



COVERSHEET

Minister	Hon Kieran McAnulty	Portfolio	Regional Development
Title of Cabinet paper	Ruapehu Alpine Lifts Limited (In Liquidation) (RAL) – options for government support	Date to be published	12 February 2024

List of documents that have been proactively released

Date	Title	Author
September 2023	Ruapehu Alpine Lifts Limited (In Liquidation) (RAL) – options for government support – Cabinet Paper	Office of the Minister for Regional Development
2 October 2023	Ruapehu Alpine Lifts Limited: Options for Government Support CAB-23-MIN-0456 Minute of Decision	Cabinet Office

Information redacted

YES / NO (please select)

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Some information has been withheld for the reason of confidentiality, confidential advice to government, negotiations, commercial information and privacy of natural persons.



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.

Ruapehu Alpine Lifts Limited: Options for Government Support

Portfolio **Regional Development**

On 2 October 2023, Cabinet:

- 1 **noted** that in mid-August 2023, the liquidators of Ruapehu Alpine Lifts Limited (RAL) wrote to prospective bidders, including Ngāti Tūwharetoa, to request that they submit their bid to take over RAL's assets and operations by 31 August 2023;
- 2 **noted** that four bids were received, which all requested some form of Crown support;
- 3 **noted** that a bid was anticipated from Te Ariki Tā Tumu Te Heuheu on behalf of Ngāti Tūwharetoa;
- 4 **noted** that on 31 August 2023, Ngāti Tūwharetoa wrote to Ministers and officials to advise that they will not bid for RAL's assets, do not support a private commercial tender for the purchase of Ruapehu Alpine Lifts and prefer working with the Crown to develop an acceptable transition plan that would operate until the successful conclusion of the Tongariro National Park (TNP) settlement negotiations;
- 5 **noted** that:
 - 5.1 Confidential advice to Government
 [Redacted]
 - 5.2 Confidential advice to Government
 [Redacted]
- 6 **noted** that RAL will cease operations if it runs out of funding in late 2023;
- 7 **noted** that:
 - 7.1 in June 2023, Cabinet agreed to establish a \$4.0 million tagged contingency in Vote Conservation for the removal of redundant infrastructure on Mt Ruapehu left by RAL, to be charged against the between-Budget contingency established in Budget 2023 [CAB-23-MIN-0240];

7.2 there is \$Commercial million ring-fenced in the Confidential advice to Government, which is managed by Kānoa, to provide Cabinet with additional flexibility to consider additional options to support RAL, if required;

8 **agreed** to increase the tagged contingency in paragraph 7.1 above by a further \$Commercial million as follows, subject to previously agreed conditions:

Tagged Contingency	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & outyears
Removal of redundant infrastructure on Mt Ruapehu tagged contingency	Commercial Information	-	-	-	-

9 **agreed** that the additional funding in paragraph 8 above be charged against the between-Budget contingency established in Budget 2023;

10 **agreed** to establish the following new multi-year appropriation, to run from 1 October 2023 to 30 June 2028:

Vote	Appropriation Minister	Appropriation Administrator	Title	Type	Scope
Conservation	Minister of Conservation	Department of Conservation	Mount Ruapehu: Management and Removal of Ski Fields Infrastructure	Non-Departmental Output Expenses Multi-Year Appropriation	This appropriation is limited to the management and operation of infrastructure on the Mount Ruapehu ski fields, and restoration of the environment to its original state.

11 **noted** that the Department of Conservation (DoC) is currently unfunded for ongoing operational costs for maintaining Negotiations

12 **noted** that an indicative initial estimate of the liability costs the Crown has accepted to remove redundant infrastructure (the ‘make good’ contingent liability) is currently \$47 million to \$88 million;

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

14 **agreed** to move RAL out of liquidation and into receivership;

15 **agreed** that Kānoa, through Crown Regional Holdings Limited (CRHL) will purchase for \$1 ANZ’s security interest associated with \$15 million of debt, making the Crown the majority secured creditor in RAL;

16 **agreed** to provide RAL with a \$4.3 million loan to continue operating until the end of March 2024;

17 **agreed** that the remaining \$^{Confidential adv} million of ring-fenced funding for RAL will remain in the RSPF until Cabinet makes decisions on the future of RAL;

18 **Confidential advice to Government**
[Redacted]

19 **Confidential advice to Government**
[Redacted]

20 **noted** the risks of the above decisions including, but not limited to, a prolonged concession process, **Legal** **Confidential advice to Government** and the cost to the Crown to keep running the ski field prior to the completion of any transaction;

21 **noted** that if no commercial solution is found for the Whakapapa ski field and/or the concession process for Tūroa ski field is not completed before March 2024, Cabinet will need to make decisions on whether it continues to fund RAL to allow it to continue operating past March 2024 once funding runs out;

22 **noted** that further work is required to understand the long-term implications for the Whakapapa ski field;

23 **noted** that as an interim measure, moving RAL out of liquidation and into receivership is seen as the preferred option because it provides the Crown with additional control, certainty, and flexibility;

24 **noted** that the receivership process is expected to be completed in October 2023 and will have an impact on the current staff working at RAL;

25 **noted** that the options for alternative commercial arrangements were considered but were deemed to be too complex, impractical, or expensive when compared to receivership.

Rachel Hayward
Secretary of the Cabinet