



6 November 2019

The Commerce Commission

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Wellington 6140

By e mail: Anthony.Stewart@comcom.govt.nz

APPLICATION BY CARDRONA ALPINE RESORT LIMITED TO AQUIRE TREBLE CONE SKIFIELD BUSINESS

Thank you for your email of 25 October 2019 asking for the opinion of Ignite Wanaka Chamber of Commerce on the proposed acquisition of the Treble Cone ski field business by Cardrona Alpine Resort Limited ("CARL").

The Chamber executive committee discussed this matter at our Board meeting on November 6 2019 and the Board was unanimous in supporting this proposal. Our Chair, Bridget Legvansky, excused herself from the meeting as she had a conflict due to her involvement with CARL.

The ski business is very important to the well-being and viability of many businesses in the Wanaka area who supply to the ski fields directly, or indirectly to their customers or to other businesses who are direct suppliers to the ski fields. It is therefore important that both local ski fields are profitable and well managed.

The Treble Cone ski field has not been profitable or viable for a number of years, and it would be a major blow to Wanaka businesses if it were to close because this proposal did not proceed. The local community has seen big improvements in the way the Cardrona ski field has been run since it was acquired by CARL, with a lot of investment being made, and we would like to see that company also take over Treble Cone, as we expect that the same improvements will be made there.

We do not see any lessening of competition if this proposal is approved, as the two ski fields are quite different. Cardrona is a field for beginners and families, whereas Treble Cone is a field for advanced skiers. The two fields are complementary, and having them under one management structure would actually draw more visitors to the area, as a two-mountain pass system would be attractive to customers. There is also competition in the form of the ski fields in Queenstown, which are 50 minutes away.

Nor do we see any negatives. We would not expect to see any significant redundancies as a result, as we know that many management and other staff have already left during the last 12 months. The sale to CARL would provide certainty to the remaining staff and possibly encourage the staff that have already left to re-apply for jobs.

In summary, the Chamber sees the proposal as positive for the businesses that provide goods and services either directly or indirectly to the two ski fields.

Yours faithfully,

Mike Toepfer

Vice Chair, Ignite Wanaka Chamber of Commerce