



## Briefing: Abandoned Buildings

<b>To</b>	Minister of Conservation	<b>Date submitted</b>	7 December 2023
<b>Risk Assessment</b>	High Ongoing Damage to the Chateau, Significant Public Relations risk, Legal risk	<b>Priority</b>	High
<b>Reference</b>	23-B-0479	<b>DocCM</b>	DOC-7513485
<b>Security Level</b>	In Confidence - Legally privileged		
<b>Action sought</b>	Obtain direction on which paths relating to abandoned buildings you would like DOC to focus on	<b>Timeframe</b>	22 December 2023
<b>Attachments</b>	Appendix 1 – Detailed Options Analysis Table		
<b>Contacts</b>			
<b>Name and position</b>			<b>Cell phone</b>
Mike Tully, Deputy Director-General Organisation Support			s9(2)(a)
Ruth Isaac, Deputy Director-General, Policy and Regulatory Services			s9(2)(a)

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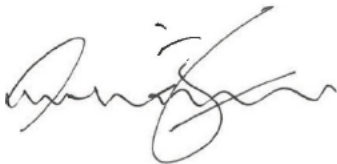
## Executive summary – Whakarāpopoto ā kaiwhakahaere

1. Non-departmental buildings on conservation land are currently managed through the concession process in the form of long-term leases. In 2023, the Department of Conservation (DOC) had two long-term leases terminated and their associated buildings were returned to DOC to manage, including all operational and maintenance costs. These leases were for:
  - the Heritage New Zealand Category 1 listed Chateau Tongariro and its 26 ancillary buildings in Tongariro National Park; and
  - **Out of Scope**
2. Both main buildings have seismic issues with a Detailed Seismic Assessment (DSA) for the Chateau at around 15% of New Building Standard (NBS) **Out of Scope**
3. The responsibility for these buildings is having an ongoing and significant impact on DOC's financial position. DOC has identified next steps for both buildings and, in the case of Chateau Tongariro, seeks your indication on which are preferred in relation to **s9(2)(j)** and ongoing costs and repairs of the building. Depending on your direction, this will have a bearing on strategy and decisions going into Budget 2024.
4. **Out of Scope**

### We recommend that you ... (Ngā tohutohu)

		Reference Paragraphs	Decision
a)	<b>Note</b> that the Chateau Tongariro <b>Out of Scope</b> , have been returned to DOC to manage because of termination of long-term leases, incurring minimum costs of \$2.0m and <b>s9(2)(b)(i)</b> per year respectively, in operating costs.	2, 15, 21 and 25	Noted
b)	<i>Chateau Tongariro</i> – <b>s9(2)(j)</b> <b>Indicate</b> your preference for next steps for DOC to pursue: <b>s9(2)(j), s9(2)(h), s9(2)(i)</b>	12-14	Yes / No  Yes / No
c)	<i>Chateau Tongariro – Ongoing costs and Repairs</i> <b>Indicate</b> your preference for next steps for DOC to pursue, noting both options 1 and 2 will require your support for a process through Budget 2024: 1. Seek funding for repairs to make the buildings weathertight, with the cost for this around <b>s9(2)(j)</b> AND / OR	16-19	Yes / No

	<p>2. Continue with ongoing operational costs for the building of approximately \$2m per annum, noting \$889,000 has been spent to date. Despite this investment the buildings are deteriorating; OR</p> <p>3. Investigate decommissioning the buildings to stop ongoing costs being incurred, noting the buildings will deteriorate rapidly and will be at risk.</p>		<p>Yes / No</p> <p><input checked="" type="checkbox"/> Yes / No</p>
d)	<p><i>Chateau Tongariro – Heritage Items</i></p> <p>Indicate your preference on protecting the heritage items located within the Chateau main building at a cost of \$100,000.</p>	6-7	Yes/ <input checked="" type="checkbox"/> No
e)	<p>Note DOC will provide you future briefings on decisions the EOI process for future concessionaires for the Chateau Tongariro.</p>	8	Noted
f)	<p>Out of Scope</p> <p>Out of Scope</p>	23-24	Noted



Date: 6/ 12 /2023

Mike Tully  
Deputy Director-General Organisation  
Support  
For Director-General of Conservation



Date: 11/12/2023

Hon Tama Potaka  
Minister of Conservation

## Purpose – Te aronga

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1. To seek your direction and update you on next steps DOC is taking in relation to the Chateau Tongariro and **Out of Scope** buildings that have been abandoned as a result of lease terminations.

## Chateau

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### Background

*The Chateau buildings are in a severe state of disrepair and are seismically vulnerable.*

2. The Chateau Tongariro (the Chateau) is a Category 1 Heritage New Zealand Pouhere Taonga listed iconic building sitting at the gateway to the Tongariro National Park, which itself has dual World Heritage status for its natural and cultural heritage. The building has operated as a hotel almost continuously since 1929 when it was constructed.
3. The lease for the Chateau and its 26 ancillary buildings expired in 2020. DOC attempted to negotiate a new lease with Kah New Zealand Ltd (KAH) but were unable to reach agreement on the terms. When their lease expired, KAH moved to a monthly lease agreement, with a 30-day termination clause.
4. In February 2023, the lease was terminated, and the buildings returned to DOC on 9 March 2023. All maintenance and operating expenses associated with the buildings have been paid by DOC since this time.
5. DOC has completed independent building condition assessments<sup>1</sup> on all the buildings. These have been assessed as being in poor condition overall. **s9(2)(j)**  
**[REDACTED]**
6. A number of heritage assets (e.g., artwork) were abandoned in the main Chateau building by KAH. In particular, a Carl Kahler painting of the white terraces has generated significant public comment. This painting was left by KAH in a poor condition and the assessments have shown it is deteriorating further in its current environment.
7. DOC has received expert conservation advice on how to manage these heritage assets while keeping them located within the main Chateau building. DOC recommends this advice is implemented as the minimum option to protect these assets. It is estimated this will cost approximately \$100,000.
8. DOC is undertaking planning to complete an Expression of Interest (EOI) process for possible future concessionaires who wish to invest in the buildings. This process is likely to take 4-6 months to complete and will require engagement with iwi.
9. In terms of any future concession on the Chateau, iwi have informally indicated it would need to align with the views they have provided on the concession for Ruapehu Alpine Lifts (RAL). This view is that concessions in the Tongariro National Park should be for a term of no longer than 5-10 years while the treaty settlement negotiation process, for this area, is undertaken.
10. There are two key issues being addressed by DOC we are seeking your direction on:  
**s9(2)(j)**  
**[REDACTED]**

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<sup>1</sup> Copies of the building condition assessments are available on request.

- b) Decision on whether to complete urgent repairs required to the buildings to make them weathertight to prevent further degradation and loss of heritage features or to decommission the buildings to stop further expenditure.
11. A previous decision by Ministers was made that the Crown would not buy any of the heritage chattels currently in the building. In addition, the Chateau has been included as a Specific Fiscal Risk (SFR) in the Crown's accounts through the Treasury.

s9(2)(j)

s9(2)(h), s9(2)(i), s9(2)(j)

#### ***Ongoing maintenance and repairs to buildings***

15. Currently DOC is doing basic, ad hoc repairs, keeping the core building systems operational along with the Building Warrant of Fitness (BWOFF) and core operational expenses such as insurance, electricity, and rates. The cost for FY2023/24 is expected to be approximately \$2m with \$889,000 spent to date. This work is not funded through an appropriation and DOC has been managing it as a cost pressure. Despite this investment significant deterioration of the building is still occurring and will accelerate without required additional weathertightness repairs (described below). We are seeking your direction on whether to continue with this ongoing operational spend on the buildings.
16. The building condition assessments completed provide a detailed account of maintenance and repairs required to all buildings. Although all are necessary, much can be left to the future for a new lessee to complete. The most urgent work is to make the buildings weathertight to minimise ongoing damage that is occurring. The estimated cost for this is s9(2)(j). DOC's view is seeking funding for this work would be the best option for the long-term preservation of the building and would give the Crown time to make longer term decisions.
17. DOC does not have funding to carry out this work. If you decide to proceed with repairs, we recommend seeking funding through Budget 2024. With your approval, we can begin work on a business case and provide you with further advice once the process and timelines for Budget 2024 are confirmed.
18. Alternatively, if your preference is to eliminate spending on the buildings then DOC will investigate decommissioning the buildings as quickly as possible.
19. A variety of lesser options were considered by DOC, however, all are very costly and would not reduce the buildings' deterioration. These options are listed in Appendix 1.

## Out of Scope

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### Out of Scope

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

### Consultation – Kōrero whakawhiti

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26. No formal consultation has been undertaken since the end of the leases for the Chateau buildings or the **Out of Scope**
27. Informal conversations around the Chateau have taken place between the Director of the Central North Island region and iwi.
28. A programme of iwi and stakeholder engagement will be developed based on the direction provided from this briefing.

### Risk assessment – Aronga tūraru

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29. The key risks are around public and media scrutiny if these buildings are not maintained and preserved, particularly given their heritage statuses. Given the high public profile of the Chateau, and its arguable national importance, all decisions on the Chateau may warrant Cabinet consideration regardless of whether they incur significant investment.

## Financial implications – Te hiraunga pūtea

30. The costs associated with all buildings is significant and cannot be met within existing DOC appropriations.
31. Diverting funds to this work would require significant administrative reductions elsewhere in DOC and would limit our ability to deliver core conservation outcomes.
32. The key financial costs associated with the buildings are outlined in the following table:

Item	FY23/24		FY24/25		Total (\$'000s)
	Opex (\$'000s)	Capex (\$'000s)	Opex (\$'000s)	Capex (\$'000s)	
s9(2)(j)	s9(2)(j)		s9(2)(j)		s9(2)(j)
Chateau Weathertightness		s9(2)(j)		s9(2)(j)	s9(2)(j)
Ancillary Buildings Repairs		s9(2)(j)		s9(2)(j)	s9(2)(j)
Protection of Heritage Assets	100				100
Chateau ongoing and actual costs incurred	2,020		2,140		4,160
Out of Scope	Out of Sc		Out of Sc		Out of Sc
<b>Total</b>	s9(2)(j)	s9(2)(j)	s9(2)(j)	s9(2)(j)	s9(2)(j)

ENDS



### Appendix 1 – Options analysis

Option	Benefits	Disadvantages	Projected Fiscal risk
Option 1 - Current situation	<p>Building is protected through minor levels of maintenance.</p> <p>Insurance is maintained.</p> <p>Building systems continue to be compliant and working.</p>	<p>Weathertightness issues won't be resolved, and further damage will occur.</p> <p>Budget is impacted by approximately \$2.1m per year.</p> <p>Does not meet heritage obligations.</p>	\$2.02m
Option 2– Decommission Building	<p>Stop future costs being incurred on building</p>	<p>Building will deteriorate rapidly.</p> <p>Core building systems will not be operational or compliant (including fire sprinklers).</p> <p>Insurance will no longer be valid.</p> <p>Public, Iwi and Stakeholders including Heritage NZ will hold DOC to account for damage caused.</p> <p>Does not meet heritage obligations.</p>	\$1.27m
Option 3 - Minimise spending while maintaining essential services and Building Warrant of Fitness.	<p>Minimal costs are incurred by DOC</p>	<p>Central North Island regional budget is unable to support this cost pressure.</p> <p>Building will deteriorate rapidly due to not being weathertight.</p> <p>Public, Iwi and Stakeholders including Heritage NZ will hold DOC to account for damage caused.</p> <p>Does not meet heritage obligations.</p>	\$1.73m



Option	Benefits	Disadvantages	Projected Fiscal risk
Option 4 - Complete critical repairs	<p>Building will continue to be maintained.</p> <p>Critical leaks will be fixed reducing damage internally.</p>	<p>Budget is unable to support this cost pressure.</p> <p>Doesn't make building weathertight and leaks will continue to appear causing damage.</p> <p>Does not meet heritage obligations.</p>	<p>§9(2)(j)</p>
Option 5 – Make building weathertight	<p>Building damage will be reduced significantly and heritage features will be protected.</p> <p>Responds to Heritage NZ view building is extremely significant by appropriately protecting it.</p>	<p>Budget is unable to support this cost pressure.</p> <p>DOC will not have the information required to prepare future business cases.</p> <p>Does not meet heritage obligations.</p>	<p>§9(2)(j)</p>
Option 6 – Appoint team to complete future options	<p>Building damage will be reduced significantly and heritage features will be protected.</p> <p>Allows Government to get a good understanding of the building requirements for future options to be considered. Including developing conservation plan.</p> <p>Comprehensive approach to protection of the building.</p> <p>Allows prospective lessees to understand the current state of the building to inform any negotiations.</p>	<p>Budget is unable to support this cost pressure</p>	<p>§9(2)(j)</p>

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# Department of Conservation Status Report

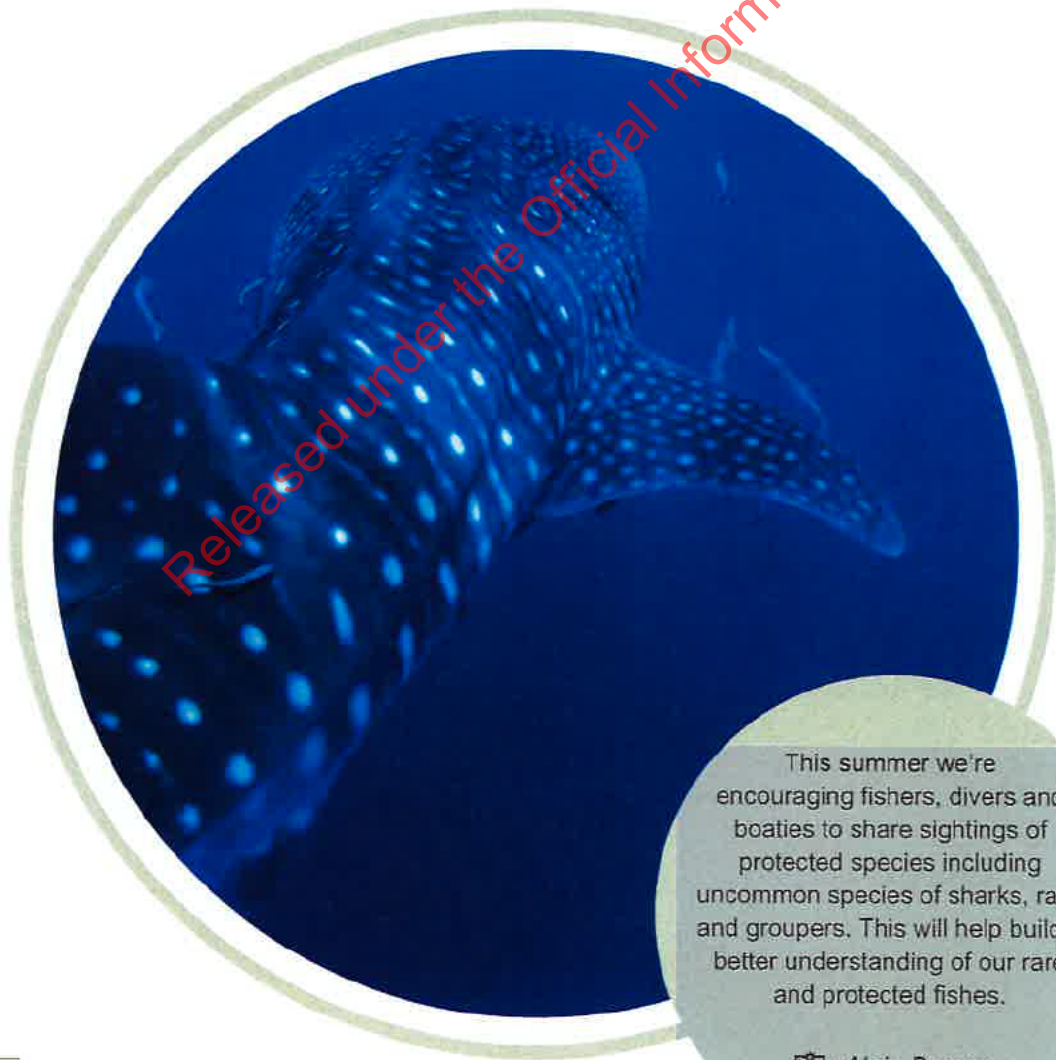
## for the Minister of Conservation

Week beginning 4 December 2023


*Tama MahanPotaka*

Date: 05 / 12 / 2023

Seen by Hon Tama Potaka  
Minister of Conservation



This summer we're encouraging fishers, divers and boaties to share sightings of protected species including uncommon species of sharks, rays and groupers. This will help build a better understanding of our rare and protected fishes.

 Alain Berger



Department of  
Conservation  
*Te Papa Atawhai*

Out of Scope



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**4.3 Abandoned Buildings – Chateau Tongariro and** Out of Scope

Out of Scope

- In 2023, DOC had two long-term leases terminated. These were the Chateau Tongariro and its approximately 24 ancillary buildings in Tongariro National Park, Out of Scope. The buildings were returned to DOC to manage, including all operational and maintenance costs.
- Non-Departmental buildings on conservation land are currently managed through the concession process in the form of long-term leases.
- Both buildings have seismic issues with a Detailed Seismic Assessment (DSA) for the Chateau noting it at around 15% of the New Building Standard (NBS). One of its ancillary buildings, the heritage garage, has also been noted as earthquake prone in recent months. Out of Scope  
Out of Scope
- 9(2)(h) 9(2)(h) This matter is likely to take some time to resolve. In the interim there is a significant investment required simply to make the building weathertight and to prevent the loss of key heritage features due to



water ingress.

- The outgoing tenant was asked to remove all chattels from the building when the lease was terminated. Alongside a range of generic chattels, a number of heritage chattels were not removed. In particular, a large Carl Kahler painting of the White Terraces remains, which is considered significant historically.

? Cost / Plan?

Out of Scope

Out of Scope

*Next steps*

- We will provide a briefing on these abandoned buildings on 7 December (23-B-479 refers) where we will be asking for decisions to be made on whether investment in financial years 2023/24 and 2024/25 will be made.

**Contact:** Mike Tully, Deputy Director-General Organisation Support

9(2)(a)

Out of Scope

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# Department of Conservation Status Report

## for the Minister of Conservation

Week beginning 29 January 2024

Date:     /     /

Seen by Hon Tama Potaka  
Minister of Conservation



A tawaki/Fiordland crested penguin has been released back to the wild near Hokitika. It was found injured at Scarborough Beach in Christchurch and spent 4.5 months recovering at Christchurch Penguin Rehabilitation.

\*: DOC



Department of  
Conservation  
*Te Papa Atawhai*

## 2 Updates

Out of Scope

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### 2.2 Chateau Tongariro

- Further to our briefing to you in December 2023 (23-B-0479), work is underway to develop decommissioning options for the Chateau and its ancillary buildings, including likely upfront cost and ongoing operational cost. We will brief you with the details in mid-February.

9(2)(j)

*Next steps*

- We are developing a plan to commence an expression of interest process seeking commercial interest for the Chateau concession. This process will take a minimum of 4-6 months to complete and will require extensive consultation with iwi.

Contact: Mike Tully, Deputy Director-General Organisation

Support: 9(2)(a)

Out of Scope

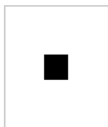
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Out of Scope

**From:** Sarah Apperley <[sapperley@doc.govt.nz](mailto:sapperley@doc.govt.nz)>  
**Sent:** Wednesday, December 20, 2023 11:26 AM  
**To:** Mike Tully <[mtully@doc.govt.nz](mailto:mtully@doc.govt.nz)>  
**Cc:** Ruth Isaac <[risaac@doc.govt.nz](mailto:risaac@doc.govt.nz)>; CJ Juby <[cjjuby@doc.govt.nz](mailto:cjjuby@doc.govt.nz)>  
**Subject:** FW: FURTHER QUESTIONS: 23-B-0479 - Abandoned Buildings

Please find attached draft response to question from Minister. Please let me know if you are happy with this or if you have any changes/questions

Kind regards  
Sarah



**Sarah Apperley**  
Programme Manager | Kaiwhakahaere Hōtaka  
Department of Conservation | Te Papa Atawhai  
Conservation House Wellington | Whare Kaupapa Atawhai  
Level 3, 18 - 32 Manners St | PO Box 10 420, Wellington 6143  
s9(2)(a) | E: [sapperley@doc.govt.nz](mailto:sapperley@doc.govt.nz) | W: [doc.govt.nz](http://doc.govt.nz)

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**From:** Harry Evans <[Harry.Evans@parliament.govt.nz](mailto:Harry.Evans@parliament.govt.nz)>  
**Sent:** Wednesday, December 20, 2023 10:12 AM  
**To:** Mike Tully <[mtully@doc.govt.nz](mailto:mtully@doc.govt.nz)>; Tui Arona (parliament) <[Tui.Arona@parliament.govt.nz](mailto:Tui.Arona@parliament.govt.nz)>; Ruth Isaac <[risaac@doc.govt.nz](mailto:risaac@doc.govt.nz)>  
**Cc:** Government Services <[GovernmentServices@doc.govt.nz](mailto:GovernmentServices@doc.govt.nz)>; CJ Juby <[cjjuby@doc.govt.nz](mailto:cjjuby@doc.govt.nz)>; Sarah Apperley <[sapperley@doc.govt.nz](mailto:sapperley@doc.govt.nz)>  
**Subject:** RE: FURTHER QUESTIONS: 23-B-0479 - Abandoned Buildings

Kia ora,

We have a follow up on this: s9(2)(g)(i)

Ngā mihi

**Harry Evans**  
Private Secretary – Conservation | Office of Hon Tama Potaka MP  
Minister of Conservation | Minister for Māori Development  
Minister for Māori Crown Relations: Te Arawhiti | Minister for Whānau Ora





Associate Minister of Housing (Social Housing)

s9(2)(a)  
Email: [harry.evans@parliament.govt.nz](mailto:harry.evans@parliament.govt.nz) | Website: [www.beehive.govt.nz](http://www.beehive.govt.nz)  
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

Please also send all e-mails directed at me to my colleague: Tui Arona [tui.arona@parliament.govt.nz](mailto:tui.arona@parliament.govt.nz)

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**From:** Mike Tully <[mtully@doc.govt.nz](mailto:mtully@doc.govt.nz)>  
**Sent:** Friday, 15 December 2023 11:00 AM  
**To:** Tui Arona <[Tui.Arona@parliament.govt.nz](mailto:Tui.Arona@parliament.govt.nz)>; Ruth Isaac <[risaac@doc.govt.nz](mailto:risaac@doc.govt.nz)>  
**Cc:** Harry Evans <[Harry.Evans@parliament.govt.nz](mailto:Harry.Evans@parliament.govt.nz)>; Government Services <[GovernmentServices@doc.govt.nz](mailto:GovernmentServices@doc.govt.nz)>; CJ Juby <[cjjuby@doc.govt.nz](mailto:cjjuby@doc.govt.nz)>; Sarah Apperley <[sapperley@doc.govt.nz](mailto:sapperley@doc.govt.nz)>  
**Subject:** RE: FURTHER QUESTIONS: 23-B-0479 - Abandoned Buildings

Good morning Tui

In response to the below please find above answers to the questions thanks. Obviously happy to chat more on Monday if needed

Cheers  
Mike

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**From:** Tui Arona <[Tui.Arona@parliament.govt.nz](mailto:Tui.Arona@parliament.govt.nz)>  
**Sent:** Thursday, December 14, 2023 10:37 AM  
**To:** Ruth Isaac <[risaac@doc.govt.nz](mailto:risaac@doc.govt.nz)>; Mike Tully <[mtully@doc.govt.nz](mailto:mtully@doc.govt.nz)>  
**Cc:** Harry.Evans <[Harry.Evans@parliament.govt.nz](mailto:Harry.Evans@parliament.govt.nz)>; Government Services <[GovernmentServices@doc.govt.nz](mailto:GovernmentServices@doc.govt.nz)>  
**Subject:** FURTHER QUESTIONS: 23-B-0479 - Abandoned Buildings

Kia ora kōrua,

Couple of questions on this paper. Can we please have answers back by phone or email (we do not need a new briefing) or, if recommend by you, you could update him verbally at officials on Monday if there is time of course. Let us know if Monday is a realistic timeframe or advise if more time is required to pull together the info.

- s9(2)(j)
2. Rec c)1: What is the cost to just save the big building? Has this cost been tested at market?
- Out of Scope
- s9(2)(h), s9(2)(i)
- Out of Scope
6. Para 32 – table.
- a. FY23/24 Capex for Weather tightness s9(2)(h) & Ancillary buildings s9(2)(h) – how much incurred so far, how much to year end 24 forecast?
  - b. s9(2)(f)(iv), how much do we spend for security fencing etc?
7. Appendix 1 – Option 1: What are the costs for not meeting the heritage obligations?

Thanks

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**From:** Tui Arona  
**Sent:** Monday, 11 December 2023 3:37 PM  
**To:** Mike Tully <[mtully@doc.govt.nz](mailto:mtully@doc.govt.nz)>; Ruth Isaac <[risaac@doc.govt.nz](mailto:risaac@doc.govt.nz)>  
**Cc:** Government Services <[GovernmentServices@doc.govt.nz](mailto:GovernmentServices@doc.govt.nz)>; Harry Evans <[Harry.Evans@parliament.govt.nz](mailto:Harry.Evans@parliament.govt.nz)>  
**Subject:** SIGNED (Partial) - 23-B-0479 - Abandoned Buildings

Kia ora kōrua,

The Minister has read the paper and made some decisions – please see attached for your records and actions.

NB: Re: Rec b) s9(2)(f)(iv)

I aim test with him to see when he would like to have this discussion, and any support he may need in the coming days and will commission if required.

Thanks,



**Tui Arona**

Private Secretary - Conservation | Office of Hon Tama Potaka  
Minister of Conservation, Minister for Māori Development,  
Minister for Māori-Crown Relations: Te Arawhiti, Minister for Whānau Ora,  
Associate Minister of Housing (Social Housing).

s9(2)(a)  
Email: [tui.arona@parliament.govt.nz](mailto:tui.arona@parliament.govt.nz) Website: [www.Beehive.govt.nz](http://www.Beehive.govt.nz)  
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

Please send all e-mails directed at me also to my colleague:  
**Harry Evans** ([harry.evans@parliament.govt.nz](mailto:harry.evans@parliament.govt.nz))

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1. Rec b): [redacted] 9(2)(j), 9(2)(h)

[redacted]  
s9(2)(h)  
[redacted]  
[redacted]  
[redacted]

2. Rec c)1: What is the cost to just save the big building? Has this cost been tested at market?

We do not have an estimate of cost to save the big building, this would require a consultant team to be appointed to do detailed investigations into the structure and services as well as the heritage designs which would need to be preserved. This work would take around 6 months to complete and would be at a cost of approximately \$1.2m in design fees and onsite investigations.

3. [redacted] Out of Scope

[redacted]  
[redacted]

4. [redacted] 9(2)(h), 9(2)(j)

[redacted] s9(2)(h), s9(2)(j)

5. [redacted] Out of Scope

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[redacted]

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6. Para 32 – table.

- a. **FY23/24 Capex for Weather tightness s9(2)(h) & Ancillary buildings s9(2)(h) – how much incurred so far, how much to year end 24 forecast?**

\$889,000 has been spent to date with total for 2023/24 expected to be approximately \$2m (inclusive of the \$889,000 spent to date).

- b. **If we do not invest in R & M & weathertightness [I assume this is repairs and maintenance – but if you have a different more logical interpretation to this abbreviation please advise] on Chateau, how much do we spend for security fencing etc?**

The estimated costs to board up doors and windows of main building is estimated at \$30,000. It is not recommended to install a solid fence as this would cause security issues as it would obscure view of the building, however cost estimate for this is \$80,000. The cost to board up the other 26 buildings is likely to be around \$20,000.

7. **Appendix 1 – Option 1: What are the costs for not meeting the heritage obligations?**

We are not aware of any fiscal costs for not meeting heritage obligations. However, there will be costs to reputation as a result of not meeting our heritage obligations.

There are a number of external policies and agreements which need to be taken into account when making decision about the building due to the heritage status of the building and its location in a world heritage site. These include:

- UNESCO World Heritage Convention
- International Council on Monuments and Sites (ICOMOS) NZ Charter 2010
- Ministry for Culture and Heritage Policy for Government Management of Cultural Heritage Places (2022)

These policies and conventions drive what preservation is expected of government departments in relation to heritage buildings. They also require a conservation plan to be developed which includes the long-term maintenance of the building as well as a requirement to preserve the building in good condition.

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## Follow up Questions from Minister -- 23-B-0479 - Abandoned Buildings

The options in the briefing only relate to short term solutions for the Chateau and ancillary buildings. The financial implications (outlined in briefing 23-B-0479) are in the following table:

Item	FY23/24		FY24/25		Total (\$'000s)
	Opex (\$'000s)	Capex (\$'000s)	Opex (\$'000s)	Capex (\$'000s)	
s9(2)(j)	s9(2)(j)		s9(2)(j)		s9(2)(j)
Chateau Weathertightness		s9(2)(j)		s9(2)(j)	s9(2)(j)
Ancillary Buildings Repairs		s9(2)(j)		s9(2)(j)	s9(2)(j)
Protection of Heritage Assets	100				100
Chateau ongoing and actual costs incurred	2,020		2,140		4,160
Out of Scope	out of S		out of S		out of S
<b>Total</b>	s9(2)(j)	s9(2)(j)	s9(2)(j)	s9(2)(j)	s9(2)(j)

Longer term options have not been considered in detail and we would look to the Minister to provide direction on the options we should investigate. These include:

- Formal engagement with iwi on their views and preferences for the future of the Chateau and how this may fit with the Treaty Settlement negotiation process.
- Undertaking an EOI to the international market for commercial interest in the building. This will seek expressions of interest from commercial operators and developers and will ask them to indicate what their interest would be and concession term they would be looking to sign up to. We will need to engage with iwi and hapū about the assessment criteria for the EOI before progressing this option.
- Undertaking detailed investigations, including intrusive building testing by construction experts, to obtain a detailed view of the programme and costs to bring the building up to a usable condition including earthquake strengthening. This would also include completing a heritage conservation plan for the building. The cost to undertake this work is estimated at \$1.2 to \$1.5m.
- What the demolition process for the building would look like and the regulatory and legal process that would need to be undertaken to get consent to demolish the building.

### Key messages

- The Grand Chateau Tongariro Hotel is a Category 1 heritage listed building owned and run as a hotel business by Bayview Hotels International, a wholly owned subsidiary of Kah NZ Ltd.
- KAH's 30-year lease of the Chateau property expired in 2020; this was extended on a month-by-month arrangement while renewal negotiations continued.

- On January 31 2023, we were informed by the hotel operators Kah NZ Ltd the hotel would close on February 5 2023. DOC assumed management of the property on 9 March 2023.
- KAH cited a general downturn in the tourism sector; uncertainty about the future of the Ruapehu ski-fields in light of the voluntary administration of Ruapehu Alpine Lifts, announced October 2022, and a Detailed Seismic Assessment (DSA) which had found the building below earthquake code compliance.
- Along with the Chateau Hotel, the property includes 26 other buildings within Whakapapa Village, many of which are generally in poor condition.
- Discussions around the end of lease obligations are ongoing with KAH.
- No decisions about the building have been made and any future considerations will need to be worked through with our treaty partners.
- Any future operator of the Chateau will require a concession under the Conservation Act 1987.

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