



Meeting Memo

In Confidence

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To: Minister of Conservation
Minister of Tourism
Associate Minister of Transport

Date: 6 October 2022

From: Tim Bamford, Acting Director,
Heritage and Visitors, DOC


Subject: Meeting between Ministers Williams, Nash and McAnulty and Joseph Mooney MP to discuss Milford Opportunities Project

Contact (organiser)	
Name and position	Phone
Joseph Mooney, National Party Member for Parliament, Southland	s9(2)(a) (Parliamentary Office)
Contact (agencies)	
Name and position	Phone
Marie Long, Deputy Director General, National Programmes and Regulatory Services (DOC)	s9(2)(a)
Tim Bamford, Acting Director Heritage and Visitors (DOC)	s9(2)(a)
Dale Elvy, Manager Tourism Operations and Partnerships (MBIE)	s9(2)(a)
Jessica Ranger, Manager Placemaking and Urban Development (Ministry of Transport)	s9(2)(a)

Purpose

1. This memo is to support a meeting between Ministers Williams, Nash and McAnulty and Southland National MP Joseph Mooney regarding the Milford Opportunities Project (MOP) on Wednesday 19 October 2022.
2. This information includes context about recommendations in the Milford Opportunities Master Plan, information about attendees, and talking points for the meeting.

Your meeting with Mr Mooney

3. This meeting will be an opportunity for you to discuss the Milford Opportunities Masterplan recommendations (see item 13 in this memo), provide information on the proposed feasibility testing, and discuss any perspectives Mr Mooney has in relation to potential transformational change. This will also be an opportunity for you to hear the views of the local Southland MP and establish a relationship should continued engagement be required through next steps.
4. Marie Long, Deputy Director General, National Programmes and Regulatory Services, from the Department of Conservation will attend to support you at this meeting.
5. Chris Goddard, MOP Programme Director, met with Mr Mooney on 17 August 2022 to socialise the MOP Masterplan recommendations and the discussion points provided for you below are elicited from this engagement.
6. s9(2)(g)(i)

7. While a high-level discussion may be useful, we believe the work is not yet sufficiently developed to allow for informed decision-making. This should occur once the feasibility work is complete and with detailed options have been presented along with associated costs and benefits. Accordingly, we recommend deferring any detailed discussions until that time, but discussing any high-level thoughts now.
8. A recent update is that the MOP Board Terms of Reference (TOR) is now with the Ministers.

Agenda items

Item 1 - Background and context

9. The Milford Opportunities Project is a collaborative approach by Ngāi Tahu, central and local government and local businesses to address and resolve the fundamental challenges facing tourism in Milford Sound Piopiotahi and the surrounding area due to rising visitor numbers. As international travel resumes, visitor numbers are expected to continue climbing from pre-COVID levels, there is a risk of visitor numbers impacting significant cultural and natural values at place, and people's enjoyment of Milford Sound Piopiotahi.
10. The MOP was first mentioned as an action in the Southland Regional Development Strategy in 2015 and commenced in 2017. The Masterplan is the result of intensive work over several years. Successive governments have supported the MOP to date due to its value to Southland, Otago and New Zealand.
11. As part of an integrated solution, the Masterplan released in July 2021, details a range of recommendations that, if enacted, would bring transformative change to Milford Sound Piopiotahi and surrounding areas. Though specific to Milford Sound Piopiotahi, the MOP is of national interest due to the potential precedent-setting nature of the project for visitor management in protected areas across New Zealand.

12. MOP provides a test case for creating a self-funded, sustainable tourism model for site management, where improvements, maintenance, conservation and added value experiences are 9(2)(f)(iv)
13. Cabinet has agreed to the formation of a dedicated Unit and Board so that detailed planning and feasibility testing of the Masterplan can be undertaken to address the large visitor numbers travelling to Milford Sound Piopiotahi, and address the associated risks. [CAB 21-Min-0237 confirming DEV-21-MIN-0135 refers]. There is an additional opportunity in this area to transform the existing tourism offering through improving and future-proofing, visitor experiences on public land, transport infrastructure, and conservation management in the Milford Sound Piopiotahi and surrounding areas. The transformational change necessary for the project's success will require collaboration across central and local government, iwi and other key stakeholders.
14. The key recommendations from the Masterplan are:
 - a) Restricting private vehicle access to Milford Sound Piopiotahi through a permit and public transport system
 - b) Charging international visitors for access to Milford Sound Piopiotahi based on the value of the place, creating a self-funded sustainable system over time
 - c) Prohibiting cruise ships from entering Milford Sound Piopiotahi
 - d) Closing the aerodrome (fixed-wing runway) at Milford Sound Piopiotahi and replacing it with an expanded heliport to allow for significant reorganisation of the infrastructure and visitor flow at Milford Sound Piopiotahi
 - e) Redesigning the facilities and attractions on the Milford Road to encourage longer and slower visitor experiences. The primary transport mode in and out of the area would be by regular hop-on/hop-off bus services
 - f) Te Anau would become the primary transport hub for the journey to Milford Sound Piopiotahi, reducing day trips from Queenstown
 - g) Introducing a new governance and management structure for Milford Sound Piopiotahi village and surface waters of the Sound to the Tasman Sea and the Milford Road corridor to improve efficiency and function, potentially with special legislation to enable change
 - h) Using the revenue collected from visitors to increase the funding for conservation, mana whenua and community aspirations, transport, infrastructure, and the visitor experience
 - i) Building a world class cable car to reach a higher elevation, combined with walks up Bowen Valley and a lookout over Bowen Falls.
15. Feasibility testing will determine, what if any changes to legislation or management models would need to be considered. Recommendations within the MOP masterplan contain precedent-setting implications to how Government might approach public access to national parks, road access to an existing state highway, charging for services, concessions management, and governance and management models. Detailed testing and options analysis will be required to identify potential pathways for:
 - a) implementing a permitting system to enable regulation of transport into and out of Milford Sound Piopiotahi
 - b) a differential pricing system to enable charging non-New Zealanders to enter Milford Sound Piopiotahi
 - c) reform of governance and management at Milford Sound Piopiotahi, including the possible creation of a new governance/management entity
 - d) possible alterations to the concessions system

- e) removal and redevelopment of existing infrastructure with existing long-term concession holders who have significant investment in infrastructure
 - f) new infrastructure builds and features in Milford Sound Piopiotahi and surrounding areas
 - g) management of boats and cruise ships in Milford Sound Piopiotahi.
16. The MOP has recently started Stage Three, the feasibility testing stage, of its work programme. This stage of work is due for completion in the fourth quarter of 2024 and will include further detailed analysis, consultation, and public engagement on the Masterplan recommendations to support decision-making. The MOP Board will provide independent advice to Ministers, in addition to that provided by officials. Ministers will make decisions taking into consideration advice from the Board and officials before seeking final decisions from Cabinet.
 17. The recommendations in the Masterplan cover a broad range of areas from how Milford Sound Piopiotahi is governed and managed through to the infrastructure required to manage the flow and presence of visitors. There are many and varied groups and operators whose interests range from commercial to recreational. Public engagement and consultation will be crucial throughout this stage of the MOP.

Talking points:

18. MOP provides an opportunity to manage the visitor numbers to Milford Sound and address the associated risks. While this is Government's first priority, we also recognise there is an opportunity for improving and future-proofing visitor experiences, transport infrastructure, and conservation management in Milford Sound Piopiotahi and surrounding areas.
19. The MOP was first mentioned as an action in the Southland Regional Development Strategy in 2015. Since its inception, it has been picked up by successive governments due to its value to Southland, Otago and more broadly, New Zealand.

Possible Questions and Answers

20. Q: We are interested in understanding from you, which of the Masterplan proposals you view as most critical to achieving the MOP vision
21. A: We do not yet have a detailed view of possible changes to Milford Sound Piopiotahi. These recommendations like all the MOP Masterplan recommendations, need to undergo stringent feasibility testing. The MOP Board will provide independent advice to Ministers, in addition to that provided by officials. Ministers will make decisions taking into consideration advice from the Board and officials before seeking final decisions from Cabinet.
22. We recognise that the project is only possible with collaboration across central and local government, iwi and the wider community. Public engagement and consultation will be crucial throughout this stage of the MOP. For this reason, we have established a core MOP team, including the MOP Director, in Southland/Otago to enable the MOP Unit to better understand the needs of the region and make it easier to engage with local communities and other stakeholders.

Item 2 - potential topics for discussion

23. The following are some of the points covered in the MOP Programme Director's recent meeting with Mr Mooney and may be raised by Mr Mooney in your meeting.

2a - Proposed aerodrome removal

24. One of the Masterplan recommendations is to close the aerodrome (fixed-wing runway) at Milford Sound Piopiotahi and replace it with an expanded heliport. This would allow

for significant reorganisation of the infrastructure and visitor flow at Milford Sound Piopiotahi.

s9(2)(g)(i)

26. There are a number of issues when considering the future of the aerodrome, including its susceptibility to sea level rise and its occupation of land that may be better utilised for other purposes. Historically visitors arriving by fixed-wing aircraft at Milford Sound Piopiotahi account for only 5% of the total number of visitors¹. Initial analysis suggests that removing the aerodrome would allow for significant reorganisation of the infrastructure and visitor flow at Milford Sound Piopiotahi.

Talking points:

27. These recommendations, like all the MOP Masterplan recommendations, need to undergo stringent feasibility testing.
28. The MOP Board will provide independent advice to Ministers, in addition to that provided by officials. Ministers will make decisions taking into consideration advice from the Board and officials before seeking final decisions from Cabinet.
29. The project is currently at Stage 3, feasibility testing, and this is due for completion in Quarter 4 of 2024.
30. We encourage those who have concerns about the proposed aerodrome removal to continue to work with the project team and engage in the public consultation process,
31. The Ministry of Transport has a particular interest because it operates the aerodrome which gives access to the area.
32. Until decisions are made about the recommendations in the Milford Opportunities Masterplan, the Ministry continues the safe operation of the aerodrome. This includes work to meet the requirements for a Qualifying Aerodrome under Civil Aviation Rule Part 139 and contracting day-to-day management activities to a specialist third party.

2b - Commercial risks to operators

33. s9(2)(ba)(i)

34. Inherent in the Masterplan recommendations is potential reform of the concessions system for Milford Sound Piopiotahi, including complex and potentially costly negotiations. The Masterplan recommendations also have implications for existing long-term concession holders who have significant investment in infrastructure in the next 5-10 years.
35. The concession situation at Milford Sound Piopiotahi is similarly complex and is at a pivotal stage, with a number of long-term concessions up for renewal. Integrating Crown concession regulatory responsibilities with the MOP Masterplan's recommendation will require careful consideration.

Talking points:

36. s9(2)(g)(i) [REDACTED]
37. We support the need to develop options with scaled commercial benefits as part of the business case process.
38. We do not yet have a clear view of these considerations and, like all the MOP Masterplan recommendations, this needs a detailed analysis to understand the implications of any proposed changes for local operators.

2c - Local visitor flow

[REDACTED]

[REDACTED]

[REDACTED]

Talking points:

42. What are your views on visitor flow via Invercargill instead of Queenstown, to reduce congestion and spread visitors regionally?
43. Understanding that in the current Stage 3 work, feasibility testing is the key focus, MOP will work collaboratively with central government and local authorities, providing a valuable connection between the MOP transport workstream and the needs of the Southland District to ensure the Te Anau community and infrastructure are managing environmental and safety considerations, and preparing for higher visitor numbers.

2d - Legislative changes

44. While feasibility testing is underway, it remains premature to suggest what, if any legislative changes may be needed.
45. Any changes recommended would represent precedent-setting alterations to how Government approaches public access, charging for services, concession management, and governance and management models and may result in legal challenges.
46. Lessons from the MOP may also, in parallel, inform the conservation law reform programme of work.

Talking points:

47. To be implemented, some of the MOP Masterplan recommendations will likely require legislative change. This could include precedent-setting changes
48. What are your thoughts about legal and legislative changes to enable the Masterplan recommendations?
49. Lessons from the MOP may also, in parallel, provide valuable opportunities to inform the approach to the management of other high-use conservation areas.

50. Following feasibility testing, the MOP Board will provide advice to the Ministerial Group on these issues as a key deliverable, as well as Cabinet as the decision maker.
51. There are significant implications that need to be worked through. These will go through their normal government and public processes and will be brought to Cabinet as required, and progress on recommendations will be subject to funding availability.

Risks

52. s9(2)(g)(i) [REDACTED] This risk is mitigated by emphasising that the MOP Board will provide independent advice to Ministers, in addition to that provided by officials. Ministers will make decisions taking into consideration advice from the Board and officials before seeking final decisions from Cabinet.
53. s9(2)(g)(i) [REDACTED]

Treaty implications

54. Ngāi Tahu have been central to the Masterplan's development and have representatives on the MOP Board. The current visitor experience at Milford Sound Piopiotahi is almost devoid of any cultural element. The Masterplan addresses this issue and provides an avenue to actualise Ngāi Tahu's aspirations.

Legislative implications

55. DOC manages commercial activities on public conservation land through the concessions management system. The Masterplan recommendations have implications for existing long-term concession holders in the next 5-10 years who have significant investment in infrastructure. DOC will need to work closely with the MOP Unit to test how the masterplan recommendations might be actualised within the current legislative framework or whether it would be more appropriate to use another mechanism, such as special legislation, to enable the desired change to concessions.
56. Lessons from the MOP may also, in parallel, inform the approach to the management of other high-use conservation areas.
57. The MOP Board will provide advice to the Ministerial Group on these issues as a key deliverable.

Consultation

58. This memo has been developed by DOC, MBIE and MOT, and represents the collectively agreed view of all three agencies.

MEMO ENDS
