

Item 1

From: [Damian Coutts](#)
To: [Julie Chuor](#)
Subject: FW: letter to Minister Potaka
Date: Wednesday, 21 August 2024 11:59:46 am
Attachments: [image001.png](#)
[image20d7e6.JPG](#)
[Note to Ministers - importance to Ruapehu economy of Chateau Tongariro 003.docx](#)

From: Clive Manley <Clive.Manley@ruapehudc.govt.nz>
Sent: Wednesday, August 21, 2024 11:47 AM
To: s9(2)(a)
Cc: Weston Kirton <Weston.Kirton@ruapehudc.govt.nz>; Paul Wheatcroft <Paul.Wheatcroft@ruapehudc.govt.nz>; Damian Coutts <dcoutts@doc.govt.nz>; Kay Kidd <Kay.Kidd@ruapehudc.govt.nz>
Subject: RE: letter to Minister Potaka

Draft attached with minor changes thanks

Clive Manley
Chief Executive
Ruapehu District Council

Ruapehu District Council | Private Bag 1001 | Taumarunui 3946 | New Zealand
Phone: 07 895 8188 ext: [REDACTED] | Fax: 07 895 3256 | Mobile: s9(2)(a)
email: Clive.Manley@ruapehudc.govt.nz | RDC website: www.ruapehudc.govt.nz



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From: s9(2)(a)
Sent: Tuesday, August 20, 2024 7:18 PM
To: Weston Kirton <Weston.Kirton@ruapehudc.govt.nz>; Clive Manley

<Clive.Manley@ruapehudc.govt.nz>

Subject: letter to Minister Potaka

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Greetings

It's sad we've got biffed from toorrow's proposed meeting with DOC's Chateau project manager Julie Chuor.

I suspect its because they have not yet finished their EOI process and were uncertain what they could tell us.

It may also be the case that they do not see restoring the functionality of the Chateau in the same way as the communities of Ruapehu District.

We previously discussed sending Minister Potaka a letter seeking more certainty and more pace from DOC.

I attach a draft letter (tightened and shortened compared to an earlier version) for your consideration.

Please give me a bell if you would like to talk or meet to do a stock-take on the current situation.

Kind regards

s9(2)(a)

s9(2)(a)



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From: [Julie Chuor](#)
To: s9(2)(a)
Cc: [Clive Manley](#)
Subject: RE: Chateau Tongariro
Date: Sunday, 28 July 2024 10:08:00 am
Attachments: [image001.png](#)
[image002.png](#)

Hi s9(2)(a)

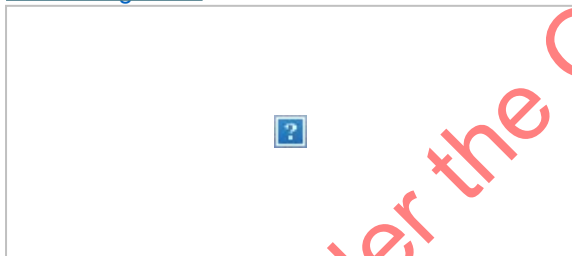
I understand from Karen that you are interested in discussing the expression of interest process for the Chateau.

As I am still in the process of developing the EOI, I suggest that we postpone any discussions for a later time. Nothing has been finalised or confirmed as it is still under development, but we will be liaising with our key stakeholders in due course including the RDC and Treaty Partners.

Thank you for your understanding and patience.

Julie Chuor

[Chateau Tongariro and Metservice Building – Project Lead](#)
[Drinking Water Infrastructure Programme - Business Case Lead](#)
Conservation House | Whare Kaupapa Atawhai
Phone: s9(2)(a)
www.doc.govt.nz



From: s9(2)(a)
Sent: Friday, July 26, 2024 9:24 AM
To: Julie Chuor <jchuor@doc.govt.nz>
Cc: Clive Manley <Clive.Manley@ruapehudc.govt.nz>
Subject: RE: Chateau Tongariro

Many thanks for coming back to me Julie.

Clive Manley (CEO Ruapehu District Council) would very much like to join me in a catch up with you.

Clive's in meetings all day today. How are you placed for a Zoom on Monday or Tuesday next week?

We would be pleased if you would nominate a preferred time and I will send you an invite.

Kind regards

s9(2)(a)

[Redacted signature]



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From: Julie Chuor <jchuor@doc.govt.nz>

Sent: Thursday, July 25, 2024 3:26 PM

To: s9(2)(a)

Subject: Chateau Tongariro

Hi s9(2)(a)

Karen has passed on your contact details to me – I understand you would like to have a chat about the Chateau?

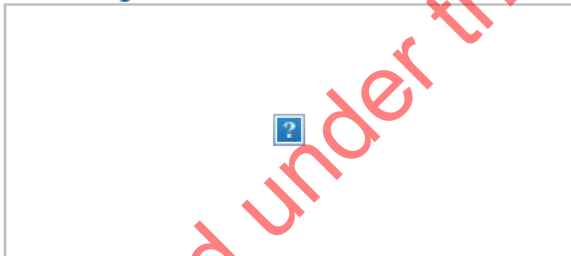
Would you be free for a call at some point tomorrow?

Thanks

Julie

Julie Chuor

Chateau Tongariro and Metservice Building – Project Lead
Drinking Water Infrastructure Programme - Business Case Lead
Conservation House | Whare Kaupapa Atawhai
Phone: s9(2)(a)
www.doc.govt.nz



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From: s9(2)(a)
To: [Julie Chuor](#)
Cc: [Damian Coutts](#); [Clive Manley](#)
Subject: Chateau Tongariro
Date: Thursday, 26 September 2024 7:09:17 am
Attachments: [image001.png](#)
[updated letter to Min of Conservation 005.docx](#)

Hi Julie

Thanks for yesterday's phone conversation.

I've reached out to the 'interested developer' to seek his views about being named in the proposed Cabinet paper.

He is offshore at the moment. I'll get back to you as soon as I hear from him.

Meantime, I attach for your interest, a copy of the letter sent by Ruapehu District Council's Mayor Western Kirton, to Minister Potaka.

Our hope is you will see fit to refer to the matters raised in this letter in your Cabinet paper.

Kind regards

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RUAPEHU DISTRICT COUNCIL

FROM THE OFFICE OF THE MAYOR

Tēnā Koe Minister Potaka

21 August 2024

The importance of the Chateau Tongariro to the Ruapehu economy

Ruapehu District Council and the communities of Ruapehu are concerned about the uncertainties surrounding the future of the Chateau Tongariro. They want the Chateau Tongariro back to its full strength as a major contributor to our district's economy and Aotearoa's heritage as soon as possible.

We are aware of potential investors who are waiting for the RFI to commence to be able to engage with you. I believe this should be progressed with more urgency.

Success for Ruapehu District council would be a Crown commitment to a programme enabling, by October 2025, revitalisation of the Chateau and other associated priority buildings, to an operationally functional and sustainable state that: reflected the Chateau's heritage value; was cognisant of the role the Chateau plays as part of the gateway to the dual heritage Tongariro National Park; was reflective of Treaty obligations; and enabled the Chateau to continue to contribute to previously enjoyed regional economic development, employment and training opportunities.

In its heyday, the Chateau was: in the top tier of New Zealand's heritage buildings; played a significant 'high end' role in international and domestic visitor journeys; contributed 9% of the jobs in Ruapehu's tourism-focused industries; contributed 1.5% of Ruapehu's GDP; and contributed almost 10% of the GDP of the district's tourism-focused industries.

The loss of the 75 jobs caused by the closure of the Chateau, is of the same percent size and impact as that occurring as a result of recent public sector job losses in Wellington.

Furthermore, the closure of the Chateau has occurred at the same time as the district's economy has weakened. Employment growth in Ruapehu District averaged 1.2%p.a. over the 10 years to 2023, compared with an average employment growth of 2.3%p.a. in New Zealand. Ruapehu business unit's growth averaged 0.4%p.a. over the same period, compared with an average of 2.3%p.a. in New Zealand.

Tourism is a vital part of Ruapehu's economy. The tourism sector employed 839 people in Ruapehu District on a permanent basis in 2023. This amounted to 12.5% of the Ruapehu District's total employment in 2023. Nationally, the percent of total jobs filled by positions within the tourism sector in March 2023 was 6.9% i.e., tourism provides more than twice the number of jobs in Ruapehu than in other districts and cities in the rest of the country.

If a more generous definition of tourism employment is applied, for example including a person employed in the National Park Village petrol station selling fuel to a visitor to the district, around 1,500 Ruapehu people may be categorised as being employed in part-time or in full-time employment within 'tourism-focused industries.' These people are finding the current operating environment tough to operate within.

International visitor spending in Ruapehu has attained (March 2024) only 57% of the level of expenditure experienced prior to Covid, compared to the national average post-covid reset of 81%. The closure of the Chateau has almost certainly contributed to Ruapehu falling behind on the post-Covid 'international expenditure' recovery stakes.

Core Chateau operating statistics include the following:

- The Chateau has 106 rooms - 30% of Ruapehu's hotel / motel stock, inclusive of a significant percent of Ruapehu's 'high-end' visitor accommodation stock.
- Peak summer staff numbers reached 120 persons in 2017 and, when averaged across a full year, staff numbers during the period 2015-20 were 75 persons.
- 38,000 guests stayed at the Chateau in 2017. The average number of guests per annum over a five-year period, not including Covid years, was around 27,000.
- The Chateau contributed an average of \$3m p.a. to the Ruapehu economy through wages and another \$650,000 on other goods and services i.e. a total of \$68,000 - \$72,000 was contributed to the economy per week by the Chateau.
- Occupancy topped-out at 78% in the most recent of Chateau's successful years (2017) The average Chateau room occupancy was a sector-leading 70% across most recent non-Covid years.
- 75% of summer occupants were international, with 25% domestic. By contrast, 85% of winter occupants were domestic and 15% were international.

In summary, the Chateau Tongariro holds a very special place in the hearts of many New Zealanders and for the communities of Ruapehu district. It's role in the Ruapehu economy, and as part of international and domestic visitor journeys, is significant.

The Council would welcome the Minister's support to more quickly achieve certainty about the Chateau's future.

Ngā mihi nui



Mayor Weston Kirton

weston.kirton@ruapehudc.govt.nz

s9(2)(a)



RUAPEHU DISTRICT COUNCIL

FROM THE OFFICE OF THE MAYOR

Tēnā Koe Minister Potaka
24 September 2024

The importance of the Chateau Tongariro to the Ruapehu economy (draft 002)

Ruapehu District Council and the communities of Ruapehu are concerned about the uncertainties surrounding the future of the Chateau Tongariro. They want the Chateau Tongariro back to its full strength, as a major contributor to our district's economy and Aotearoa's heritage, as soon as possible.

We were very disappointed to learn (via the Herald Newspaper on 21 September 2024) about your apparent decision to now not seek expressions of interest from potential Chateau owners / operators to revitalise the Chateau. We also understand that Cabinet will shortly consider long-term options for the future of the Chateau, including its decommissioning.

We are fully aware that overcoming the costs of seismic risks and returning the Chateau to a market-ready functioning state, will be significant. We are also aware that potential leasers of the Chateau site will likely want a lease term that enables a full return to accrue from the upfront costs of revitalising the Chateau. This term is likely to be much more than the ten years that appears to currently be on the table.

Success for Ruapehu District Council would be a Crown commitment to a programme enabling, by October 2025, revitalisation of the Chateau and other associated priority buildings, to an operationally functional and sustainable state that: reflected the Chateau's heritage value; is cognisant of the role the Chateau plays as part of the gateway to the dual heritage Tongariro National Park; is reflective of Treaty obligations; and enables the Chateau to continue to contribute to previously enjoyed regional economic development, employment and training opportunities.

If DOC are not the agency to lead the work required to achieve these goals, then we would appreciate receiving your guidance about who we should be talking to.

In its heyday, the Chateau was: in the top tier of New Zealand's heritage buildings; played a significant 'high end' role in international and domestic visitor journeys; contributed 9% of the jobs in Ruapehu's tourism-focused industries; contributed 1.5% of Ruapehu's GDP; and contributed almost 10% of the GDP of the district's tourism-focused industries.

The loss of the 75 jobs caused by the closure of the Chateau, is of the same percent size and impact for our district as that occurring for Wellington as a result of recent public sector job losses.

Furthermore, the closure of the Chateau has occurred at the same time as the district's economy has weakened and Winstone Pulp International has closed its Tangiwai plant and uncertainties remain about the future of the Whakapapa Ski-field.

Employment growth in Ruapehu District averaged 1.2%p.a. over the 10 years to 2023, compared with an average employment growth of 2.3%p.a. in New Zealand. Ruapehu business unit's growth averaged 0.4%p.a. over the same period, compared with an average of 2.3%p.a. in New Zealand. Our district is suffering.

International visitor spending in Ruapehu has attained (March 2024) only 57% of the level of expenditure experienced prior to Covid, compared to the national average post-covid reset of 81%. The closure of the Chateau Tongariro has almost certainly contributed to Ruapehu falling behind on the post-Covid 'international expenditure' recovery stakes.

Core Chateau operating statistics include the following:

- The Chateau has 106 rooms - 30% of Ruapehu's hotel / motel stock, inclusive of a significant percent of Ruapehu's 'high-end' visitor accommodation stock.
- Peak summer staff numbers reached 120 persons in 2017 and, when averaged across a full year, staff numbers during the period 2015-20 were 75 persons.
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- Occupancy topped-out at 78% in the most recent of Chateau's successful years (2017) The average Chateau room occupancy was a sector-leading 70%.
- 75% of summer occupants were international, with 25% domestic. By contrast, 85% of winter occupants were domestic and 15% were international.

The opportunity to stay at the Chateau has been identified as a critical part of international visitor-itinerary-planning. We have been informed that the unavailability of top-end accommodation, such as that provided by the Chateau, has already caused some international visitors to not include Ruapehu in their travel plans.

Tourism is a vital part of Ruapehu's economy. It is this sector of our economy that we would like your help to grow. The tourism sector employed 839 people in Ruapehu District on a permanent basis in 2023. This amounted to 12.5% of the Ruapehu District's total employment in 2023. Tourism provides more than twice the number of jobs in Ruapehu than in other districts and cities in the rest of the country.

In summary, the Chateau Tongariro holds a very special place in the hearts of many New Zealanders and for the communities of Ruapehu district. The value placed on the Chateau is confirmed by the 12,000+ signatures calling for its revitalisation, as attached to the Mayoral Parliamentary petition.

It's role in the Ruapehu economy, and as part of international and domestic visitor journeys, is significant.

We have been approached by a reputable developer who appears to have a genuine interest in investing in the Chateau's future, provided that the lease term is agreeable. The developer's interest would also no doubt be assisted by Crown funding to help overcome seismic risks and help meet the costs of restoring the Chateau's heritage elements.

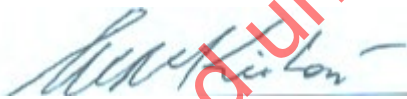
One way to improve the functionality and attractiveness of Whakapapa Village, within which previous Chateau leases have operated 20 separate buildings, is the development of a future-focused, iwi-Māori-based spatial plan for the area. The benefit of preparing such a spatial plan, is the recognition, certainty and pride it would provide to iwi-Māori, all leasers and all users of this Whakapapa 'gateway' to the internationally recognised dual heritage Tongariro National Park. We seek your support for the preparation of this proposed plan.

In addition, we seek your support to allow us to work with this developer to facilitate direct engagement with affected iwi on matters related to the term of the lease. If things track as planned, we would also be pleased to receive guidance about how we may facilitate developer access to Crown support for a funding contribution toward the 'public good' elements / costs associated with revitalising the Chateau's functionality.

We also seek your support to convene a fast-moving, high-level and decision-focused task force (inclusive if Ruapehu District Council, ngā iwi of Ruapehu, Kānoa and DOC) to assess and take urgent action on each of the solutions described in this paper.

Finally, we would welcome the opportunity to meet with you to ensure our views are included in any advice to Cabinet about the future of the Chateau. Together we need to revitalise the Ruapehu economy. The consequences of not doing this are too dire to consider.

Ngā mihi nui



Mayor Weston Kirton

weston.kirton@ruapehudc.govt.nz

s9(2)(a)