

### Proactive release – Pukeroa Oruawhata Trust: Options for Crown Assistance


The documents in the table below are due to be proactively released in accordance with Cabinet Office Circular CO (18) 4. Some information has been withheld on the basis that it would not, if requested under the Official Information Act 1982 (OIA), be released. Where that is the case, the relevant section of the OIA has been noted and no public interest has been identified that would outweigh the reasons for withholding it.

No.	Document	Comments
1	<b>Pukeroa Oruawhata Trust: Options for Crown Assistance</b> <i>Cabinet Paper</i> The Office for Māori Crown Relations – Te Arawhiti 21 November 2022	Some information has been withheld in accordance with: <ul style="list-style-type: none"><li>- section 9(2)(h) of the OIA to maintain legal professional privilege.</li><li>- section 9(2)(g)(i) of the OIA to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organization or officers and employees of any public service agency or organization in the course of their duty;</li><li>- section 9(2)(f)(iv) of the OIA to protect the confidentiality of advice tendered by Ministers of the Crown and officials; and</li><li>- section 9(2)(j) of the OIA to enable a Minister of the Crown or any public service agency or organization holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</li></ul>
2	<b>Report of the Cabinet Māori Crown Relations – Te Arawhiti Committee:</b> <i>Period Ended 18 November 2022</i> <i>Cabinet minute CAB-22-MIN-0522</i> Cabinet Office	This paper is to be released in its entirety.

#### Recommendation

It is recommended that you:

1. Agree to proactively release the Cabinet paper *Pukeroa Oruawhata Trust: Options for Crown Assistance* and associated Cabinet minute with the specified redactions. **Yes / No**



## In Confidence

Office of the Minister for Māori Crown Relations: Te Arawhiti

**Cabinet Māori Crown Relations: Te Arawhiti Committee**

## **PUKEROA ORUAWHATA TRUST: OPTIONS FOR CROWN ASSISTANCE**

### Proposal

- 1 This paper seeks agreement to a contribution to the costs of the remediation work<sup>1</sup> on the Pukeroa Lakefront land in Rotorua, to the value of \$1.200 million. The payment would require provision from the Between-Budget Contingency established by Budget 2022.
- 2 This paper presents two options for how a contribution could be made:
  - 2.1 *Option One*: ex-gratia payment; or
  - 2.2 *Option Two*: a Kānoa – Regional Economic Development & Investment Unit (Kānoa – RDU) managed grant.

### Relation to government priorities

- 3 This proposal relates to the Government's manifesto commitment of continuing the partnership path with Māori and realising the promise of Te Tiriti o Waitangi / the Treaty of Waitangi (Te Tiriti / the Treaty).

### Executive Summary

- 4 On 25 October 2022, this paper was considered at the Māori Crown Relations Committee (MCR) seeking a payment be made as an ex-gratia payment [*MCR-22-MIN-0016 refers*]. Officials were directed to consider alternative funding sources. This revised paper now has two options for funding sources for Cabinet consideration.
- 5 The Pukeroa Oruawhata Trust (**Pukeroa**), on behalf of Ngāti Whakaue, has already carried the financial burden (\$4.850 million) of remediating contamination and managing hazardous building materials on lands in Rotorua originally gifted by Ngāti Whakaue to the Crown, and subsequently returned.
- 6 Pukeroa seek the Crown covers their remaining remediation costs of \$2.39 million. There is both urgency and financial pressure to the request from Pukeroa as the former Queen Elizabeth Hospital / QE Health building, containing asbestos, must be removed by December 2022 to meet tight development timeframes for opening the Wai Ariki Spa on 1 March 2023.
- 7 Both the Crown and Pukeroa have invested in the development of the Lakefront land for the economic benefit of the region. We both wish to realise

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<sup>1</sup> In this instance 'remediation' refers to the appropriate disposal of contaminated soil and asbestos containing material from Pukeroa Lakefront Land.

these benefits despite the high unexpected costs due to contamination of gifted lands while they were held by the Crown.

8 I consider a partial contribution by the Crown to be appropriate, and therefore, seek Cabinet agreement for a 50% contribution towards the remaining costs of remediating the Pukeroa Lakefront land, through a payment of \$1.200 million. I have declined to pay any sunk costs (previous remediation costs paid by Pukeroa on returned Crown land).

9 Subject to Cabinet's agreement to make a payment of \$1.200 million, I seek Cabinet's agreement to one of the following funding options:

9.1 *Option One*: ex-gratia payment; or

9.2 *Option Two*: a Kānoa – RDU managed grant.

**s 9(2)(h) legal  
professional  
privilege**

11 [REDACTED]  
[REDACTED] Either of these funds would reflect an appropriate funding option for this payment. This recognises the original gift of Ngāti Whakaue land to the Crown where a relationship of reciprocity was established.

### Background

10 In the nineteenth century, Ngāti Whakaue gifted land to the Crown to establish the Rotorua township in partnership. The Crown used the gifted lands for railways, hospitals, tourism and communications.

11 In the 1993 Wai 94 Agreement, the Crown agreed to investigate the return of the gifted lands. This work led to the development of the Ngāti Whakaue Gifted Lands Policy (NWGLP) in 1994, which required the Crown to offer gifted reserves to Ngāti Whakaue at nil value (plus the price of improvements) should they become surplus.

12 Several Rotorua sites have been returned to Pukeroa under the NWGLP. These include the Pukeroa Lakefront land at Whakaue St (2002), Hinemaru St (2010), and part of the Arikikapakapa Reserve (2021).

**s 9(2)(g)(i) free  
and frank  
expression of  
opinions**

13 In October 2020, Pukeroa asked the Crown to meet costs for remediating contamination and removal of hazardous materials across past and current sites. [REDACTED]  
[REDACTED]

14 My officials understand the soil contamination encountered is due to the Crown's past use of hazardous construction materials, such as asbestos cement sheeting and/or lead based paint released overtime into the soil around the building footprint.

**The request: Crown contribution to costs remediating soil contamination and hazardous building materials**

- 15 On 7 July 2022, Pukeroa wrote to me to reiterate their request that the Crown cover their remaining \$2.39 million costs to fully remediate the Lakefront land. The costs Pukeroa has asked the Crown for assistance are:
- 15.1 the demolition and disposal of the former Queen Elizabeth Hospital / QE Health on Whakaue St which contains significant amounts of asbestos; and
  - 15.2 the disposal of contaminated soil material from both Lakefront Land redevelopments to an appropriated class landfill which contains heavy metals, asbestos fibres and general refuse.
- 16 Pukeroa estimate they have already spent \$4.850 million on remediation for soil contamination and hazardous materials across all returned land, including \$1.600 million on Lakefront land.
- 17 Pukeroa considers it inequitable they bear the significant costs of the disposal of the hazardous building materials and contaminated soil. The costs are the result of regulations made after the lands were transferred and significantly more hazardous materials being identified in the building. Pukeroa say they gifted the Crown land in a pristine state. The Crown returned it contaminated. Therefore, they say:
- “having been generous in making these lands available to the Crown, we do not believe it to be fair or in fact reasonable, for us to be expected to carry the financial cost of remediating the contamination of these sites.”*
- 18 The former QE Health building is on land which will form the gateway to the new Wai Ariki Spa. It must be removed by December 2022 to meet tight timeframes for when the Wai Ariki Spa opens on 1 March 2023. Pukeroa are under significant pressure from Rotorua Lakes Council, and financial pressure, to complete the development.

**Analysis: There are grounds to consider a payment as appropriate**

- 19 The reciprocal nature of the NWGLP creates a unique situation for the Crown to consider – where lands were gifted by iwi and subsequently returned with Crown-caused contamination. [REDACTED]

*Crown practice on return of land, and disclosure*

**s 9(2)(h) legal professional privilege**

- 20 The Crown’s practice, in the context of the NWGLP and elsewhere, has been to return the current properties on an ‘as is, where is’ basis. The Crown disclosed what it knew about the properties when they transferred to Pukeroa. It was disclosed that Hinemaru St contained some asbestos, and the Crown gave no warranty there would not be more. The asbestos and soil contamination issues at Whakaue St were not known. The Crown does not require itself to complete any due diligence prior to transfer and is only required to produce what records it can find.

21 Crown disclosure practice has strengthened in recent years, as have efforts to better address remediation prior to transfer. Toitū Te Whenua Land Information New Zealand (LINZ) currently have an annual appropriation for a range of land-related Crown contingent liabilities. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] Current LINZ priorities, however, are focused on identifying and quantifying potentially contaminated sites they are responsible for managing and prioritising pre-settlement sites within the Treaty settlements landbank.

s 9(2)(f)(iv)  
confidentiality  
of advice  
tendered

22 This work will not be completed within a timeframe where Pukeroa may be able to potentially benefit from this work; hence the request for funds from alternative sources now.

*Economic development benefits for Rotorua and the Crown*

23 The former QE Health building is on land which will form the gateway to the new Wai Ariki Spa. The developments are:

23.1 Wai Ariki Hot Springs and Spa development, Whakauae St: a \$65 million development for a 5-star wellness orientated spa/bathing services situated in the heart of the existing Rotorua central business district; and

23.2 QE Health, Hinemaru St: the construction of a new purpose-built facility that will house the QE Health business, also due to open in early 2023. This ensures the retention of 75 jobs and enables the business to grow, thereby providing more services to the community.

24 Both the Crown and Pukeroa have made substantial investments in the development of Lakefront lands for the economic benefit of the region. Pukeroa has received \$44.5 million in government loans for the developments, through the Provincial Growth Fund (PGF) and COVID-19: Infrastructure Reference Group (IRG).

25 In addition, QE Health Limited has received \$3 million in government grants and a \$6.5 million loan, through the PGF, towards their new Wellness facility (attached at **Appendix One**). We note the loans will need to be repaid. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

s9(2)(g)(i)  
free and  
frank  
expression  
of  
opinions

*Existing Crown contaminated site remediation funding is out of scope and inadequate*

26 The Lakefront Land developments do not meet the criteria for existing Crown funding for remediation of contaminated sites.

27 The Ministry for the Environment (MfE) administers the Contaminated Sites Remediation Fund (CSRF), which has an annual appropriation of \$2.63 million. However, the CSRF assists regional councils and unitary authorities to

fulfil their obligations for contaminated land management under the Resource Management Act 1991. The CSRF has been established to assist local government where the landowners/party who contaminated the land no longer exist or are unwilling or unable to remediate the site. Most land that is contaminated can be remediated at the time the land is being developed, by the developer.

28 The CSRF is not an appropriate option for Pukeroa because regional council or unitary authority must submit applications on behalf of the landowners and applications are prioritised and assessed based on the risks they pose to human health and the environment. Funding is only allocated in April and October each year and require a financial contribution from the landowner. The CSRF only provides up to 50 per cent of the costs.

29 LINZ administers a small annual appropriation of less than \$400,000 to manage the risk from contamination caused by the Crown on current LINZ managed land. However, this funding is largely already allocated, and cannot be made available in the timeframes required.

30 Additionally, LINZ has an established appropriation for 'Contaminated Sites and Forestry Operations' to address contamination on private land. This appropriation currently does not have funds to cover such a request as is fully allocated to existing Crown liabilities. Additionally, the appropriation deals with land contamination only, not hazardous materials from buildings (eg asbestos) and so is out of scope for this request. **s 9(2)(f)(iv) confidentiality of advice tendered**

31 [Redacted]

**Legal advice (legally privileged)** [Redacted]

**s 9(2)(h) legal professional privilege**

32 [Redacted]

32.1 [Redacted]

33 [Redacted]

[Redacted]

**Proposal: a partial payment of \$1.2 million and two options for sources of this payment**

*A proposed partial payment of \$1.2 million*

34 [Redacted]

s 9(2)(j)  
without  
prejudice or  
disadvantage  
to  
negotiations

35 The Lakefront Land was gifted by Ngāti Whakaue to the Crown through the 1880 Fenton Agreement, a political compact through which the iwi sought to establish its Te [Redacted] mediation costs, to assist the iwi to successfully build its future on these lands.

36 [Redacted]

s 9(2)(j)  
without  
prejudice or  
disadvantage  
to  
negotiations

37 From an economic development perspective, the Wai Ariki Hot Springs and Spa will boost the local economy by growing the value of tourism in the area and create new jobs for Rotorua residents. **Appendix two**, a letter from Andrew Wilson, Chief Executive, RotoruaNZ supports this position. Employment at the facility will also offer training in Māori-focussed wellness, and the development will tell the stories of Ngāti Whakaue.

38 [Redacted]

s 9(2)(j)  
without  
prejudice or  
disadvantage  
to  
negotiations

39 [Redacted]

*Two options of sources of funding for a partial contribution*

40 If Cabinet agrees to a payment of \$1.2 million, as detailed above, I further seek Cabinet’s direction for a preferred option for that payment. There are two options:

**Option One - An *ex gratia* payment** can be made to a group or individual out of goodwill or a sense of moral obligation on the basis that it is “necessary or

s 9(2)(h) legal professional privilege

expedient in the public interest to do so” (see section 65L of the Public Finance Act 1989).

An *ex gratia* payment is only available if a legitimate legal claim for a monetary award (claims for damages) could not be established.

**Option Two - A Kānoa – RDU managed grant:** This can be jointly approved by the Minister of Finance and Minister for Regional and Economic Development. Pukeroa have already received government funding to support the delivery of the project (refer to Paragraphs 24 and 25), but it does not include costs for remediation. A grant managed by Kānoa – RDU could be included to complement the existing funding arrangements.

41 I consider each of these options would be appropriate source of funding – whether it be from a Te Tiriti / Treaty lens or an economic development lens. Each applies in the context of Pukeroa and the Wai Ariki development.

*Other options considered, but not recommended*

42 I considered two other options to respond to the Pukeroa Oruawhata Trust’s request that the Crown cover the remediation costs. These were:

42.1 no further Crown assistance; and

42.2 cover the full costs of the remediation work, up to the value of \$2.4 million.

s 9(2)(h) legal professional privilege

43 [Redacted] The funding would allow Pukeroa to realise their development aspirations for the people and community in Rotorua.

44 [Redacted]

s 9(2)(f)(iv) confidentiality of advice tendered

**Precedent risk**

45 I am not aware of previous Crown contributions to remediation costs for Ngāti Whakaue Gifted Lands or Te Tiriti / the Treaty settlement lands post-settlement.

46 I consider any precedent risk can be adequately managed, because what I propose for Pukeroa reflects the unique circumstances of the NWGLP, is only a contribution, and would not cover full costs.

47 [Redacted]

s 9(2)(f)(iv) confidentiality of advice tendered





48 I have also directed officials to develop an approach to requests by post-settlement governance entities (**PSGEs**) to address contamination on Crown land transferred as settlement redress. Since 2020, we have had approximately 5 such requests from PSGEs; with additional signals that there will be more. Each will be addressed on its specific circumstances and merits.

**Financial Implications**

**EITHER**

If choosing Option One: ex-gratia payment

49 I seek to charge a payment to the Between-Budget Contingency established by Budget 2022. A new appropriation will be established to cover this payment. The details of this payment are outlined in the tables below.

Vote	Appropriation Minister	Appropriation Administrator	Title	Type	Scope
Vote Te Arawhiti	Minister for Māori Crown Relations: Te Arawhiti	Ministry of Justice	Remediation of Pukeroa Lakefront Land	Non-departmental other expense	This appropriation is limited to the disposal of hazardous materials on Pukeroa Lakefront land

	\$m – increase/(decrease)				
Vote Te Arawhiti	2022/23	2023/24	2024/25	2025/26	2026/27 & outyears
<b>Minister for Māori Crown Relations</b>					
Non-Departmental Output Expense: Remediation of Pukeroa Lakefront Land	1.200				

50 The non-departmental expense appropriation is one from which resources is provided to a person or entity other than a department, a functional chief executive, an Office of Parliament or a Crown entity.

51 I will seek an exemption from end-of-year performance information requirements for the appropriation set out above under S.15D(b)(iii) of the Public Finance Act 1989 through the March Baseline Update. This is because

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the amount (or annual average equivalent) of the non-departmental expense appropriation is less than \$5 million.

- 52 I do not consider it possible to reprioritise lower value activities within existing baselines. Te Arawhiti are managing cost pressures due to reduced funding in the 2022/23 financial year.

**OR:**

**If choosing option two: a Kānoa – RDU managed grant**

- 53 I seek to charge a payment of \$1.200 million to the Between-Budget Contingency established by Budget 2022. This funding will be delivered as a grant through the Provincial Growth Fund Multi-Category Appropriation (MCA).
- 54 I am advised it is not possible to reprioritise existing PGF underspends to support this as Kānoa – RDU are managing a number of existing projects with cost pressure implications to deliver contracted outcomes.

	<b>\$m - increase/(decrease)</b>				
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Vote Business, Science and Innovation Minister for Economic and Regional Development</b>					
Multi-Category Expenses and Capital Expenditure:					
Provincial Growth Fund MCA					
Non-Departmental Other Expense:					
Grants to support regional and sector initiatives	1.200	-	-	-	-
<b>Total Operating</b>	<b>1.200</b>	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-

- 55 The proposed change to appropriations for 2022/23 would be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 56 I seek agreement that the expenses incurred be charged against the Between-Budget Contingency established as part of Budget 2022;
- 57 I seek agreement to delegate the Minister of Finance and the Minister of Economic and Regional Development decision making authority on the final funding approval.

**Legislative Implications**

- 58 The proposal has no legislative implications.

## Impact Analysis

### Regulatory Impact Statement

59 There are no regulatory proposals in this paper, and therefore Cabinet's impact analysis requirements do not apply.

### Human Rights

60 The proposal outlined in this paper is consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### Consultation

61 In preparing this paper, Te Arawhiti has consulted with the Crown Law Office, Land Information New Zealand, The Treasury, Ministry for the Environment and the Ministry of Business, Innovation and Employment.

### Proactive Release

62 I intend to proactively release this paper in whole, making any necessary redactions, within 30 business days of final decisions being taken by Cabinet.

### Recommendations

I recommend that the Committee:

#### *Pukeroa Lakefront land*

- 1 **note** that Pukeroa Oruawhata Trust, on behalf of Ngāti Whakaue, has carried the financial burden of remediating contamination and hazardous materials on lands in Rotorua originally gifted by Ngāti Whakaue to the Crown, and subsequently returned.
- 2 **note** that The Lakefront Land developments are an urgent priority for Pukeroa and include:
  - 2.1 Wai Ariki Hot Springs and Spa development: a \$65 million development for a 5-star wellness orientated spa/bathing service; and
  - 2.2 QE Health, Hinemaru St: the construction of a new purpose-built facility that will house the QE Health business.
- 3 **note** that Pukeroa has asked the Crown to meet remaining costs of \$2.390 million for remediating the gifted lands known as the Lakefront Lands, as follows:
  - 3.1 the demolition and disposal of the former Queen Elizabeth Hospital / QE Health building which contains significant amounts of asbestos containing materials in the building fabric; and
  - 3.2 the disposal of contaminated soil material scraped from the surface of both Lakefront Land redevelopments.

4 **note** that by honouring Te Tiriti / the Treaty principles of partnership and active protection, the Crown is working with Ngāti Whakaue in good faith to contribute to remediation costs, to assist the iwi to successfully build its future on these lands.

*Proposed funding mechanism*

5 **note** that the Lakefront Land developments do not meet the criteria for existing sources of Crown funding for remediation administered by the Ministry for the Environment and Toitū Te Whenua Land Information New Zealand;

6 **note** that to support Te Tiriti / the Treaty relationship and economic development of Rotorua I propose that a payment is made to Pukeroa to assist with the costs of removing and disposing of the contaminants on the Lakefront Land;

**s 9(2)(h) legal professional privilege**

7 [REDACTED];

8 **agree** to a contribution representing 50% of the remaining costs for the remediation of contamination and hazardous materials on the Pukeroa Lakefront land in Rotorua, to the value of \$1.200 million;

9 [REDACTED]

10 **note** there are two options for contributing to remediation costs:

**s 9(2)(f)(iv)  
confidentiality of  
advice tendered**

10.1 Option One - an *ex gratia* payment; or

10.2 Option Two - a Kānoa – RDU managed grant.

*Financial recommendations*

**EITHER:**

11 **agree** to Option One - an extra gratia payment. Financial recommendations for Option one are to establish the following new appropriation:

Vote	Appropriation Minister	Appropriation Administrator	Title	Type	Scope
Vote Te Arawhiti	Minister for Māori Crown Relations: Te Arawhiti	Ministry of Justice	Remediation of Pukeroa Lakefront Land	Non-departmental other expense	This appropriation is limited to the disposal of hazardous materials on Pukeroa Lakefront land

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- 12 **approve** the following changes to appropriations to give effect to the policy decision in recommendation 8 above, with a corresponding impact on the operating balance and net debt;

	<b>\$m – increase/(decrease)</b>				
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27 &amp; outyears</b>
<b>Vote Te Arawhiti Minister for Māori Crown Relations</b>					
Non-Departmental Output Expense: Hazardous material management of Pukeroa Lakefront Land	1.200				

- 13 **agree** that the proposed change to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 14 **agree** that the expenses incurred under recommendation 10 above be charged against the Between-Budget Contingency established as part of Budget 2022; and
- 15 **note** that an exemption from end-of-year performance information requirements for the appropriation will be sought under S.15D(b)(iii) of the Public Finance Act 1989 through the March Baseline Update.

**OR:**

- 16 **agree** to Option Two - a Kānoa RDU managed grant;
- 17 **approve** the following changes to appropriations to give effect to the policy decision in recommendation 8 above, with a corresponding impact on the operating balance and net debt:

	<b>\$m - increase/(decrease)</b>				
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Vote Business, Science and Innovation Minister for Economic and Regional Development</b>					
Multi-Category Expenses and Capital Expenditure: Provincial Growth Fund MCA Non-Departmental Other Expense: Grants to support regional and sector initiatives	1.200	-	-	-	-

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<b>Total Operating</b>	<b>1.200</b>	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-

- 18 **agree** that the proposed change to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 19 **agree** that the expenses incurred under recommendation 8 above be charged against the Between-Budget Contingency established as part of Budget 2022;
- 20 **agree** to delegate the Minister of Finance and the Minister of Economic and Regional Development decision making authority on the final funding approval.

*Proactive release*

- 21 **note** that I propose to proactively release this Cabinet paper within the prescribed 30 days of decisions being confirmed by Cabinet.

Authorised for lodgement

Hon Kelvin Davis

Minister for Māori Crown Relations: Te Arawhiti

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**Appendix one: Breakdown of government funding to Pukeroa Lakefront Land developments**

<b>Government funding from Kānoa (Regional Economic Development Unit), Ministry of Business, Innovation and Employment</b>				
<b>Title</b>	<b>Recipient</b>	<b>Funding type</b>	<b>Amount (\$m)</b>	<b>Fund</b>
Wai Ariki Hot Springs and Spa, Rotorua	Pukeroa Lakefront Holdings Limited	Loan	38.00	COVID-19: Infrastructure Investment, Infrastructure Reference Group
QE Health Enabling Works	Pukeroa Lakefront Holdings Limited	Loan	6.50	Provincial Growth Fund
<b>Subtotal (loans to Pukeroa)</b>			<b>44.500</b>	
QE Health Rebuild - Ground Improvement Works	QE Health Limited	Grant	1.50	Provincial Growth Fund
QE Health Rebuild - The Complex (Grant)	QE Health Limited	Grant	1.50	Provincial Growth Fund
QE Health Rebuild - The Complex (Loan)	QE Health Limited	Loan	6.50	Provincial Growth Fund
<b>Subtotal</b>			<b>9.50</b>	
			<b>Total</b>	<b>54.00</b>

Appendix two: Letter from Andrew Wilson, Chief Executive, RotoruaNZ

1 November 2022



Attention:

Hon Stuart Nash – Minister of Economic and Regional Development;  
Hon Kelvin Davis – Minister of Māori Crown Relations: Te Arawhiti;  
Hon Nanaia Mahuta – Minister of Foreign Affairs and Trade;  
Hon Peeni Henare – Minister of Defence & Whānau Ora;  
Hon Willie Jackson – Minister of Māori Development;  
Hon Kiritapu Allan – Minister of Finance.

Téna koe,

**RE: Letter of support for Pukeroa Oruawhata Trusts' funding application.**

I am writing to express support for the funding application made by the Pukeroa Oruawhata Trust (Pukeroa) to assist with the demolition and clean-up of the old QE Health Wellness and Spa complex situated on Whakaue St in Rotorua.

Accelerating the preparation of this site will allow Pukeroa to commence the investigation and development of a new 4.5-5 star hotel that is needed to unlock significant additional value for the Rotorua economy.

Over a long period of time, Rotorua has had an accommodation sector that has underperformed relative to other key New Zealand destinations. The large number of lower quality motels in Rotorua has dragged yields down negatively impacting the investment case for new properties.

With a number of these properties now unavailable and growing demand from business events and international leisure travellers for 4.5-5 star properties, Rotorua now has a significant shortage of high-end hotels and is increasingly losing business to other destinations.

The Pukeroa lakefront site is the premiere hotel development site in Rotorua. Unlocking this site quickly for development, supports Rotorua's broader economic objectives around brand, employment and lifting incomes as well as providing greater certainty to the development community on additional projects under development.

The role of RotoruaNZ is to improve the Rotorua economy and its ability to create employment, wealth and wellbeing for all of our people. We do this by developing and promoting Rotorua as a destination of choice to work, study, visit, invest and live in.

Pukeroa has a strong track-record in investment and development and this new project will further enhance the city as a destination. We strongly support the funding application and the trust's plans to develop and build a high-end hotel at this site.

P +64 7 351 7006

1167 Fenton Street

Private Bag 3007, Rotorua Mail Centre, Rotorua 3046

[rotoruanz.com](http://rotoruanz.com)



Naku noa,



Andrew Wilson  
Chief Executive  
RotoruaNZ



**ROTORUA<sup>NZ</sup>**



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# Cabinet

## Minute of Decision

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*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.*

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### **Report of the Cabinet Māori Crown Relations - Te Arawhiti Committee: Period Ended 18 November 2022**

On 21 November 2022, Cabinet made the following decisions on the work of the Cabinet Māori Crown Relations - Te Arawhiti Committee for the period ended 18 November 2022:

MCR-22-MIN-0022	<b>Pukeroa Oruawhata Trust Option for Crown Assistance</b> Portfolio: Māori Crown Relations Te Arawhiti	CONFIRMED
MCR-22-MIN-0020	<b>Ngāti Kahungunu ki Waiararapa Tāmaki nui-a-Rua: Final Settlement Matters</b> Portfolio: Treaty of Waitangi Negotiations	CONFIRMED
MCR-22-MIN-0021	<b>Te Rau o te Tika: the Justice System Kaupapa Inquiry (WAI 3060)</b> Portfolio: Justice	CONFIRMED
MCR-22-MIN-0019	<b>Oral Item: Te Pae Tawhiti Update</b> Portfolio: Associate Māori Development (Hon Nanaia Mahuta)	CONFIRMED

Rachel Hayward  
Secretary of the Cabinet