

# BRIEFING

## Section 65L Public Interest Test for Ruapehu Ski Fields

<b>Date:</b>	16 June 2023	<b>Priority:</b>	Urgent
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2223-4267

Action sought		
	Action sought	Deadline
Hon Grant Robertson  <b>Minister of Finance</b>	<p><b>Note</b> on 12 June 2023 Cabinet agreed to Confidentiality, Negotiations</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p><b>Agree</b> that it appears to you to be necessary or expedient in the public interest to provide the loan on the key terms approved.</p> <p><b>Agree</b> to provide the loan under section 65L of the Public Finance Act 1989 subject to the loan documents being consistent with the key terms approved.</p>	20 June 2023
Hon Kiri Allan  <b>Minister for Regional Development</b>	<p><b>Note</b> on 12 June 2023 Cabinet agreed to Confidentiality, Negotiations</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	



	<b>Note</b> the contents of this briefing.	
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<b>Contact for telephone discussion (if required)</b>			
<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st contact</b>
Robert Pigou	Deputy Chief Executive and Head of Kānoa – Regional Economic Development & Investment Unit  MBIE	Privacy of natural persons	✓

<b>The following departments/agencies have been consulted</b>

**Minister’s office to complete:**

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister’s Notes

Withdrawn

**Comments**

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### Purpose

This briefing notifies of the intention of the Deputy Chief Executive and Head of Kānoa – Regional Economic Development & Investment Unit (**Kānoa**) to execute <sup>Commercial Information, Negotiations</sup> Agreements with the proposed purchasers of Ruapehu Ski Fields – Pure Tūroa Limited (**PTL**) and Whakapapa Holdings Limited (**WHL**).

### Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** on 12 June 2023 Cabinet agreed <sup>Confidentiality, Negotiations</sup>

[Redacted]

*Noted*

MBIE recommends that the Minister of Finance:

- b **Note** <sup>Confidentiality, Negotiations</sup>

[Redacted]

*Noted*

- c. **Note** these deals will provide a positive outcome for the communities around the mountain. They will provide jobs and tourism activity through the winter months, and allow the communities to continue to benefit from activity on the mountain. This loan is therefore considered under section 65L of the Public Finance Act 1989 to be necessary or expedient in the public interest.

*Noted*

- d. **Note** you have delegated to the Secretary of the Treasury the power to execute loan documentation; this power has been sub-delegated to the Chief Executive of the Ministry of Business, Innovation and Employment (**MBIE**) and has been further sub-delegated to the Deputy Chief Executive and Head of Kānoa (Treasury Report T2023/505 refers).

*Noted*

- e. **Note** that officials consider this loan to be necessary or expedient in the public interest under section 65L of the *Public Finance Act 1989*.

*Noted*

- f. **Agree** that it appears to you to be necessary or expedient in the public interest to provide the loan on the key terms approved.

*Agree / Disagree*

- g. **Agree** to provide the loans under section 65L of the Public Finance Act 1989 subject to the loan documents being consistent with the key terms approved.

*Agree / Disagree*

Privacy of natural persons

Robert Pigou  
**Deputy Chief Executive and Head of Kānoa –  
Regional Economic Development &  
Investment Unit, MBIE**

16 / 06 / 2023

Hon Grant Robertson  
**Minister of Finance**  
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Hon Kiri Allan  
**Minister for Regional Development**

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## Background

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1. On 12 June Cabinet considered the final deal pertaining to the Ruapehu Alpine Lifts Limited (Administrators Appointed) (**RAL**) ski field assets and Government support [CAB-23-MIN-0240 refers]. Cabinet agreed Confidentiality, Negotiations  
 [REDACTED]  
 [REDACTED]
2. Kānoa – Regional Economic Development & Investment Unit (**Kānoa**) has been working closely with two parties – Pure Tūroa Limited (**PTL**) and Whakapapa Holdings Limited (**WHL**). Kānoa negotiated a package of government support with each party, which aligns with the parameters that Cabinet set on 22 May [CAB-23-MIN-0192 refers]. Confidentiality, Negotiations  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]
3. For loans funded through the RSPF, under section 28 of the State Sector Act 1988, the Minister of Finance has delegated to the Head of Kānoa powers in sections 65L, 65O and 65Q of the Public Finance Act 1989 including, but not limited to, the authority to enter into loan agreements, give notices, make and receive payments, take securities, and do all other acts or things required to exercise or perform the Crown's rights and obligations under or in relation to loan agreements where the lending is funded from the RSPF (Treasury Report T2023/505 refers).
4. Under the current delegation, before the Head of Kānoa can approve and sign a Loan Agreement, the delegated Ministers (Minister of Finance and Minister for Regional Development) must be notified of the key details of the agreement.
5. In reaching these deals, Kānoa has consulted with relevant iwi on the proposals, and DOC have begun consultations with iwi on the transfer of the concessions to operate the ski fields. Kānoa, Te Arawhiti and DOC are engaging at a senior level with all iwi and hapū that have an interest in Tongariro National Park, to ensure they have meaningful opportunities to be consulted on the new arrangements for the ski fields on Mt Ruapehu
6. The restructuring of RAL and these deals will provide a positive outcome for the communities around the mountain. They will provide jobs and tourism activity through the winter months, and allow the communities to continue to benefit from activity on the mountain.

## Funding Breakdown

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7. On 12 June 2023 Cabinet agreed Confidentiality, Negotiations

[Redacted]

### *Pure Tūroa Limited*

8. Confidentiality, Negotiations

[Redacted]

[Redacted]

[Redacted]

### *Whakapapa Holdings Limited*

9. Confidentiality, Negotiations

[Redacted]

[Redacted]

10. Confidentiality, Negotiations

[Redacted]

11. Confidentiality, Negotiations

[Redacted]

12. Confidentiality, Negotiations

[Redacted]

13. Confidentiality, Negotiations

[Redacted]

## Next steps

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14. Following the Minister of Finance approval to provide the loans under section 65L of the Public Finance Act, the Head of Kānoa will execute the loan agreements with:
  - a) Pure Tūroa Limited for the Tūroa ski field, and
  - b) Whakapapa Holdings Limited for the Whakapapa ski field.
15. The loan and equity agreements for these projects will be novated to CRHL and then be managed by Kānoa under the terms of the Management Agreement between Kānoa and CRHL.