown and PTHL’s contributions to PTL are broken down as follows:

- 19.1 Commercial Information [Redacted]
- 19.2 Commercial Information [Redacted]
- 19.3 Commercial Information [Redacted]

Commercial Information [Redacted]
[Redacted]
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19.4 Commercial Information [Redacted]
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[Redacted]

20 The advantage of Cabinet approving the sale of the Tūroa assets to PTL and agreeing to provide funding is that, if the sale completes, it enables the Crown to exit its role in the operation of the Tūroa ski field (by the receivers), in favour of a commercial operator. It also preserves the economic benefits of the Tūroa ski field's continued operation in the region.

21 If Cabinet does not agree to proceed with the sale or further bridging finance for RAL to maintain the Tūroa assets, and Cabinet decides not to provide further support to RAL in relation to the Whakapapa field, then RAL will cease trading, the receivers will sell what assets they can and retire, and the remaining RAL assets will be liquidated. If the PTL deal does not complete, and Cabinet agrees to continue support for the Whakapapa ski field, I recommend that the \$3.05 million allocated to the sale be made available to allow RAL to continue to run the Tūroa ski field.

22 MBIE officials understand that the PTL deal is supported by the Ohakune Business Community. However, iwi have expressed concerns in 2023, notably Ngāti Tūwharetoa, who have stated that while they support commercial activities and regional economic development, they do not support the sale of RAL assets at this time.

23 Ngāti Tūwharetoa have advocated for 'managed retreat' from the mountain peaks and are concerned that ski field activities may not be commercially viable in the long term without significant expansion. Public notification of the proposed Tūroa concession saw 476 submissions received ranging from those who wholly support PTL's proposals to those raising environmental and other concerns. The positions of the respective Kahui Maunga iwi are provided in **Annex One**. Annex One withheld - confidential information entrusted to the government [Redacted]

24 DOC officials are continuing to engage with iwi as part of the concession process. Analysis of iwi views and whether DOC has met its statutory responsibilities under section 4 of the Conservation Act 1987 and under the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017 will be provided as advice to the decision maker on the concession application.

Options on whether to continue to provide government support for RAL's Whakapapa operations

25 Without a viable commercial bid for RAL's Whakapapa assets and operations, Cabinet needs to decide on whether to continue to provide government support for these assets, which includes the Sky Waka.

26 I recommend that RAL's receivers are provided with \$7 million of funding to allow the 2024 Whakapapa ski season to run **Confidential advice to Government** [Redacted]
Confidential advice to Government [Redacted]

Confidential advice to Government [Redacted]
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[Redacted]

27 Legal professional privilege [Redacted]
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28 Commercial Information, Confidential advice to Government [Redacted]
[Redacted]
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29 Commercial Information, Confidential advice to Government [Redacted]
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Confidential advice to Government [Redacted]

Confidential advice to Government

Option 1: No further support and RAL liquidates

- 30 If no further support was provided, RAL’s receivers would cease operations and sell RAL’s Whakapapa assets (and Tūroa assets if the deal with PTL did not proceed). This process is anticipated to take up to six months. MBIE officials do not anticipate that the proceeds from the sale of assets will be significant. \$^{Confidential advice to Government} (\$^{Commercial Info} Commercial Informa if the Tūroa deal did not proceed) of ringfenced funding for RAL would remain unspent and is recommended to be returned to the RSPF but could also be returned to the Crown.
- 31 Once RAL’s Whakapapa assets were sold, the receivers would retire and control would revert to the liquidators. The liquidators would disclaim the concession and DOC would become responsible for the remaining assets (buildings, chairlifts and other infrastructure). DOC would incur significant costs including the potential ‘make good’ provision liability detailed later in this paper.

Discontinuing support for RAL would remove the cost of continuing to operate the Whakapapa ski field and Sky Waka assets and reduce perverse economic incentives

- 32 While providing no further support creates immediate costs to the Crown, it will reduce fiscal risks in the medium to long term. From a financial perspective it eliminates the uncertainty of the cost to the Crown to continue to operate the ski field assets. Despite best efforts to estimate this cost, Cabinet has granted bridging funding for RAL on four separate occasions. This suggests that there are challenges with accurate forecasting of RAL’s revenue and costs and that RAL’s requirement for financial support could be substantially higher than predicted. The Crown’s exposure is difficult to quantify and therefore cap.
- 33 Additionally, while the Crown would assume responsibility for making good the mountain if no further support for RAL was provided, the Crown maintains this obligation regardless [CAB-23-MIN-0240 refers]. Continuing to defer this cost could result in the total cost being more expensive in the future. If the Crown expects to incur this cost inevitably, continuing to support RAL could be seen as an additional sunk cost that is incurred in addition to the potential ‘make good’ cost in the future, increasing the Crown’s overall exposure.
- 34 Continuing to support RAL could also be viewed as a market distortion. The challenges in concluding a viable sale for RAL’s Whakapapa assets suggests that it is not a commercially sustainable business. Funding RAL effectively makes the government the de facto operator and owner of assets that are likely to be unprofitable over the long term. This could be viewed as the government subsidising the business and its stakeholders when the funding could be better utilised on other priority areas.

35 From a broader economic perspective, continuing to support commercially unviable businesses to maintain jobs and Gross Domestic Product will set a negative precedent for similar cases. If RAL is supported but other businesses experiencing similar issues are not, it runs the risk of the perception that the government is undertaking inconsistent policy decision making. Finally, while there may be an initial negative economic impact, over time this impact may be mitigated by new businesses reemploying those who lost their jobs and job seekers moving to new locations or workplaces to find work.

However, no additional support will result in significant costs to the Crown, negatively impact the Ruapehu economy, and has the potential to strain Crown-Iwi relations

The ‘make good’ provision and liability for removal of redundant infrastructure may incur significant cost to the Crown

36 There is substantial ski field infrastructure on Mt Ruapehu. Under the terms of RAL’s concessions, RAL must remove all infrastructure and remediate the land on termination of its concessions – known as the ‘make good’ provision. As RAL cannot afford to fulfil the make good provision, and none of the potentially interested bidders were willing assume this obligation, responsibility to “make good” the mountain may fall to the Crown. DOC estimates the cost to remove infrastructure and remediate the land to be between \$^{Confidential advice to Govern} and \$^{Confidential advice to Governme}.

37 Legal professional privilege
[Redacted text]

There will be ongoing costs to maintain essential services

38 Even if the ski fields are closed there will be an ongoing cost to maintain essential services such as sewage, electricity and the volcanic warning system. DOC estimates that this will cost \$^{Commer} million over 5 years, (Whakapapa \$^{Commercial} million/Tūroa \$^{Commercia} million) and there would be no guarantee of a sale at the end of the period. Additionally, RAL paid approximately \$^{Commercial Informatio} in annual concessions activity fees and contribution to community services, split across Whakapapa and Tūroa. Whakapapa generated approximately 65% of this revenue. If no operations occur at Whakapapa, this revenue will not be gathered to offset the cost of maintaining essential services.

Closing RAL’s Whakapapa assets will have a negative impact on Ruapehu’s economy

39 RAL is a key contributor to Ruapehu’s economy. An analysis by Infometrics from 2022 suggests that RAL (both Tūroa and Whakapapa) contributes around 5 per cent of Ruapehu’s jobs. The same source indicates that if RAL closed and current workers could not find alternative employment, the unemployment rate could rise from 4.6 per

cent to around 7.5 per cent. Related businesses, such as accommodation, food service, and other businesses, rely on patronage from visitors to the ski fields.

40 The Ruapehu district also has a high Not in Education, Employment or Training (NEET) rate and ranks highly on deprivation indexes. Disadvantaged communities in the area rely heavily on tourism jobs and would be disproportionately impacted by any job losses in the area. Information provided by RAL's receivers estimates that if its Whakapapa assets were to cease operation, the impact on the local economy could result in:

- 40.1 A loss of up to 70 year-round jobs and 250 winter jobs directly employed by Whakapapa;
- 40.2 An additional loss of up to 650 jobs in the region;
- 40.3 The loss of up to 258,000 guest per year to the region;
- 40.4 A decline of up to \$64 million in annual regional spending (extrapolated from the Infometrics analysis).

41 MBIE officials consider that these estimates could vary considerably as forecasting heavily depends on a range of factors including the performance of consecutive ski seasons and long-term climate trends. However, the estimates above are broadly in line with previous economic impact estimates regarding the impact of RAL. It is expected that some of the negative economic impact above could be mitigated by the continuation of Tūroa's operations.

42 Additionally, assuming 250 people who lost their job required job seeker support from the government, it could cost the Crown around \$4 million per year based on the estimated cost of \$16,000 per person. However, the labour market is fluid and if this cost were incurred, it would likely reduce over time.

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43 Māori are most likely to be disproportionately impacted by job losses in the area, should Whakapapa cease to operate. The Māori workforce in Ruapehu is a considerably larger proportion of the overall District's workforce, compared to the national average. In 2021, the Māori workforce equated to 32% of total employment in the Ruapehu District, compared to 13% for the entire New Zealand workforce.

44 Iwi have significant interests in the future of the fields, with varying views expressed; iwi have also consistently expressed a concern to be kept informed of and engaged in major steps. Confidential advice to Government
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45 Decisions about the long-term future of the ski-fields would be best informed by direct engagement with the relevant iwi. In addition, although the Crown cannot to indefinitely support RAL, Confidential advice to Government

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[Redacted]

46 I propose that Cabinet agree to continue to support RAL’s Whakapapa assets.
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47 Confidential advice to Government
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Supporting Whakapapa ensures that the Ruapehu economy continues to benefit from its operation

48 Maintaining support for RAL and the continued operation of Whakapapa can be seen as a tool to provide regional economic benefits and jobs to an area that has a high level of deprivation. There are limited alternative economic interventions that would be as effective given that the infrastructure and operations already exist, even if the costs expressed in this paper were significantly higher than projected.

49 This option also means that the Crown does not assume responsibility for the considerable cost of the making good the mountain while Whakapapa continues to operate. Though it should be noted that the liability for these costs will sit with the Crown in any scenario. Given the risks to snowfall posed by climate change it is likely that the costs cannot be deferred indefinitely.

50 Confidential advice to Government
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[Redacted]

Estimated cost to the Crown to continue to fund Whakapapa’s operations

Whakapapa’s operations and profitability is heavily dependant on the number of successful ski seasons, Confidential advice to Government
[Redacted]

51 RAL’s business model is seasonal in nature. Negotiations
Negotiations
[Redacted]

Confidential advice to Government, Negotiations
[Redacted]

52 Confidential advice to Government
[Redacted]

53 Confidential advice to Government
[Redacted]

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54 The estimated figures above are baselined to RAL's 2023 performance and do not account for possible increases in expenses such as insurance and electricity costs, which could rise considerably over time given the unique nature of the business' assets. These costs could also be substantially higher if there are consecutive 'bad' seasons and/or more 'bad' seasons than forecast.

55 Confidential advice to Government, Commercial Information, Negotiations
[Redacted]

56 Confidential advice to Government
[Redacted]

MBIE officials have tested with potential operators the adoption of a more cost-effective business model as a condition of continued Crown support

57 It is my expectation that if RAL continued to operate using Crown funding it would undertake a lean business model to make it as profitable as possible to ensure value for money. This includes changes to the operating model and pricing structure.

58 Confidential advice to Government
[Redacted]

There are other risks with continued support of Whakapapa outside of Crown fiscal and economic considerations

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[Redacted]

59 Confidential information entrusted to the Government
[Redacted]

60 Confidential information entrusted to the Government
[Redacted]

61 Confidential advice to Government
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Confidential advice to Government
[Redacted]
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Option 3: Short term continued support for Whakapapa and the Ruapehu economy

62 During consultation, the Minister of Finance requested that a short-term option to support RAL be considered. This would involve RAL’s receivers continuing to operate until late 2024 or early 2025 and Confidential advice to Government [Redacted]. RAL’s receivers would require \$7 million to operate the 2024 ski season until around October 2024.

63 Confidential advice to Government [Redacted]
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[Redacted]

64 Confidential advice to Government [Redacted]
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65 Confidential advice to Government [Redacted]
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Cost-of-living Implications

66 There are no direct cost-of-living implications in this paper. However, if RAL ceases operating and there are job losses in the area, this could exacerbate cost-of-living pressures on those impacted.

Financial Implications

67 The completion of the sale of the Tūroa ski field would cost \$3.05 million. This funding is already ringfenced under the RSPF. No new funding is required. If the sale was not completed, the funding could be used for RAL’s receivers to continue to operate the Tūroa ski field, be returned to the RSPF, or returned to the Crown.

68 Confidential advice to Government [Redacted]
[Redacted]
[Redacted]

69 If Cabinet were to cease support for RAL’s Whakapapa assets and operations, the cost to the Crown is estimated to be \$ [Redacted] (excluding the potential make good cost of \$ [Redacted] to \$ [Redacted]). \$ [Redacted] of ringfenced funding for RAL would be released for further decisions.

Legislative Implications

70 There are no legislative implications associated with the proposals in this paper.

Impact Analysis

Regulatory Impact Statement

71 A regulatory impact analysis is not required for the proposals in this paper.

Climate Implications of Policy Assessment

72 There are no climate change implications associated with the proposals in this paper.

Population Implications

73 The Māori workforce in Ruapehu is a considerably larger proportion of Ruapehu District's workforce, compared to the national average. In 2021, the Māori workforce equated to 32% of total employment in the district, compared to 13% for the New Zealand workforce. If RAL were to cease operating and no new operator replaced RAL, Māori in the district may be disproportionately impacted by job losses resulting in the closure of the ski fields.

Human Rights

74 There are no human rights implications associated with these proposals.

Use of external Resources

75 External legal and commercial consultants were engaged as part of the development of this paper, primarily in relation to the forecasting of commercial options and working through the legal and practical complexities involved in these options. Specialised advice was sought that was not available within MBIE. The policy development and drafting of this paper was undertaken by salaried MBIE employees.

Consultation

76 The Department of Conservation, The Treasury, Te Arawhiti, and Crown Law Office have been consulted.

Communications

77 I intend to release a statement on the options agreed to by Cabinet.

Proactive Release

78 I intend to proactively release this paper, subject to any redactions necessary to protect commercial sensitivity or legal privilege of relevant parties, within 30 business days of decisions being confirmed by Cabinet.

Recommendations

The Minister for Regional Development recommends that the Committee:

Tūroa ski field sale

- 1 Agree to confirm the government's support for the sale of the Tūroa ski field assets from Ruapehu Alpine Lifts Limited (in Receivership and Liquidation) (RAL) to Pure Tūroa Limited on the terms set out in the conditional Sale and Purchase agreement entered into by RAL's receivers and Pure Tūroa Limited, and the terms of the Funding Agreement to be entered into by the Ministry of Business, Innovation and Employment (MBIE) and Pure Tūroa Limited.

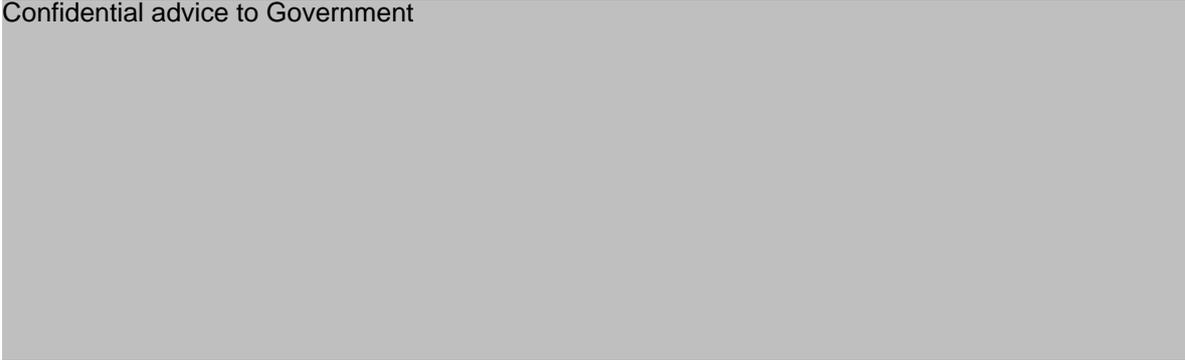
AND

- 2 Approve \$3.05 million of equity and loan funding from existing ringfenced funds in the Regional Strategic Partnership Fund to Pure Tūroa Limited to enable it to complete the purchase of the Tūroa assets and to operate the Tūroa ski field.
- 3 Note that if the Minister of Conservation declines to grant a concession to Pure Tūroa Limited to operate the Tūroa ski field or if the conditions of the proposed concession are not acceptable to Pure Tūroa Limited, the sale will not complete.
- 4 Note that if the conditional Sale and Purchase Agreement between Pure Tūroa Limited and RAL's receivers is not completed, the assets and operations of the Tūroa ski field will remain under the control of RAL's receivers.
- 5 Note that if RAL's receivers continue to operate the Tūroa ski field for the 2024 season, they will require an additional \$3.05 million of funding, in addition to funding required to run Whakapapa.
- 6 Note that if the sale is not completed and no additional funding is provided to RAL's receivers to operate Tūroa assets, since RAL is in both receivership and liquidation, once RAL's receivers have concluded the process of selling RAL's Whakapapa assets, the receivers will hand RAL's remaining assets relating to the Tūroa ski field back to its liquidators. The liquidators will then disclaim the existing Department of Conservation concession for Tūroa and start the formal process to wind up RAL.
- 7 Note that if the sale of the Tūroa assets to Pure Tūroa Limited does not complete, and no additional funding is provided to RAL to operate the Tūroa assets, it is likely that the Tūroa assets will cease operating and will be liquidated, triggering the need to provision \$35 million to cover the potential 'make good' liability for Tūroa.

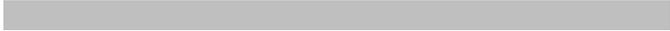
- 8 Confidential advice to Government
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- 9 Confidential advice to Government
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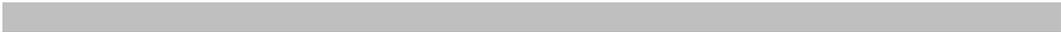
10 Confidential advice to Government

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13 Confidential advice to Government





13.1 Confidential advice to Government





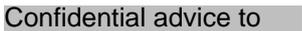
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Continued support for RAL's Whakapapa assets and operations

EITHER

- 14 Agree to Option 1: provide no further government support to RAL’s Whakapapa assets and operations, including:
 - 14.1 Agree to discontinue support for RAL’s Whakapapa assets and operations and provide no additional funding.
 - 14.2 Agree for MBIE officials on behalf of the Crown to instruct RAL’s receivers to cease trading it’s Whakapapa operations and commence the process to sell RAL’s Whakapapa assets.
 - 14.3 Note that if no funding to operate RAL’s Whakapapa assets is agreed to, since RAL is in both receivership and liquidation, once RAL’s receivers have concluded the process of selling RAL’s Whakapapa assets, the receivers will hand RAL’s remaining assets relating to the Whakapapa ski field back to its liquidators. The liquidators will then disclaim the existing Department of Conservation concession for Whakapapa and start the formal process to wind up RAL.
 - 14.4 Note that the Department of Conservation estimates that it will cost \$^{Confide} Confidential advice out to 2027/28 to cover the costs of maintaining essential services for Ruapehu.
 - 14.5 Agree that the remaining \$^{Confidential advice to Governmen} of ringfenced funding for RAL under the Regional Strategic Partnership Fund be used to offset the Department of Conservation’s costs associated with the essential services for Ruapehu including sewage, electricity and the volcanic warning system.
 - 14.6 Confidential advice to Government
 - 14.7 Confidential advice to Government
 - 14.8 Confidential advice to Government
 - 14.9 Confidential advice to Government
 - 14.10 Confidential advice to Government
 - 14.11 Confidential advice to Government

14.12 Confidential advice to Government

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14.13 Confidential advice to Government

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14.14 Confidential advice to Government

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14.15 Confidential advice to Government

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14.16 Confidential advice to Government

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14.17 Note that breaking up RAL may take up to six months due to the time required to sell RAL's Whakapapa assets (and possibly longer if RAL's Tūroa assets are included).

14.18 Note that if RAL's Whakapapa assets cease to operate it is expected to have a significant negative economic impact on the Ruapehu economy, with the closure of the Whakapapa ski field expected to result in a loss of up to 1,070 jobs, 258,000 guest per year, and a decline of up to \$64 million in annual regional spending.

OR

15 Agree to Option 2: provide additional government support for Whakapapa Confidential advice to G
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15.1 Agree to provide \$7 million from the ringfenced funding in the Regional Strategic Partnership Fund to RAL's receivers to allow them to commence activities required to run the 2024 Whakapapa ski season.

15.2 Confidential advice to Government [Redacted]
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15.3 Confidential advice to Government [Redacted]
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15.4 Confidential advice to Government [Redacted]
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15.5 Confidential advice to Government [Redacted]
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15.6 Confidential advice to Government [Redacted]
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15.7 Confidential advice to Government [Redacted]
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15.8 Confidential advice to Government [Redacted]
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[Redacted]
[Redacted]

15.9 Confidential advice to Government [Redacted]
[Redacted]
[Redacted]

OR

16 Agree to Option 3: provide additional support to RAL’s receivers to operate its Whakapapa assets for the 2024 ski season, Confidential advice to Government [Redacted]
[Redacted]

16.1 Agree to provide \$7 million from the ringfenced funding in the Regional Strategic Partnership Fund to RAL’s receivers to allow them to run the 2024 Whakapapa ski season.

16.2 Confidential advice to Government [Redacted]
[Redacted]
[Redacted]
[Redacted]

16.3 Confidential advice to Government [Redacted]

16.4 Confidential advice to Government [Redacted]

16.5 Confidential advice to Government [Redacted]

17 Confidential advice to Government [Redacted]

Authorised for lodgement

Hon Shane Jones

Minister for Regional Development

Confidentiality, Confidential information entrusted to the Government

