

## AIDE MEMOIRE

### Ruapehu Alpine Lifts Limited – Final Deal – Talking points for Cabinet 12 June 2023

<b>Date:</b>	9 June 2023	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2223-4186

#### Information for Minister(s)

Hon Kiri Allan

**Minister for Regional Development**

#### Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Isabel Poulson	Acting Deputy Chief Executive and Head of Kānoa – Regional Economic Development & Investment Unit	Privacy of natural persons	✓

#### The following departments/agencies have been consulted

The Treasury, Te Arawhti, Department of Conservation

**Minister's office to complete:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by
<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn

**Comments**

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### Purpose

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To provide you with talking points to support the paper “Ruapehu Alpine Lifts Limited (RAL) – Final Paper” which you intend to take to Cabinet on Monday 12 June 2023.

Privacy of natural persons

Isabel Poulson

**Acting Deputy Chief Executive and Head of Kānoa**

Ministry of Business, Innovation & Employment

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## Annex One: Proposed talking points for oral item about RAL on 15 May 2023

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### Background

- We discussed the next steps for Ruapehu Alpine Lifts three weeks ago on 22 May. At that meeting we provided a set of negotiation parameters for Kānoa to use in looking to reach deals with potential buyers of RAL.
- Kānoa has completed the negotiations and I am asking us to sign off on Crown support for Whakapapa Holdings Limited and Pure Tūroa Limited in order for them to take on the assets and begin operations. The deals comprise:
  - Confidentiality, Negotiations
    - [REDACTED]
    - [REDACTED]
    - [REDACTED]
    - [REDACTED]
    - [REDACTED]
- The deals are contingent on the Minister of Conservation agreeing to transfer the concessions to operate ski fields on the mountain. All relevant iwi must be consulted on the transfers of the concessions.
- There have been a range of conversations with iwi from both Kānoa – who have been engaging on the deals and the new businesses being good partners – and DOC who have been consulting on the transfer of the concessions to operate the ski fields. Those conversations are still ongoing as both Kānoa and DOC clarify to iwi the proposals for the ongoing operations on the mountain. Concerns from iwi have included ensuring that the historical make good obligations will be fulfilled.
- I am confident that these are the best deals to keep the ski fields on Mt Ruapehu operating.

### What happens next?

- If we agree to the Crown support, Kānoa will advise the Voluntary Administrator of the deals for the RAL assets.
- The Voluntary Administrator will convene a Watershed meeting of the creditors tomorrow. The meeting must then be held within five working days, and I understand that is likely to be next Tuesday 20 June. The Voluntary Administrator will send out a

notice with the details of the meeting, and the proposals from Whakapapa Holdings and Pure Tūroa, along with any other proposals received. Given the large number of creditors, the deals are likely to enter the public domain at this stage.

- The meeting will involve the Creditors voting to liquidate RAL and to then sell the assets to Whakapapa Holdings and Pure Tūroa. Any vote has to cross two thresholds:
  - Creditors by 75% of value
  - Creditors by 50% of number
- If the votes do not go through, the Voluntary Administrator will hand the company back to the Directors of RAL, who will then liquidate the company. A judge would then decide to appoint a liquidator **Confidentiality**
- I understand the Directors of RAL have already begun the process to apply to the Courts for liquidation in the event that this is required, requesting a hearing for 21 June 2023, and that this is publicly notified. The Directors will apply for the hearing to be held urgently.
- Alternatively, other creditors may look propose a deed of company arrangement (an agreement between the business and its creditors to restructure the business, usually by repaying outstanding debt at a lower amount and/or over a period of time). This is very unlikely to succeed as any attempt to run the ski field operations will require Crown support (at the very least an agreement to write off debts owed to the Crown)

**Confidential Advice to Government**

### **If the deals don't go ahead**

- If the deals don't go ahead and RAL is liquidated, any assets will be sold. The impact **Confidentiality, Negotiations**, and the obligation to make good the mountain will fall on DOC, who will then need to work out how to undertake the remediation work on the mountain, with estimated costs being between \$47 million and \$88 million.