



BRIEFING

Taranaki Crossing Experience

Date:	27 March 2018	Priority:	Urgent
Security classification:	In Confidence	Tracking number:	2612 17-18

Action sought		
	Action sought	Deadline
Hon Kelvin Davis Minister of Tourism	<p>Note that the Ministry of Business, Innovation and Employment has worked in consultation with the Department of Conservation on this project and the additional advice required.</p> <p>Agree to in-principle investment of up to \$13.340 million in the Taranaki Crossing Experience, conditional on the outcomes of feasibility work for each component of the proposal.</p> <p>Agree to make an announcement on central governments investment in the Taranaki Crossing Experience at the Taranaki Action Plan launch on Friday 6 April 2018, in New Plymouth.</p>	29 March 2018
Hon Grant Robertson Minister of Finance		
Hon Phil Twyford Minister of Transport		
Hon David Parker Minister of Economic Development		
Hon Shane Jones Minister for Regional Economic Development		
Hon Eugenie Sage Minister for Conservation		
Fletcher Tabuteau Parliamentary Under-Secretary	Note the contents of this briefing.	

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Stephanie Weller	RED Implementation Manager, RED Unit	Privacy of natural persons	Privacy of natural persons	✓
Mark Patterson	Senior Advisor, RED Unit	Privacy of natural persons		

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |



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Purpose

The Regional Economic Development Ministers Group met on Monday 19 March 2018 to discuss the Taranaki Crossing Experience proposal to the Provincial Growth Fund.

Further information has been requested to support Ministers in making a final decision on this proposal. This briefing provides further information to support a central government announcement on Friday 6 April 2018 on this project.

Executive summary

The Taranaki Crossing Experience is a priority conservation and cultural tourism project for the Taranaki region. As Taranaki Maunga (Mt Egmont) sits on conservation land, MBIE have worked in consultation with Department of Conservation officials on this proposal over the last four months.

The region, with the support of an independent consultant, has undertaken substantial work to develop a business case that breaks the Taranaki Crossing Experience into key components.

The business case also sets out the intended phased approach to the proposal, which includes clear identification of where feasibility work is required before any major funding is committed.

The total cost of the Taranaki Crossing Experience is \$^{Commercial Info} million, with a request from the Provincial Growth Fund of \$13.340 million.

The \$13.340 million from the Provincial Growth Fund will be managed by the Ministry of Business, Innovation and Employment; however, no funding will be released without joint sign off with Department of Conservation officials. Prior to this, the Minister for Regional Economic Development and the Minister for Conservation (joint Ministers) jointly must agree on investments following the completion of feasibility studies.

Provincial Growth Fund investment is recommended to be staged, with the first stage being a single feasibility study that will:

- a. determine the best value investment proposition for promoting tourism in the Taranaki region and enhancing biodiversity on Taranaki Maunga; and in this context,
- b. assess the potential benefits/risks of extending the existing Pouakai Track and progressing other components identified in the initial business case.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that the Ministry of Business, Innovation and Employment has consulted with the Department of Conservation on this project and the additional advice required.

Noted
- b **Agree** to in-principle investment of up to \$13.340 million in the Taranaki Crossing Experience, conditional on the outcome of a first stage feasibility study, followed by feasibility studies for each project component.

Agree / Disagree
- c **Agree** that the Minister for Regional Economic Development and the Minister of Conservation (joint Ministers) need to jointly agree on investment in a suite of project components once the feasibility studies are completed.

Agree / Disagree
- d **Agree** to make an announcement on central government's investment in the Taranaki Crossing Experience at the Taranaki Action Plan launch on Friday 6 April 2018, in New Plymouth.

Agree / Disagree

Stephanie Weller
RED Implementation Manager
RED Unit, MBIE

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Hon Kelvin Davis
Minister of Tourism

..... / /

Hon Grant Robertson
Minister of Finance

..... / /

Hon Phil Twyford
Minister for Transport

..... / /

Hon David Parker
Minister for Economic Development

..... / /

Hon Shane Jones
Minister of Regional Economic Development

..... / /

Hon Eugenie Sage
Minister for Conservation

..... / /

Context

The importance of the Taranaki Crossing Proposal for the region

1. Taranaki Maunga (Mt Egmont) is of significant spiritual and natural importance to New Zealand, and the Taranaki Crossing Proposal represents an opportunity for the region to celebrate and enhance connections to its unique heritage.
2. The region believes this proposal will help to diversify its economy towards a sustainable future by capitalising on growing interest in conservation experiences and tourism. To encourage and drive this opportunity, it feels there is a need to upgrade tracks and facilities on the maunga to a world-class standard.
3. The upgrading of existing tracks and facilities will provide an alternative to other walks within the North Island (e.g. Tongariro Crossing), and ideally attract visitors to the Taranaki region, which offers a multitude of other tourism experiences.
4. While the region has pushed to have the Taranaki Crossing Experience considered as a multi-day Great Walk, advice from central government has seen it more focussed on a suite of short or day walks. This allows the region to offer a variety of walks to visitors that are close to a main centre (New Plymouth), and seek to increase the length of stay for visitors in the region.
5. The geology of the mountain is difficult, and recent weather events show how susceptible the mountain is to major slips. There is an immediate need to support the sustainability and resilience of the resource and facilities on the mountain.
6. This proposal has been supported by the eight iwi of Taranaki, which is a significant achievement for the region and New Zealand.
7. The Department of Conservation is investing \$3.4m to upgrade the existing Pouakai Track from the North Egmont Visitor Centre to the Mangorei Road End. This track is section two of the overall proposal and the upgrade work was approved as part of Budget 2017. The new funding is in addition to this work.

RED Ministers consider proposal

8. The Regional Economic Development Ministers met on 19 March 2018 to discuss the Taranaki Crossing Experience proposal. The Minister of Conservation was invited to attend this meeting and given delegation on the decision-making process, due to the relevance of this proposal in the Conservation portfolio [CAB-18-MIN-0005 refers].
9. While support for the proposal was evident, further information was requested to show how central government could protect any investment in the proposal, including looking at staging the project from feasibility through to implementation.

Protecting central government's investment

10. An action from this meeting included a directive for MBIE and DOC to advise on how central government can be assured that:
 - a. The proposal will be consistent with local iwi objectives and aspirations, including in the context of relevant Treaty of Waitangi settlement negotiations;
 - b. The proposal is consistent with the Egmont National Park Management Plan;
 - c. There is provision to consider within the feasibility studies alternative transport options to and from the entry points to the maunga to reduce the impact of vehicles and manage visitor flows in the National Park.
 - d. There is a staged approach applied so that robust feasibility studies are completed for each component of the proposal before final investment decisions are taken.

11. The business case outlines a staged approach to central government investment and indicates where additional feasibility work is required. A table showing this staging is attached in **Annex One**.

Conditions of Provincial Growth Fund investment

12. This funding is approved for 2018/19 and 2019/20 years only. The Provincial Growth Fund investment is conditional on a robust **first stage feasibility** study that will:
 - a. determine the optimal investment proposition for promoting tourism in the Taranaki region and enhancing biodiversity on Taranaki Maunga (Mt Egmont);
 - b. apply a broad conception of what a potential investment proposition could entail; i.e. its project components may include built infrastructure (including alternatives to private car transport on existing roads, upgrades to tracks, visitor centre and huts) as well as investment in natural infrastructure (predator control, habitat restoration) where it clearly contributes to the objectives of the PGF;
 - c. include options to improve public and shuttle transport, with a view to minimising the impacts of visitors and visitor transport and reducing private vehicles on the maunga; and,
 - d. assess any other project components as determined by the Ministry of Business, Innovation and Employment and the Department for Conservation.
13. Following the completion of the first stage feasibility study and subject to the direction of the Minister for Regional Economic Development and the Minister of Conservation (joint Ministers), further feasibility studies will be undertaken on project components to identify key outcomes and implementation risks.
14. Once relevant feasibility studies are completed, joint Ministers will take a go/no-go decision with respect to progressing investment in a full suite of project components.
15. All feasibility work for all components of the project is required to be undertaken by an independent consultant.

Criteria for assessing each component of the Taranaki Crossing Experience

16. The first stage feasibility study and subsequent feasibility studies will need to align with the criteria of the Provincial Growth Fund.
17. The feasibility studies also must align with additional criteria. The feasibility studies must assess project components on the basis of the following criteria:
 - a. Will support regional ambitions to grow Taranaki's visitor economy;
 - b. Will protect conservation values and enhance indigenous biodiversity on Taranaki Maunga (Mt Egmont);
 - c. Recognises the significance of Taranaki Maunga to ngā Iwi o Taranaki;
 - d. Supports the development of sustainable tourism, including with respect to minimising the impacts of visitors and visitor transport and reducing private vehicles on the maunga; and
 - e. Offers reasonable return on investment in terms of economic, social, cultural and environmental outcomes.

Risks and Mitigation

18. The proposal will need to be consistent with local iwi objectives and aspirations. The regional governance group includes representatives of the eight local iwi, which has come together in support of this proposal. Further feasibility work will ensure that local iwi objectives are considered.
19. The proposal will need to ensure it aligns with the Department of Conservation's National Park Management Plan. The planned feasibility work will ensure that this is managed throughout the process.
20. The environmental impact of track upgrades and/or new track construction must be fully assessed and measures for the protection of natural values considered. In addition, the cost of construction and ongoing maintenance, given the difficult conditions on the mountain, must be accurately determined prior to any works. Planned feasibility work will ensure these both demands are managed.
21. Traffic increases on the mountain may lead to overcrowding, accidental damage to conservation values and impact biodiversity on the mountain. Through the feasibility studies, the potential benefits of limiting traffic to and from walking entry points via public transport will be assessed and options included.

Announcement

22. MBIE and DOC have prepared a draft press statement that outlines how central government intend to manage the investment through a staged approach. This approach ensures that there will be clear stopping points if feasibility studies deem a component of the proposal unfeasible. The draft press statement is attached at **Annex Two**.

Next steps

23. The region has planned to launch its action plan 'Tapuae Roa – Make Way for Taranaki' on Friday 6 April 2018 in New Plymouth. An announcement on this proposal is anticipated to be part of central governments support package.
24. MBIE is working with your offices on a potential site visit on 6 April 2018 in New Plymouth, to announce central governments support for the proposal.

Annexes

Annex One: Taranaki Crossing Experience – staged approach for the proposal

Annex Two: Draft press statement

Annex Two: Draft press statement

Government to support Taranaki Crossing experience

An ambitious plan to enable more people to enjoy the beauty of Mt Taranaki and strengthen connections to its natural and cultural heritage has been announced by Regional Economic Development Minister Shane Jones and Conservation Minister Eugenie Sage.

In New Plymouth today, Mr Jones and Ms Sage committed up to \$13.34m from the Provincial Growth Fund to investigate and support the Mounga ki Moana Taranaki Crossing project, a major new investment for the Egmont National Park's network of tracks and visitor facilities.

In a proposed series of track upgrades, the Crossing project intends to create a 41-kilometre "Mounga to Moana" walking experience offering a range of one-day walks from Dawson Falls via the North Egmont Visitor's Centre, Pouakai Range and Commercial Information.

"We believe the Taranaki Crossing has the potential to be an important part of the region's future as its economy diversifies from the dairy and energy sectors," Mr Jones says.

"It will help to unlock Taranaki's tourism potential by creating a range of outstanding visitor experiences just a short drive from New Plymouth or Stratford."

The initial phase of the project will investigate the feasibility and business case for the track upgrades, as well as assessing their potential environmental impact.

A potential upgrade of the North Egmont Visitor's Centre to create a conservation and cultural education facility will be considered, as will possible development of public transport options such as shuttle buses to manage and reduce traffic within the National Park.

"DOC has already committed \$3.4m towards upgrading the section of track from North Egmont to the Pouakai Range as part of its Budget 2017 investment in visitor infrastructure," Ms Sage says. "We'll be looking to draw on DOC's experience with this work to help build a case for the rest of the PGF investment."

"Mt Taranaki is not an easy place to build or maintain tracks – it's prone to erosion and weather events which mean construction and ongoing costs can be higher than expected. There needs to be due diligence about visitor number projections before decisions are made.

"Moreover, we must be certain this work enhances the natural environment and people's connection to it rather than causing degradation of natural values. I have absolute confidence in DOC's expertise to ensure this.

"I am also keen to see the project consider how to enhance public transport connections to the National Park as these offer opportunities for local business as well as reducing the impact of cars and other vehicles."

The Mounga ki Moana Taranaki Crossing Experience was developed by Venture Taranaki through the 'Tapuae Roa – Make Way for Taranaki' Regional Economic Action Plan, which identified the Crossing as a priority project for the region.

The project has a total cost of \$Commercial Information, with additional funding from central and local agencies including the Taranaki Regional Council, which owns the Pukeiti Gardens, Department of Conservation, the New Plymouth District Council and NZTA.

Mr Jones says the project has been developed in consultation with Taranaki's eight iwi and aligns with their aspirations.

"The project will mean iwi have opportunities to invest in tourism-related businesses and express their kaitiakitanga of the mountain by sharing their stories, history and cultural values with visitors."