



COVERSHEET

Minister	Hon Stuart Nash	Portfolio	Economic and Regional Development
Title of Cabinet paper	Government Support for the Continued Operation of the Ski Field at Mt Ruapehu	Date to be published	28 February 2023

List of documents that have been proactively released

Date	Title	Author
5 December 2022	Oral Item: Recommendations Relating to Government Support for the Continued Operation of the Ski Field at Mt Ruapehu	Office of Minister for Economic and Regional Development
5 December 2022	Additional Item: Government Support for the Continued Operation of the Ski Field at Mt Ruapehu: Further Update CAB-22-MIN-0561 Minute	Cabinet Office
7 December 2022	Oral Item: Government Support for the Continued Operation of the Ski Field at Mt Ruapehu: Update DEV-22-MIN-0306 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 reasons of Commercial information, Confidential advice to Government and Negotiations.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Additional Item: Government Support for the Continued Operation of the Ski Field at Mt Ruapehu: Further Update

Portfolio Economic and Regional Development

On 5 December 2022, Cabinet:

- 1 **noted** that on 31 October 2022, Cabinet agreed to provide bridging finance of \$2 million to Ruapehu Alpine Lifts (RAL) to allow time to investigate a potential solution that would ensure the continued operation of the ski fields at Mt Ruapehu and protect the investment of Bondholders [CAB-22-MIN-0477];
- 2 **noted** that on 28 November 2022, Cabinet discussed the results of a survey to Life Pass Holders and asked for information on the parties that had expressed an interest in RAL;
- 3 **noted** that the survey showed RAL Life Passholders have not provided sufficient levels of financial support for a restructured RAL under a new entity (NewCo);
- 4 **noted** that the RAL Voluntary Administrator (VA) did an independent survey of the public and the expressions of financial support, while significant, have yet to be fully tested and Kānoa — RDU takes only limited comfort from these;

5 Commercial Information

- 6 **noted** that the VA currently only has sufficient funding from Crown Regional Holdings Limited (CRHL) and ANZ Bank New Zealand Limited (ANZ) to operate until the end of December 2022;

7 Commercial Information

- 8 **noted** that in the absence of any further bridging funding from the Crown, the VA has confirmed that liquidation (expected to commence on, or about, 16 December 2022) is the only course of action open to him;

- 9 **noted** that RAL being placed in liquidation is expected to have a significant detrimental impact on the economies of local communities especially Ohakune;
- 10 **noted** that there are two options open to Cabinet; both carry risk:
- 10.1 Option 1 – Provide further bridging support from the Crown to allow the establishment of NewCo;
- 10.2 Option 2 – No further support is provided, and RAL is placed into liquidation;
- 11 **noted** that under Option 1 the Crown would advance up to \$6 million in further bridging funding to enable the VA to maintain the assets, retain the management team, and allow limited operations on the mountain;

Option agnostic risks and opportunities

- 12 **noted** that both options have a risk of remediation costs estimated by DoC to be Commercial Information million.

13 Commercial Information

- 14 **noted** that Te Arawhiti has advised that the Crown is committed to collective negotiations with the iwi with interests in the national park (including Ngāti Tūwharetoa, Ngāti Rangī, Uenuku, Ngāti Hāua);

15 Negotiations

Next steps

- 16 **agreed in principle** to Option 1 as outlined in paragraph 10.1 above, **subject to** decisions being taken by Ministers with Power to Act in paragraph 17 on the source of the funding;
- 17 **authorised** the Minister Finance, Minister for Conservation, and Minister for Economic and Regional Development to take decisions on the source of funding to implement the decision in paragraph 10.1 above;
- 18 **invited** the Minister for Economic and Regional Development to report back to the Cabinet Economic Development Committee on 7 December on the decisions taken by Ministers in paragraph 17 above.

Rachel Hayward
Secretary of the Cabinet