



## COVERSHEET

<b>Minister</b>	Hon Stuart Nash Hon Kiritapu Allan Hon Michael Wood	<b>Portfolio</b>	Tourism Conservation Transport
<b>Title of Cabinet paper</b>	The Milford Opportunities Project	<b>Date to be published</b>	9 August 2021

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
23 June 2021	The Milford Opportunities Project	Office of the Minister of Tourism Office of the Minister of Conservation Office of the Minister of Transport
28 June 2021	Milford Opportunities Project DEV-21-MIN-0135 Minute	Cabinet Office

### Information redacted

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the following reasons:

- Commercial information
- Confidential advice to Government
- Free and frank opinions

In Confidence

Office of the Minister of Tourism

Office of the Minister of Conservation

Office of the Minister of Transport

Chair, Economic Development Committee

## **The Milford Opportunities Project**

### **Proposal**

1. Receive the Milford Opportunities Project (MOP) Master Plan recommendations.
2. Agree to the establishment of a dedicated unit so that detailed planning and feasibility assessments may be undertaken on a number of the recommendations in the MOP Master Plan in order to determine their feasibility.
3. Agree to an Establishment Board to oversee the dedicated unit with Dr Keith Turner appointed Chair.

### **Relation to government priorities**

4. We have an opportunity to re-set and rebuild the tourism industry in New Zealand on a sustainable model. MOP is a valuable test case for transformational change of tourism in line with the strategic direction from the New Zealand-Aotearoa Government Tourism Strategy [DEV-19-MIN-0100 refers], the Department of Conservation's (DOC) Heritage and Visitor Strategy, the Parliamentary Commissioner for the Environment reports on sustainable tourism, the Future of Tourism report, and the Direction of Tourism (CAB-21-MIN-0063).

### **Executive Summary**

5. MOP is a collaborative independent project to address the visitor pressures on Milford Sound Piopiotahi<sup>1</sup> and the Milford access corridor<sup>2</sup>, to enhance and sustain the journey experience and harness opportunities to support the communities of Southland.
6. The journey to Milford Sound Piopiotahi and the destination itself has become crowded, rushed, noisy and unsafe. It fails to tell the story of its rich culture and history. Results from surveys over two years 2017-2018 (both public and tourist responses) indicated dissatisfaction with congestion at peak times, road safety and limited infrastructure to support a quality visitor experience. In fact, in 2019 875,000

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<sup>1</sup> DOC manages the land-based part of Milford Sound *Piopiotahi* to mean high water springs as Fiordland National Park and the Piopiotahi Marine Reserve in Harrisons Cove. Milford Sound Piopiotahi is defined for the purposes of this project as the area of the village and the inland waters to the Tasman Sea.

<sup>2</sup> State Highway 94 is located within the Milford Road Frontcountry Visitor Setting (Milford corridor). The state highway is not part of the national park. Milford Road or access corridor is defined for this project as State Highway 94 from Te Anau to Milford Sound Piopiotahi village (see Appendix 5).

people visited Milford Sound Piopiotahi. There is fragmented governance and management leading to a lack of effective function of the place.

7. Although tourism numbers have dropped significantly due to COVID-19, it is expected that once New Zealand is able to receive worldwide visitors again pressure will return. Growing tourist numbers will only exacerbate issues. Milford Sound Piopiotahi and the access corridor cannot simply return to 'business as usual'. Integrated management and governance are essential to ensure that the place functions efficiently and effectively and the right infrastructure and transport solutions are applied that enhance the function and wonder of the location.
8. MOP was instructed to provide a plan to ensure that Milford Sound Piopiotahi maintains its status as a key Aotearoa New Zealand visitor 'icon' and provides a 'world class' visitor experience that is accessible, upholds the World Heritage status, national park and conservation values<sup>3</sup> and adds value to Southland and New Zealand Inc.
9. A key deliverable is a non-statutory Master Plan, a conceptual vision of the future that puts forward an ambitious approach to the future management and visitor experience of the Milford Road corridor and Milford Sound Piopiotahi (see Appendix 5 for a map of the journey).
10. MOP provides a test case for exploring mechanisms that address challenges inherent in tourism in New Zealand and finding solutions that could be used for other high-pressure areas. A priority is to ensure that the costs and negative impact associated with tourism are mitigated or priced into the visitor experience, and not funded by New Zealand ratepayers and taxpayers, thereby creating a self-funded, sustainable system paid for by visitors.
11. The Master Plan provides recommendations on pan-regional visitor flows, transport connections and detailed conceptual master planning for the Milford Road corridor and Milford Sound Piopiotahi. It does not provide an implementation or action plan. A number of technical workstreams provided the evidence base for the preparation of the Master Plan recommendations.
12. The role of Ngāi Tahu as mana whenua and Treaty partner is acknowledged and emphasised, with Ngāi Tahu narratives, mana whenua values, history and culture woven through the experience of the place.
13. As part of an integrated solution the Master Plan contains recommendations which will require ministerial support and significant feasibility testing, such as:
  - 13.1. Restricting private vehicle access to Milford Sound Piopiotahi through a permit and public transport system
  - 13.2. Charging international visitors for access to Milford Sound Piopiotahi based on the value of the place

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<sup>3</sup> See Southland Murihiku Conservation Management Strategy (CMS) 2016 page 18 (section 1.2 and 1.3) for values <https://www.doc.govt.nz/about-us/our-policies-and-plans/statutory-plans/statutory-plan-publications/conservation-management-strategies/southland-murihiku/>

- 13.3. Prohibiting cruise ships from entering Milford Sound Piopiotahi
  - 13.4. 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
  - 13.5. Introducing a new governance and management structure for Milford Sound Piopiotahi village and inland waters to the Tasman Sea and the Milford Road corridor to improve efficiency and function
  - 13.6. Using the revenue collected from visitors to increase the funding for conservation, mana whenua and community aspirations, transport and the visitor experience
  - 13.7. Building a world class cable car to reach a higher elevation, combined with walks up Bowen Valley and a lookout over Bowen Falls.
14. The full list of recommendations is in Appendix 1.
  15. The recommendations in the Master Plan are intentions of future direction. The next stage of the project is testing the conceptual vision through detailed planning and feasibility assessments to form a robust implementation plan. Cabinet approved \$15 million to fund detailed planning and feasibility of the Master Plan as part of the package to support the tourism sector announced on 6 May 2021 (CAB-21-MIN-0111). There are significant implications that need to be worked through to enable potential implementation of specific recommendations. These will go through their normal government processes and will be brought to Cabinet as required and progress on recommendations will be subject to funding availability.
  16. We recommend that the Cabinet Economic Development Committee:
    - 16.1. Receive the Milford Opportunities Project Master Plan recommendations.
    - 16.2. Note the significant recommendations that are likely to give rise to public discussion (para 30).
    - 16.3. Note that free access would be maintained for New Zealanders through an option to self-drive to Milford Sound Piopiotahi. All access will be managed through a permit system with allocations specified for users such as recreational users and local staff working in the Park.
    - 16.4. Note that it is intended that the majority of visitors would access Milford Sound Piopiotahi through a public transport system with an intended hub at Te Anau. Any visitors using the public transport system would pay for the service.
    - 16.5. Agree any international visitors (but not New Zealanders) entering Milford Sound Piopiotahi would pay an entry fee. This is likely to be collected via a charge through the permit system.
    - 16.6. Agree the project would be self-funding via differential pricing access for international visitors collected through the permit system and through

revenue generated from the public transport system, a contribution from which would fund conservation work in the wider Fiordland National Park.

- 16.7. Note further work would be undertaken during the detailed planning and feasibility phase on scoping any capital funding required for implementation of recommendations, including repayment options.
- 16.8. Note further work would be undertaken on how to address managing potential monopoly conditions being created by the governance and management recommendations and transport system.
- 16.9. Note the Milford Opportunities Project Governance Group would publicly launch the Milford Opportunities Project Master Plan in July – August 2021.
- 16.10. Agree to the formation of a dedicated unit and Establishment Board, with Dr Keith Turner appointed as the Chair by July 2021, so that the detailed planning and feasibility phase of Stage Three can commence.
- 16.11. Agree that the Establishment Board must include two Ngāi Tahu representatives.
- 16.12. Agree that a Ministerial group consisting of the Ministers of Tourism, Conservation and Transport would be decision maker on Stage Three, including the Establishment Board representation, the unit structure and project deliverables.
- 16.13. Note that funding has been secured to fund detailed planning and feasibility for the next two years (CAB-21-MIN-0111).
- 16.14. Note that Cabinet would receive a progress update on the Milford Opportunities Project in 2022.
- 16.15. Note Cabinet would be the decision maker for existing or new legislation changes relating to this project.

## **Background**

### ***Timeline***

17. MOP was initiated in 2017 as a priority of the Southland Regional Development Strategy Action Plan which was launched in November 2016. MOP was designed as a three-stage process – One) Strategic framing, Two) Master Planning, Three) Implementation.
  - 17.1. Stage One established the context, vision, objectives and pillars and was completed in September 2018.
  - 17.2. June 2019 - Cabinet endorsed development of a Master Plan for Stage Two of the MOP.
  - 17.3. January 2020 to April 2021 – The Governance Group prepared recommendations of the Master Plan.

- 17.4. April 2021 – Cabinet agreed to \$15 million for detailed planning and feasibility assessments.
  - 17.5. June 2021 – Request Cabinet to receive the Master Plan recommendations and approve initiation of detailed planning and feasibility assessments towards developing a robust implementation plan for Stage Three.
  - 17.6. June to August 2021 – The Governance Group intends to launch the Master Plan.
  - 17.7. June 2021 – Subject to Cabinet’s approval, a dedicated unit would be established so that detailed planning and feasibility assessments can commence.
  - 17.8. 2022 – Master Plan progress update to Cabinet
  - 17.9. 2023 – Seek Cabinet’s agreement to the MOP implementation plan.
18. Milford Sound Piopiotahi, located within Fiordland National Park, is one of New Zealand’s most popular visitor attractions<sup>4</sup> and iconic destinations. As visitor numbers continued to grow so too has pressure on conservation and the limited infrastructure of this remote place and the state highway leading to it. This has seen overcrowding at key sites, a degrading of the visitor experience and safety, and conservation values of the area put at risk. Although tourism numbers dropped significantly due to COVID-19, it is expected that once New Zealand is able to receive worldwide visitors again, pressure will return on this iconic place.
  19. MOP is a collaborative project led by Independent Chair Dr Keith Turner with Ngāi Tahu, Department of Conservation (DOC), Southland District Council, Queenstown Lakes District Council, Waka Kotahi New Zealand Transport Agency (Waka Kotahi), Ministry of Business, Innovation and Employment (MBIE) and local businesses to address the visitor pressures on Milford Sound Piopiotahi and the Milford access corridor, to enhance and sustain the journey experience and harness opportunities to support the communities of Southland. A key deliverable is a non-statutory Master Plan.
  20. MOP provides a test case for exploring the challenges inherent in tourism in New Zealand and finding solutions that could be used for other high-pressure areas. As such, MOP aligns with Government’s strategic direction of resetting tourism outlined in the All of Government Tourism Strategy, DOC’s Heritage and Visitor Strategy, the Parliamentary Commissioner for the Environment reports on sustainable tourism, the Future of Tourism report, and the Direction of Tourism (CAB-21-MIN-0063).
  21. The development of the Master Plan was endorsed by Cabinet (CAB-19-MIN-0303) on 21 June 2019 and \$3 million was sourced from the International Visitor Levy to fund the Master Plan development.
  22. MOP has delivered an ambitious non-statutory Master Plan that provides recommendations to government for improvements to Milford Sound Piopiotahi and

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<sup>4</sup> Visitor numbers to Milford Sound *Piopiotahi* have more than doubled in 15 years to more than 900,000 annually.

the Milford Road corridor that cover significant infrastructure, strategic, legislative, management, commercial and operational changes. It looks at what needs to be done and what the best outcome will be, rather than being constrained by what can be done within the current legislation and management frameworks.

### **Milford Opportunities Project purpose, challenges and opportunities**

23. The purpose of MOP is to ensure that Milford Sound Piopiotahi maintains its status as a key Aotearoa New Zealand visitor 'icon' and provides a 'world class' visitor experience that is accessible, upholds the World Heritage status, national park and conservation values and adds value to Southland and Aotearoa New Zealand Inc.
24. The journey to and experience at Milford Sound Piopiotahi has had the following challenges:
  - Absence of Ngāi Tahu narratives, mana whenua values, history and culture
  - Lack of integrated governance and management leading to ineffective function of the place
  - Congestion and sense of crowding at key sites at peak times
  - Increasing visitor impact on conservation values, biodiversity, adjacent wilderness areas and the marine environment
  - Reduction of natural quiet and tranquillity in Milford Sound Piopiotahi
  - Inadequate infrastructure, e.g. electricity supply, wastewater, waste disposal, car parking, bus services, walkways
  - High visitor expectations not matched by the reality of the experience
  - An increasing number of vehicles and aircraft accessing Milford Sound Piopiotahi
  - Road safety hazards for motorists, pedestrians and inexperienced drivers
  - Natural hazard risk – tsunami, landslides, earthquakes, floods and avalanches
  - Increasing carbon footprint
25. The MOP presents opportunities to:
  - Incorporate Ngāi Tahu narratives, mana whenua values, history and culture woven through the experience of the place
  - Reduce the number of vehicles and aircraft accessing Milford Sound Piopiotahi
  - Restore natural quiet and tranquillity in Milford Sound Piopiotahi
  - Find innovative ways to protect the environment while managing visitors
  - Harness the visitor value through pricing mechanisms
  - Increase the connection to conservation values by providing visitors opportunities to engage with nature
  - Fund and protect conservation and protect the National Park values
  - Offer a high-quality visitor experience that delivers on New Zealand's brand promise

- Support the development of sustainable low carbon transport options in New Zealand
- Extend the length of time visitors stay in Otago/Southland, generating additional economic benefit to communities.

### **Implementation of the Master Plan will create a new future linking to the past**

26. The Master Plan provides recommendations on:

- 26.1. Visitor flows across regional boundaries and transport connections
- 26.2. Detailed conceptual master planning for the Milford Road corridor and Milford Sound Piopiotahi
- 26.3. Functional governance and management changes.

27. The Master Plan has been designed to achieve:

- 27.1. Protection of the essential character of Milford Sound Piopiotahi “As it was forever”, now and in the future, recognising its World Heritage status, through:
  - i. Te Ao Māori values and aspirations guiding experiences, development and governance
  - ii. Reduction in noise and visual disturbance from the land, air and water
  - iii. Effective visitor management through a managed access and transport model and infrastructure consolidation, placement and design
  - iv. Visitor activities consolidated into key nodes that have already been modified rather than spreading visitor impacts into sensitive environments
  - v. Visitor facilities located, designed, constructed and operated in an environmentally friendly way
  - vi. Tourism revenue funding conservation and infrastructure at place
  - vii. Use of green and zero carbon technologies in transport, infrastructure and operations.
- 27.2. Improved management and function of the area, through:
  - i. Acknowledging the role of Ngāi Tahu as mana whenua and Treaty partner
  - ii. Designing a new bespoke governance and management model to ensure that activities, infrastructure and functions operate and are managed efficiently and effectively
  - iii. Integrating management with the rest of the national park.



- 27.3. Benefits from visitors for Te Anau, Murihiku and Southland, through:
- i. Starting the journey to Milford Sound Piopiotahi at Te Anau
  - ii. Reinforcing Milford Sound Piopiotahi, Te Anau and Southland as the centre for wilderness and nature tourism
  - iii. Creating connections between Te Anau and the wider Southland cycleways
  - iv. Encouraging travel to Manapouri, Rakiura, and the Catlins.
- 27.4. A world class visitor experience that enhances conservation and community, through:
- i. Telling authentic and engaging stories, including Ngāi Tahu narratives, weaving mana whenua values, history and culture through the experience of the place
  - ii. Developing experiences and infrastructure along the corridor and at Milford Sound Piopiotahi that respond to the landscape character, natural ecosystems and cultural heritage, including recognising sites of significance to Ngāi Tahu
  - iii. Providing more possibilities for visitors, recreationalists and mana whenua to engage with nature and understand conservation values
  - iv. Harnessing technology innovations to improve the visitor experience
  - v. Spreading demand and reducing supply (ie parking) to reduce congestion
  - vi. Providing a world class transport system.
- 27.5. Improved safety and resilience to risk, through:
- i. Removing less experienced drivers from the road
  - ii. Building larger consolidated building(s) that can withstand Alpine Fault earthquakes and a rapid landslide-induced tsunami.
  - iii. Building shelters to offer protection from natural hazards away from the main visitor centre
  - iv. Careful location of key infrastructure in the safest places along the corridor and within Milford Sound Piopiotahi
  - v. Activities grouped in key places to manage exposure to risks.
28. A number of technical workstreams provided the evidence base for the preparation of the Master Plan. Some of the technical workstreams focused on establishing baselines for the state of the environment, framed the conservation values and

sensitivities, mana whenua aspirations and values, and the natural constraints and challenges. Others provided solutions to issues and challenges. The technical workstream reports will be provided as a separate volume to the Master Plan on the project website.

29. Options and aspirations for change were gathered from and explored with Ngāi Tahu, local communities, stakeholders, and the public (through nationwide surveys), with the range of views reflecting their interests. The final selection made by the Governance Group to recommend to Cabinet ensures all components of the model provide a workable system appropriate for the future of Milford Sound Piopiotahi and the Milford Road corridor that meets the project's strategic framework.
30. As part of an integrated solution, the Master Plan contains recommendations which will require significant ministerial support. Some have implications at international, national, regional and local level for the tourism industry and how visitors interact with and access Public Conservation Land, and how local and central government administer and govern complex land systems, including Public Conservation Land. The most significant recommendations are:
  - 30.1. Restricting private vehicle access to Milford Sound Piopiotahi through a permit and public transport system
  - 30.2. Charging international visitors for access to Milford Sound Piopiotahi based on the value of the place
  - 30.3. Prohibiting cruise ships from entering Milford Sound Piopiotahi
  - 30.4. 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.
  - 30.5. Introducing a new governance and management structure for Milford Sound Piopiotahi village and inland waters to the Tasman Sea and the Milford Road corridor to improve efficiency and function
  - 30.6. Using the revenue collected by the visitor to increase the funding for conservation, mana whenua and community aspirations, and the visitor experience.
  - 30.7. Building a world class cable car to reach a higher elevation, combined with walks up Bowen Valley and a lookout over Bowen Falls
31. See Appendix 1 for the full range of Master Plan recommendations.

### ***Governance and Management recommendations***

32. The Master Plan proposes a new bespoke governance and management model to enable Milford Sound Piopiotahi and Milford Road corridor to function efficiently and effectively and enable individual and connected recommendations to be implemented. Current management and governance of Milford access corridor, and the land and inland waters of Milford Sound Piopiotahi is fragmented across multiple parties and legislative frameworks leading to suboptimal outcomes.

33. MOP received strong feedback from stakeholders and the public about the need for change in how the place is managed and by whom. Successful master planning for the Milford Sound Piopiotahi area requires a range of bespoke changes in current management, governance, functions, roles and responsibilities and potential legislative change.
34. Further work is needed to understand how the governance and management model needs to change. The legislative framework the MOP interacts with is complex and any changes will require careful consideration. A phased approach to establish a new governance and management model is proposed requiring a collective effort across central and local government, mana whenua, local enterprise and community stakeholders.
35. Some Master Plan projects could be initiated under existing legislative parameters with the aim to transition to an advanced future state alongside legislation reform. It may be very challenging to implement aspects of the Master Plan without special legislation as the timeframes for working within existing legislative parameters may be undesirable. Appendix 2 outlines some of the legislation and the legislative powers relevant to the MOP.

### **Commencement of next phase**

36. The recommendations in the Master Plan are intentions of future direction, and detailed planning and feasibility assessments are required to understand what is possible and in what timeframe. Some projects may be able to be implemented quickly while others will require legislative and a new governance and management structure to be in place. There are significant implications that need to be worked through to enable implementation of specific recommendations. These will go through their normal government processes and will be brought to Cabinet as required.
37. While the principle of the transport system is to move towards mass transport, that is user pays for international visitors, the details on mechanisms for permits for recreational users have yet to be worked through.
38. The next phase would include the Crown and Ngāi Tahu working in partnership to build a common understanding for intergenerational benefits and outcomes. Some mana whenua aspirations are directed at the implementation of specific Master Plan projects while others have broader implications for governance and management of the place.
39. Commencement of the next phase requires setting up a dedicated unit focused on scoping the requirements, legal ramifications, structure, and implications to implement the Master Plan. This would be hosted by DOC as the agency with the greatest responsibility and will involve Ngāi Tahu and other government agencies (likely MOT and Waka Kotahi).
40. We propose that the unit be governed by an Establishment Board to guide the detailing planning and feasibility phase of Stage Three for the next two years. A potential structure of the board and unit is attached as Appendix 4. We propose that Dr Keith Turner be appointed by Cabinet as the chair of the board. This would

provide the project with continuity as he has held the position of independent chair since the inception of the project. We also consider that it is essential that the Establishment Board include two Ngāi Tahu representatives to ensure strong partnership remains through the next stage. The remainder of the board representation would be agreed with Ministers.

41. The board and unit would report on a regular basis to Ministers of connected portfolios: Tourism, Conservation and Transport. Cabinet will be the decision maker for existing or new legislation changes relating to this project.
42. Once the dedicated unit is established its focus will be (but is not limited to):
  - 42.1. identifying scale and scope of a work programme
  - 42.2. initial improvements that can be made to management and governance and a pathway to governance and management structural reform
  - 42.3. identifying legal and statutory dependencies, sequencing and pathways for recommendations
  - 42.4. initiating first projects - feasibility and investigations, cost benefit analysis, pre-delivery design, community and stakeholder consultation, consenting, preparation for necessary infrastructure construction on individual projects.
43. Further work will be undertaken during the detailed planning and feasibility phase on scoping any capital and seed funding required for implementation of recommendations, including repayment options. Any further requests for funding would need to be through a budget bid process.
44. It is proposed that an initiation team, to undertake the pre-work required to set up the dedicated unit, starts immediately following Cabinet approval using the funding committed by Cabinet as part of the package to support the tourism sector (CAB-21-MIN-0111), announced 6 May 2021, \$15 million to fund the next phase of the project implementation planning for the next two years.

## Risks

45.

Free and frank opinions

Free and frank opinions

46.

**Financial Implications**

47.

Commercial Information

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Commercial Information

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**Legislative Implications**

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Free and frank opinions

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Commercial Information

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56. For more detail on legislative implications see Appendix 3.

### **Impact Analysis**

#### **Regulatory Impact Statement**

57. There are no regulatory proposals in this paper, therefore Cabinet's impact analysis requirements do not apply. However, it is noted that there would be significant legislative implications at varying levels during the next stage of detailed planning and feasibility testing. Impact analysis would be provided for any regulatory proposals seeking Cabinet's approval, unless an exemption applies.

#### **Population Implications**

58.

59. Implementation of individual recommendations would enable embedding Te Ao Māori values and mana whenua aspirations in experiences, development and storytelling.
60. Implementation of the Master Plan is expected to benefit the communities of Southland region.

### **Human Rights**

61. Differential pricing is permissible under s153 of Human Rights Act if instigated by a government department.

### **Consultation**

62. The Ministry of Business, Innovation and Employment, the Department of Conservation, and the Ministry of Transport have consulted with Waka Kotahi and Treasury on this paper.
63. The Department of the Prime Minister and Cabinet (PAG) has been informed.

### **Communications**

64. The MOP Governance Group will launch the Master Plan in Te Anau post the Cabinet meeting in July - August. The three Ministers will announce the formation of the dedicated group, the Establishment Board and the appointment of Dr Turner as the chair alongside the Governance Group's launch.
65. The communications risk for specific issues is high, noting particularly contentious recommendations that are likely to generate public comment.

### **Proactive Release**

66. This paper will be released proactively, subject to redaction as appropriate, under the Official Information Act 1982.

### **Recommendations**

The Ministers of Tourism, Conservation and Transport recommend that the Committee:

1. Receive the Milford Opportunities Project Master Plan recommendations.
2. Note the significant recommendations that are likely to give rise to public discussion (para 30).
3. Note that free access would be maintained for New Zealanders through an option to self-drive to Milford Sound Piopiotahi. All access will be managed through a permit system with allocations specified for users such as recreational users and local staff working in the Park.



4. Note that it is intended that the majority of visitors would access Milford Sound Piopiotahi through a public transport system with an intended hub at Te Anau. Any visitors using the public transport system would pay for the service.
5. Agree any international visitors (but not New Zealanders) entering Milford Sound Piopiotahi would pay an entry fee. This is likely to be collected via a charge through the permit system.
6. Agree the project would be self-funding via differential pricing access for international visitors collected through the permit system and through revenue generated from the public transport system, a contribution from which would fund conservation work in the wider Fiordland National Park.
7. Note further work would be undertaken during the detailed planning and feasibility phase on scoping any capital funding required for implementation of recommendations, including repayment options.
8. Note further work would be undertaken on how to address managing potential monopoly conditions being created by the governance and management recommendations and transport system.
9. Note the Milford Opportunities Project Governance Group would publicly launch the Milford Opportunities Project Master Plan in July – August 2021.
10. Agree to the formation of a dedicated unit and Establishment Board, with Dr Keith Turner appointed as the Chair by July 2021, so that the detailed planning and feasibility phase of Stage Three can commence.
11. Agree that the Establishment Board must include two Ngāi Tahu representatives.
12. Agree that a Ministerial group consisting of the Ministers of Tourism, Conservation and Transport would be decision maker on Stage Three, including the Establishment Board representation, the unit structure and project deliverables.
13. Note that funding has been secured to fund detailed planning and feasibility for the next two years (CAB-21-MIN-0111).
14. Note that Cabinet would receive a progress update on the Milford Opportunities Project in 2022.
15. Note Cabinet would be the decision maker for existing or new legislation changes relating to this project.

Authorised for lodgement

Hon Stuart Nash  
Minister of Tourism

Hon Dr Ayesha Verrall  
(Acting) Minister of Conservation

Hon Michael Wood  
Minister of Transport

## Appendix 1 – Milford Opportunities Project Master Plan recommendations

The following recommendations are subject to feasibility, cost benefit analysis, prioritisation, staging and engagement.

Specific project recommendations cover:

- a. **Introduce a new governance and management structure** for Milford Sound Piopiotahi village and inland waters to the Tasman Sea and the Milford Road corridor to improve efficiency and function
- b. **Development of an access and transport model** to Milford Sound Piopiotahi – including road, air and cruise access (to manage visitor flows and environmental impacts)
  - i. Introduce a permit-based access system restricting private vehicle access to Milford Sound Piopiotahi. Corridor access to be managed via a barrier arm or some other mechanism, with the point of entry being the upper Eglinton Valley
    - (1) An international visitor fee would be collected as part of the booking process for accommodation and/or transport into the national park through smart technology.
    - (2) Pre permit international visitors for a fee with pre permits for Aotearoa New Zealanders being free.
    - (3) Pre permit parking spaces for Aotearoa New Zealanders at Milford Sound Piopiotahi (limit vehicles to parking availability).
    - (4) Pre permit camping and campervans at Cascade Creek and not beyond (travel to Milford Sound Piopiotahi by bus), with exceptions for those pre-booked at Milford Lodge.
    - (5) Special permits (free) for pre-qualified commercial users, operators and service staff.
    - (6) Special permits (free) for Aotearoa New Zealander’s fishing, hunting, climbing or tramping.
    - (7) Reduce car parking at Milford Sound Piopiotahi and require car parks to be booked in advance.
  - ii. Introduce an express hop on/hop off park and ride service from Te Anau using zero emission (H2 or EV) buses and smart technology to access key experiences along the corridor.
  - iii. Introduce a requirement for zero carbon technology for transportation
  - iv. Establish a visitor experience centre at Te Anau that includes a park and ride transport hub for the transport system

- v. Prohibit cruise ships from Milford Sound Piopiotahi and integrate management of surface activities on Milford Sound Piopiotahi to the Tasman Sea as part of the Governance and Management model.
- c. **Enhance Te Anau** as the beginning of the journey to Milford Sound Piopiotahi, including enhancing visitor and community activities, experiences, services and creating a transport hub.
- d. **Enhance the Milford Road corridor** with new and improved experiences that recognise landscape, conservation and culture at key nodes
  - i. Gateway approach to the National Park – visual change to signal entry
  - ii. Eglinton Reveal – barrier arm, car parking and public toilets, low profile viewing structures blended into the landscape
  - iii. Knobs Flat improvements and cycleway on the flats
  - iv. Ōtāpara Cascade Creek / Mistake Creek Overnight Walking Track Experience – campground improvements and a new tramping hut
  - v. Whakatipu Trails Head – linking the convergence of Ara Tawhito (traditional trails) with Whakatipu Waimāori Lake Wakatipu with the West Coast. A wānanga/living classroom would be provided primarily for Ngāi Tahu rangatahi (young people) to learn about culture, practices, rituals and stories by Ngāi Tahu.
  - vi. Gertrude Valley - enhanced longer day walks to Gertrude Valley, a new shorter looped nature trail, observation points, interpretative displays, track information, shelter, toilets and bus drop off / car park areas with protective safety bunding in strategic locations.
  - vii. Cleddau Cirque – safe observation for two busloads to view the dramatic glacial formed cirque to the West of Homer Tunnel and passive (non-interactive) observation of Kea.
- e. **Redesign and reorganise infrastructure, function and layout of spaces at Milford Sound Piopiotahi** to enhance visitor movement, reflect its world class status, reduce conflicts, and **develop natural and cultural heritage experiences** to encourage visitors to stay longer
  - i. 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
  - ii. Reorganise car parking to ensure low visual impacts and introduce permit parking
  - iii. Provide layover facilities for the hop on/hop off and express bus fleet
  - iv. Replace the old hotel with a new eco-concept hotel that offers premium and standard services to meet visitor demands

- v. Develop a new visitor centre and marine centre for information, Mitre Peak views, central gathering area and departure point for a range of experiences in a location of least risk to natural hazards
- vi. Redevelop staff accommodation into a purpose built complex within the visitor hub to improve living arrangements, mitigate natural hazards and repurpose the land
- vii. Enhance and create a variety of Milford Sound Piopiotahi experiences, including:
  - (1) A world class cable car, walks and lookout over Bowen Falls to Milford Sound Piopiotahi
  - (2) Create a Mitre Peak reveal at arrival and a clear orientation point through layout changes that focus on a stronger sense of place.
  - (3) Barren Peak Spur treetop lookout (above visitor hub)
  - (4) Foreshore/forest nature walks with regular viewing points
  - (5) Commercial/recreational marine interface (provides facilities and addresses issues between commercial operators and recreational boats)
- viii. Upgrade, replace and expand all infrastructure, especially drinking water and electricity (hydro).

## Appendix 2 – Milford legislative framework

The following legislative framework is not exhaustive.

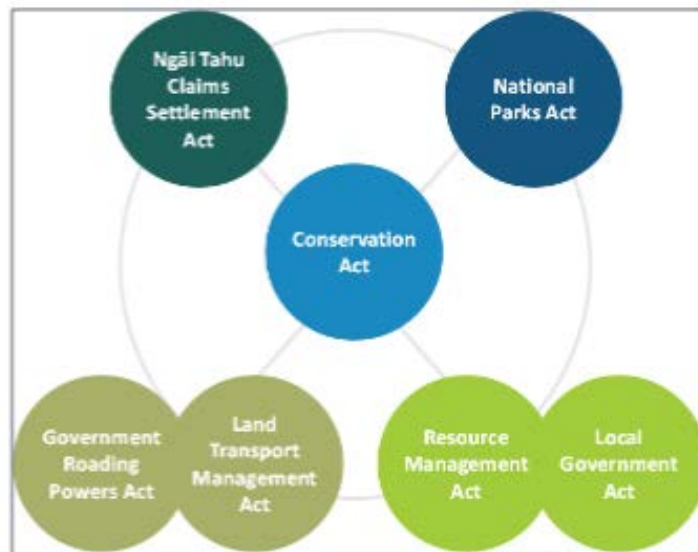


Figure 1: Legislative Framework

<p>Conservation Act 1987</p>	<p>Creates DOC, Conservation Boards, and the Conservation Authority (who approve statutory management plans).</p> <p>Creates a concession framework for allowing activities within conservation areas including National Parks.</p> <p>Section 4 obligation on Treaty principles.</p> <p>Provides for conservation management strategies and plans and the process for enabling full or partial reviews of these documents.</p>
<p>Heritage New Zealand Pouhere Taonga Act 2014</p>	<p>Promotes the identification, protection, preservation, and conservation of the historical and cultural heritage of New Zealand</p>
<p>National Parks Act 1980</p>	<p>Directs how National Parks are managed including directing activities not covered by concessions.</p> <p>Establishes key principles – including freedom of access, subject to primary principle of preservation competing principles of preservation and freedom of access.</p> <p>General Policy for National Parks - gives direction and guidance on how national parks should be preserved and protected, including activities within the parks</p> <p>National Park Management Plans - guides statutory decision making, including concessions</p>

	National Park Bylaws
Ngāi Tahu Claims Settlement Act 1998	Statutory acknowledgements and Topuni recognising Ngāi Tahu mana, association, and values for specified areas.  Requires consent authorities, DOC, conservation boards, and the Conservation Authority to have regard to these areas in their planning processes.
Government Roothing Powers Act 1989 and Land Transport Management Act 2003	How state highways are operated and maintained. Limits the ability to toll. Limits where funding can be applied.  Public transport considerations.
Resource Management Act 1991 and Local Government Act 2002	Planning processes – long term plans, Regional Coastal Policy, Regional Policy Statement, District Plans.  Consenting process for activities.

Other Acts that are also relevant to the legislative framework at Milford Sound Piopiotahi are:

1. Marine Reserves Act 1971 (there is a Marine Reserve in the Sound)
2. Marine Mammals Protection Act 1978 (and the Regulations 1992)
3. Wildlife Act 1953
4. Fiordland (Te Moana o Atawhenua) Marine Management Act 2005

Appendix 3 – Legislative implications

Free and frank opinions





Free and frank opinions





Appendix 5 – Milford Road corridor - Te Anau to Milford – Places of interest (Sourced from <https://www.nzta.govt.nz/projects/sh94-milford-road/>)

