

13 June 2023

**Closure of Chateau Tongariro hotel**

Out of scope

s 9(2)(h)

Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

7 June 2023

**Closure of Chateau Tongariro hotel**

s 9(2)(h)

- We are also preparing for our strategic work considering the long-term future of the Chateau. This work will help us provide a clearly articulated position on the future options for the Chateau, what use can be made of the ancillary buildings, and to quell some of the speculation we have seen in recent media and social media posts. At this stage, we do not intend to lease the Chateau or ancillary buildings to a third party until we progress end of lease negotiations with KNZ, as this would create legal and financial risk for DOC until we know more about KNZ's position on these matters.

Out of scope

s 9(2)(h)

s 9(2)(h)

- We now have insurance cover in place for the Chateau. There are two components: perils (\$10 million cover) and natural disasters (\$2 million). Perils covers loss for damages from the likes of fire, theft, falling objects, and other accidental damage. Natural disaster covers demolition costs for events like earthquakes, floods, volcanic activity etc.

Next steps:

s 9(2)(h)

Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

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17 May 2023

**Closure of Chateau Tongariro hotel**

s 9(2)(h)

s 9(2)(b)(ii)

Next steps:

- We will brief you on our position for resolving end of lease matters with KNZ in the week starting 22 May 2023.

s 9(2)(b)(ii)

Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

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3 May 2023

### Closure of Chateau Tongariro hotel

s 9(2)(h)

- We have received proposals for contractors to undertake a Detailed Seismic Assessment of the Chateau. This assessment will help us to understand health and safety risks as well as the investment required to bring the Chateau to an appropriate seismic standard. We are currently assessing the proposals.

s 9(2)(h)

- We released an OIA response to Jimmy Ellingham, Radio New Zealand reporter, on 2 May 2023 that identified the Kahler painting is owned by KNZ, and the Crown is not looking to purchase it (**OIAD-2844 refers**). As this is the first time this information has been made public, there is likely to be media and public interest in the ownership of the painting. We have prepared reactive messages on this matter.
- The New Zealand Institute of Architects advised us they are awarding the Chateau an Enduring Architect Award, and invited us to their ceremony in June 2023 to accept the award. We declined the invitation, as we did not consider it was appropriate to publicly accept the award when we do not have certainty about the future of the Chateau or future investment in the site.

Next steps:

Out of scope

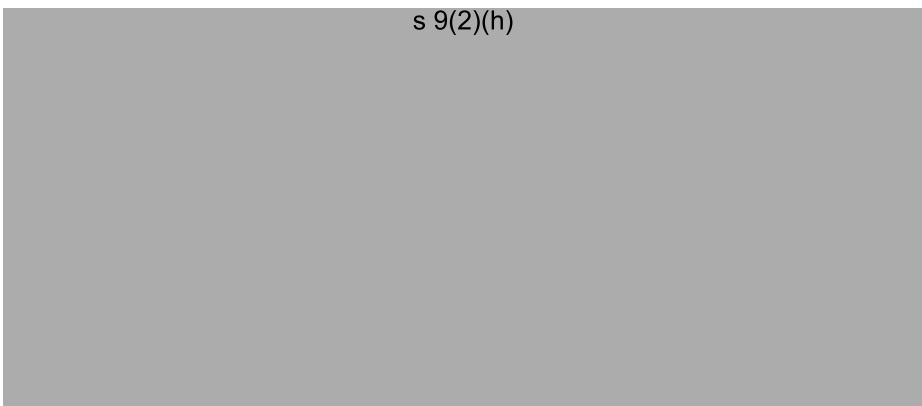
- We will brief you on our proposed approach to resolve end of lease matters with KNZ.
- We will brief you on options to seek funding from the 2023/2024 Between Budget Contingency fund in June 2023 to cover costs associated with the Chateau. As we did not know KNZ would terminate their lease for the Chateau when budget bids for Budget 2023 were being prepared, we were unable to bid for funding through this process.

Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

25 April 2023

### Closure of Chateau Tongariro hotel

s 9(2)(h)



- BusinessDesk published an article by Patrick Smellie on 23 April 2023 about the Chateau, based on information released under the OIA and an interview with Mike Tully, Deputy Director-General Organisational Support. The article focused on the history and the future use of the Chateau.

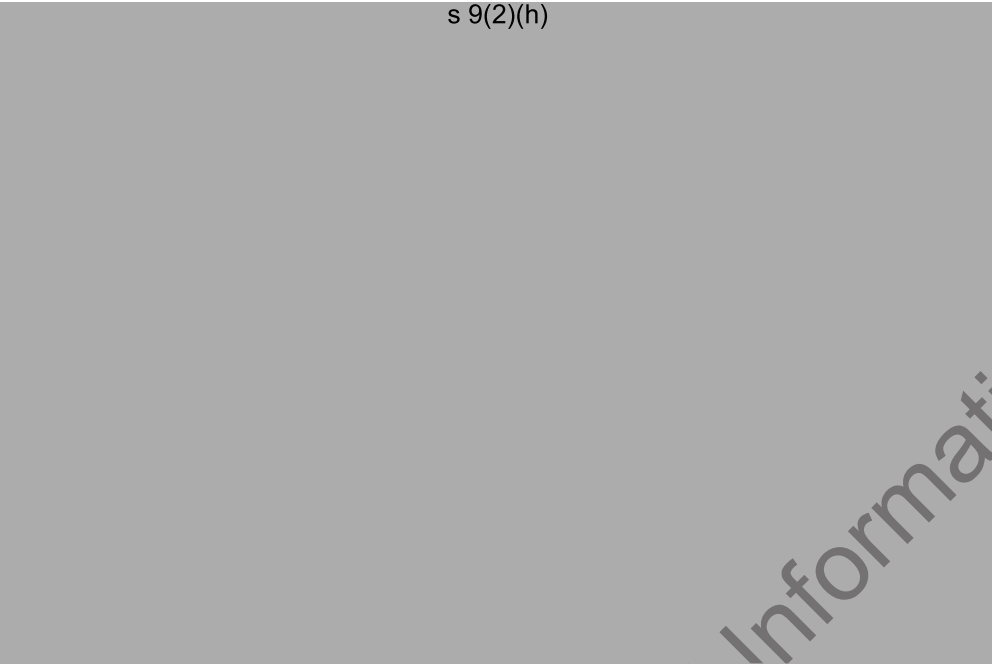
Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

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19 April 2023

### Closure of Chateau Tongariro hotel

s 9(2)(h)



- As well as the condition assessment for the main Chateau building, we are commissioning a separate condition assessment for the 23 additional buildings included in the Chateau lease. These buildings include staff accommodation buildings with historic values, café, pub, and workshop. The condition assessment of the additional buildings will inform immediate and future repair and maintenance requirements, and decisions about the future use of the buildings.

Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

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12 April 2023

### Closure of Chateau Tongariro hotel

s 9(2)(h)

- The condition assessment will also inform our consideration of long term options for the Chateau.
- We are continuing to seek proposals from contractors to undertake a detailed seismic assessment (**DSA**). A DSA is required to fully understand health and safety risks, and potential remediation work required to strengthen the Chateau.
- We are preparing a hazard management plan to meet our responsibilities under the Health and Safety at Work Act 2015 for contractors operating in the Chateau and surrounding areas.
- Last week we advised your office that information without the required redactions was accidentally sent to Patrick Smellie of BusinessDesk as part of an Official Information Act response. Mr Smellie agreed to delete the unredacted material. As the information shared included information about KNZ, we have contacted KNZ to apologise. We are currently reviewing our processes to ensure unredacted information is not released in the future.

Contact: Karl Beckett, Director, Operations Support, s 9(2)(a)

22 March 2023

### Closure of Chateau Tongariro hotel

- We are preparing a joint briefing with LINZ and Ministry of Culture and Heritage for you and the Minister of Land Information summarising the key risks we are managing for the Chateau. This will include information about financial, health and safety, and legal risks.
- In this briefing, we will also be seeking your direction on whether the Crown should take responsibility for the artwork and other historical artifacts owned by KAH New Zealand Limited (**KNZ**), the former lessee, that are currently at the Chateau. This would be an interim arrangement while a longer term solution is discussed with KNZ.
- We are working with our insurance brokers to put in place insurance cover for the Chateau. Given the nature and condition of the building, along with the geographical location (in an area prone to natural disasters) insurers are wary of the risks this presents. If insurance cover is able to be placed it will have a number of caveats and is likely to only extend to demolition costs in the case of a natural disaster (e.g. earthquake, volcanic eruption, floods) or an indemnity value to contribute towards remediation costs if from other types of loss events (e.g. fire). We will keep you updated on this matter.

s 9(2)(h)

Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

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15 March 2023

### Closure of Chateau Tongariro hotel

- We took responsibility for the Chateau Tongariro and surrounding buildings when KAH New Zealand Limited's (KNZ) lease formally terminated on 9 March 2023.
- Members of the community marked the end of the lease by making speeches on site with DOC staff.
- We have 24 hour security in place at the Chateau Tongariro. This security will continue until we have arranged appropriate security systems.
- We are continuing to work through end of lease matters with KNZ. We will update you on these matters as they progress.
- One outstanding matter is whether we want to take responsibility for the artwork and other historic artifacts owned by KNZ in the Chateau. This would be an interim measure while a long term solution is found that may allow these items to remain with the Chateau. We are preparing a briefing seeking your direction on this matter.
- Insurance for the Chateau Tongariro lapsed when the transition took place. We are working to insure the building by the end of the week and will update you on this next week.

Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

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8 March 2023

### Closure of Chateau Tongariro hotel

- KAH New Zealand Limited's (**KNZ**) lease for the Chateau Tongariro terminates on 9 March 2023. We have worked closely with KNZ to ensure operational matters including security and our understanding of maintenance requirements are in place when the lease terminates.
- KNZ purchased the Chateau as a going concern from the Tourist Hotel Corporation (**THC**), which was owned by the Crown, in 1991. While we have been unable to locate the sale and purchase agreement for this transaction, our understanding from extensive research is that this sale covered all improvements and chattels on the property.

s 9(2)(h)

- We have not yet received the seismic assessment from KNZ. We are attempting to agree conditions under which KNZ will provide us with this report. The seismic assessment will help us to explore opportunities for the future use of the site, understand health and safety risks, and understand the extent of the work required to bring the Chateau up to the required seismic strengthening standards.

s 9(2)(h)

- There is a collection of artwork and other historic artefacts (**historic chattels**) at the Chateau, including a large, well known painting of the pink and white terraces believed to have been purchased by THC in the 1970s. Other items were either purchased by THC, or donated or loaned to the Chateau by members of the public.
- As the Chateau was sold as a going concern in 1991 including all chattels, we understand KNZ own the historic chattels. KNZ have advised us they are interested in the historic chattels remaining with the Chateau, and are looking to sell these items to either the Department, another government agency, or a new lessee in the future.

- We are making an interim arrangement with KNZ to ensure that the historic chattels are identified and secured when the lease terminates. KNZ expect us to provide assurance that we will be accountable for any damage or theft of the historic chattels. We are working to understand if we can accept this level of risk, including through having appropriate insurances in place for high value items or storing them at another location.
- Longer term, the Crown will need to consider whether the Department should consider purchasing the historic chattels, or continue to carry the risk for the historic chattels until a time that the Chateau is leased to another party, if at all. If the Chateau is not leased, or this process takes a significant amount of time, KNZ are likely to consider selling the historic chattels. We will provide you with further advice on this matter once we have a greater understanding of the historic chattels and their value.
- We are supporting a whānau who loaned a significant piece of artwork to the Chateau to recover their item from KNZ. KNZ have agreed it will be returned to the whānau. We expect to receive similar requests from other members of the public for items that have been loaned to the Chateau.
- The 'Ring of Fire' trail running event is taking place on 11 March 2023. This event takes place annually in Tongariro National Park with the finish line in front of the Chateau. We have worked with the organisers to support them to run the event as planned.

Next steps:

- We will continue working with KNZ to negotiate the details of the termination of the lease.
- We take responsibility for the Chateau on 9 March 2023. We will have security in place, and we have protocols that treat the site as a seismic hazard to manage health and safety risks.

Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

22 February

### Closure of Chateau Tongariro hotel

- We are continuing to work with the operators of the Chateau Tongariro, KAH New Zealand Limited (KAH NZ), in the lead up to the termination of their lease on 9 March 2023 to ensure a smooth transition of the buildings to DOC.

s 9(2)(h)

- We have not yet received the recent seismic assessment report for the Chateau from KAH NZ. We expect to receive a copy of this when the assessors, WSP, provide their final report to KAH NZ.
- We are aware there is significant interest in the future use of the Chateau. We will consult with relevant government agencies as appropriate when looking at the future for the Chateau including MBIE's Kānoa – Regional Development and Investment Unit, Heritage New Zealand Pouhere Taonga, and local government.
- The 'Ring of Fire' trail running event is scheduled for 11 March 2023. This event takes place annually in Tongariro National Park with the finish line in front of the Chateau. We are working with the organisers to support them to run the event as planned.

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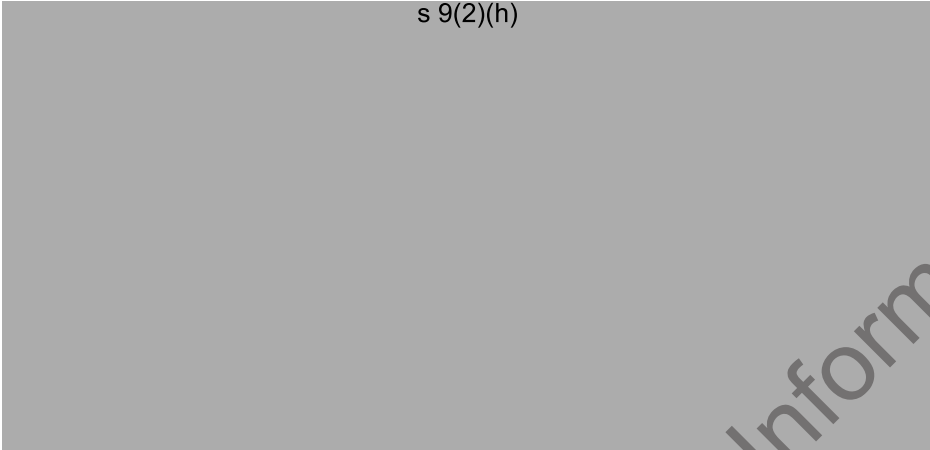
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15 February

### Closure of Chateau Tongariro

- The current operators of the Chateau Tongariro, KAH New Zealand Limited (**KAH NZ**) have given us formal notice of their intention to terminate their lease with us. The lease will terminate on 9 March 2023 unless both parties agree otherwise.

s 9(2)(h)



- We are working with Heritage New Zealand Pouhere Taonga to understand if the artwork and historical artifacts form a regionally or nationally significant collection.
- We have not yet received the seismic assessment from KAH NZ. We expect to receive a copy of this when the assessors, WSP, provide their final report to KAH NZ.
- We are aware there is significant interest in the future use of the Chateau Tongariro. Our immediate focus is ensuring there is a smooth termination process for the lease, including transitioning the buildings to DOC, while also looking at long term strategic options for the use of the Chateau.

Contact: Karl Beckert, Director, Operations Support, s 9(2)(a)

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8 February

### Closure of Chateau Tongariro

- The Chateau Tongariro is a category one heritage listed building and grounds operated as a hotel at the entrance to Whakapapa Village in Tongariro National Park. It was first operated as a hotel in 1929.
- The hotel closed on Sunday 5 February. The current hotel operator, KAH New Zealand Limited (**KAH NZ**), decided to close the hotel due to significant seismic strengthening works being required to bring the buildings up to standard.
- KAH NZ have given us formal notice of their intention to terminate the lease. They have advised us the lease will terminate on 9 March 2023, unless otherwise agreed by both parties.
- We are currently working with KAH NZ to ensure that the site is transitioned to DOC in line with the terms of the lease. Under the lease, the buildings are to be yielded to DOC in 'good condition'.
- There was media interest in the closure of the hotel, with all major media outlets running stories on the matter.
- KAH NZ will have security in place at the site until the lease is terminated. We will determine what security is required after this date.
- We are looking at options for the future use of the building. We will engage with other agencies with an interest in the site when considering the future use.

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