



## COVERSHEET

<b>Minister/s</b>	Hon Kelvin Davis Hon Eugenie Sage	<b>Portfolio</b>	Tourism Conservation
<b>Title of Cabinet paper</b>	The Milford Opportunities Project	<b>Date to be published</b>	11 October 2019

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
19 June 2019	The Milford Opportunities Project	Office of the Minister of Tourism Office of the Minister of Conservation
19 June 2019	DEV-19-MIN-0159	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 given to the Government.

In Confidence

Office of the Minister of Tourism

Office of the Minister of Conservation

Chair, Economic Development Committee

## The Milford Opportunities Project

### Proposal

1. We are seeking agreement to commence stage two of the nationally significant Milford Opportunities Project (MOP). Stage two is to develop options for a Master Plan to improve future management and protection of the under-stress Milford corridor<sup>1</sup> and Milford Sound *Piopiota*<sup>2</sup>.

### Executive Summary

2. Milford Sound *Piopiota* is located within Fiordland National Park. It is one of New Zealand's most popular visitor attractions<sup>3</sup> and iconic destinations in the world.
3. As visitor numbers continue to grow so too has pressure on conservation and the limited infrastructure of this remote and iconic place and the State Highway leading to it. This has seen overcrowding at key sites, a degrading of the visitor experience and safety, and the conservation values of the area are at risk.
4. This situation will worsen if the status quo remains, with projected visitor numbers to reach 1.2 million by 2023 and 2 million by 2035. Results from surveys in the past two years (both public and tourist responses) indicate dissatisfaction with congestion at peak times, road safety and limited infrastructure to support a quality visitor experience. Growing tourist numbers will only exacerbate issues and the sustainability of visitation will continue to diminish.
5. The MOP seeks to agree a future state that is productive, sustainable, and inclusive, and connects visitors better with New Zealand's natural, cultural and historic heritage.
6. The MOP consists of three key stages summarised in the table below:

Stage	Focus	Timeframes
Stage one	Vision, values and an outline Master Plan	2017-2019
Stage two	Options assessment and agreed Master Plan	2019-2020
Stage three	Implementation of the Master Plan	2020 onwards

1 State Highway 94 is located within the Milford Road Frontcountry Visitor Setting (Milford corridor). The State Highway is not part of the national park.

2 DOC manages the land-based part of Milford Sound *Piopiota* to mean high water springs as Fiordland National Park and the *Piopiota* Marine Reserve in Harrisons Cove.

3 Visitor numbers to Milford Sound *Piopiota* have more than doubled in 15 years to more than 900,000 annually.

7. A Governance Group, which is comprised of central and local government agencies, as well as Ngāi Tahu and tourism representatives has completed stage one to develop a preliminary vision, values and an outline 30 year Master Plan.
8. The draft vision “*Piopiotaahi – New Zealand as it was, forever*” suggests major change, including repurposing and redistributing infrastructure and transport movement to support conservation gains, noise reduction for adjacent wilderness areas, improved visitor experience, visitor safety and natural hazard mitigation.
9. The governance group is ready to progress to stage two, where concepts and options will be fully formed and tested, including a legislative research component to understand the legislative constraints and what, if any, changes are needed.

10. Commercial Information

11. There would be extensive consultation with Ngāi Tahu, local communities, public and other stakeholders and all options will be thoroughly explored to select the most appropriate options to recommend to Cabinet.
12. Stage two will be a substantial piece of work and is currently unfunded. The Southland District Council on behalf of the governance group will work with officials to secure a funding pathway which would enable stage two to proceed without delay.
13. If MOP is successful, it provides an opportunity for Government to apply a similar approach for managing other high-pressure sites across New Zealand to actively address tourism pressures.
14. The MOP Master Plan itself would not be a statutory document but could inform other statutory plans mandated through the Department of Conservation (DOC), Southland District Council and Environment Southland.

## Background

15. A record 946,000 visitors went to Milford Sound *Piopiotaahi* in 2018, with tourism growth forecast to continue, reaching 1.2 million by 2023 and 2 million by 2035.
16. Under the status quo, we expect that current management and infrastructure will not be able to protect conservation and deliver a safe and quality visitor experience.
17. Results from surveys in the past two years (both public and tourist responses) indicate dissatisfaction with congestion at peak times, road safety and limited infrastructure, including a lack of car parking.
18. Currently there is free access on the Milford corridor to Milford Sound *Piopiotaahi*, which is consistent with the principle of open access to National Parks.
19. Given various local and central government agencies have varying responsibilities for the Milford corridor and at Milford Sound *Piopiotaahi*, local and central government agencies agreed no one agency could address the evolving challenges in isolation,

rather a collaborative approach of iwi, local and central government and the tourism industry working together was required.

20. This led to the establishment of the Milford Opportunities Project in 2017, which seeks to develop innovative solutions with core values and a sustainable future in mind to safeguard conservation, reduce congestion and overcrowding, while preserving the visitor experience.
21. The MOP will ensure that Milford Sound *Piopiotahi* is future-proofed to protect and invest in the area's important conservation values and connect visitors better with New Zealand's natural, cultural and historic heritage. This acknowledges that our natural landscapes are the backbone of New Zealand's wellbeing and supports the success of tourism and industry.
22. The MOP presents opportunities to:
  - Fund and protect conservation and protect the National Park values;
  - Increase the connection to conservation values through providing visitors' opportunities to engage with nature;
  - Lead the development of sustainable low carbon transport options in New Zealand;
  - Find innovative ways to protect the environment while managing visitors;
  - Extend the length of time visitors stay in Otago/Southland generating additional economic benefit to communities;
  - Offer a high quality visitor experience that delivers on New Zealand's brand promise.
23. A governance group led by Dr Keith Turner as independent chair was established in 2017. The group consists of representatives from Southland District Council (lead agency), Queenstown Lakes District Council, Ngāi Tahu, DOC, MBIE, NZTA and the local tourism industry. A project Working Group provides day to day liaison for the external project management.
24. The MOP will develop concepts and ideas to form a Master Plan, which will look to address the following challenges:
  - Congestion at key sites, including rest/viewing areas, car parking areas and on the state highway at sites such as the Homer Tunnel;
  - Increasing visitor impact on conservation values, adjacent wilderness areas and the marine environment;
  - Reduction of natural quiet and tranquillity in Milford Sound *Piopiotahi*;
  - Sense of crowding at peak times;
  - Location of manmade structures that reduce the visitor experience;
  - Inadequate infrastructure e.g. electricity supply, wastewater, waste disposal, car parking, bus services, walkways;
  - An increasing number of vehicles into Milford Sound *Piopiotahi*;
  - Increasing carbon footprint;
  - Road safety for motorists and pedestrians;

- Visitor inexperience in New Zealand alpine highway conditions;
- Natural hazard management and mitigation for visitors and infrastructure – tsunami, landslides and avalanche zones;
- High visitor expectations not matched by the reality of the experience;
- Perceived rights and ingrained expectations of existing tourism operators challenging the need to change management of the place going forward.

25. The National Parks Act 1980, Conservation Act 1987 & Fiordland National Park Management Plan 2007 (FNPMP) will be central to the future management of the national park and the potential development of the draft MOP Master Plan, with scenarios developed tested for feasibility against legislation and statutory planning documents.
26. The MOP Master Plan itself would not be a statutory document but could inform other statutory plans mandated through the Department of Conservation (DOC), Southland District Council and Environment Southland.
27. There are three key stages summarised in the table below:

Stage	Focus	Timeframes
Stage one	Vision, values and an outline Master Plan	2017-2019
Stage two	Options assessment and agreed Master Plan	2019-2020
Stage three	Implementation of the Master Plan	2020 onwards

### Stage one

28. Stage one is complete and covered a preliminary vision, values and an outline masterplan.
29. The governance group's primary desire was future-proofing Milford Sound *Piopiota*hi to protect the area's important conservation values and connect visitors better with New Zealand's natural, cultural and historic heritage. This desire is reflected in the draft vision:

***Piopiota*hi – New Zealand as it was, forever**

30. This vision is underpinned by pillars that support the vision and the value proposition to sustain the quality of the place and visitor experience.
31. These fundamental pillars are centred around mana whenua values, conservation values, harnessing technology to provide solutions, visitor safety, visitor experience, story-telling and an authentic New Zealand experience:

Conservation	<i>Manage Fiordland National Park to ensure ongoing protection of pristine conservation areas, while enabling restoration of natural ecological values in other areas.</i>
Mana Whenua values woven through	<i>Iwi's place in the landscape and guardianship of mātauranga Māori me te taiao (Māori knowledge and the environment) are recognised. Authentic mana whenua stories inform and contribute to a</i>

	<i>unique visitor experience.</i>
A moving experience	<i>Visitors experience the true essence, beauty and wonder of Milford Sound Piopiotahi and Murihiku/Southland through curated story-telling, sympathetic infrastructure and wide choices suited to a multi-day experience.</i>
Tourism funds conservation and community	<i>The visitor experience will become an engine for funding conservation growth and community prosperity.</i>
Effective visitor management	<i>Visitors are offered a world class visitor experience that fits with the unique natural environment and rich cultural values of the region.</i>
Resilient to change and risk	<i>Activities and infrastructure are adaptive and resilient to change and risk, for instance avalanche and flood risks, changing visitor trends, demographics and other external drivers.</i>
Harness innovation and technology	<i>Leading technology and innovation is employed to ensure a world class visitor experience now and into the future.</i>

### Concepts for further consideration

32. A number of potential visitor management and opportunity scenarios to protect and future proof the Milford corridor and Milford Sound *Piopiotahi* have been developed.
33. The project will look at all options for Milford Sound *Piopiotahi* with protection and conservation values front of mind, with the National Parks Act 1980 directing DOC to maintain the park in a natural state.
34. It may be the Conservation Act 1987, National Parks Act 1980 and a new Fiordland National Park Management Plan can accommodate any required change.
35. Each of these will deliver conservation gains alongside an enhanced experience for the visitor. These options are not exclusive and are only potential components of a final picture for Milford Sound *Piopiotahi* (see appendix 1)

## Stage two

36. The MOP is ready to progress to stage two, where there are set to be 14 streams of research and analysis (identified in Stage one) to fully form and test options, including a legislative research component to understand what, if any, changes are needed.

37. Commercial Information

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40. It is expected to take 18 months to complete the necessary work required to draft a Master Plan for Ministers' and then Cabinet consideration.

41. The governance group would report to Ministers on key milestones to keep Ministers aware of progress and stakeholder feedback on options.

42. The workstreams, which are to be finalised by the Governance Group, are set to cover but are not limited to:

<i>Workstream</i>	<i>Scope</i>
Conservation impact analysis	Identify baseline natural capital, conservation and biodiversity values and requirements and test potential master planning options against these. This will include an assessment of natural quiet and options for improvement.
Cultural values and aspirations	To give full effect to s4 of the Conservation Act, engagement with Ngāi Tahu our Treaty Partners and local rūnanga to ensure their cultural values and aspirations are understood and provided for in the final Master Plan.
Infrastructure assessment	Assess future infrastructure needs and to plan and provide integrated infrastructure solutions that meets the needs of visitors and community, including identification of redundant or inappropriate infrastructure, while protecting national park values.
Te Anau study	Understand the social context and potential infrastructure requirements for Te Anau to be able to deal with increasing visitors. This will include consultation and engagement with the local community.
Milford governance and management review	Identify the organisations involved in regulatory and operational control of Milford and options for integrated management.
Legislative review	Analysis of existing statutory and policy frameworks,

	assessment of potential master planning options against these and where changes may be needed to action the desired outcome, recognising <i>Piopiota</i> national park location.
Land analysis	Evaluation, assessment and spatial mapping of the location of appropriate visitor experience opportunities or development.
Hazards and visitor risk review	A baseline assessment of natural and human hazard risk and assessment of master planning options.
Understanding the commercial operators	Understand consequences of potential master planning options on current operators, and where apparent, identify future opportunities consistent with national park.
Customer journey mapping and typologies	Identify different types of visitors, key visitor issues, visitor experience opportunities and impact of potential master planning options on visitors and other recreational users and on national park values.
Tourism economic impact study	Develop baselines economic analysis to enable testing of potential options to identify likely economic impact. This may include exploring potential charging, access and transport options to reduce visitor risk and congestion.
Communication, engagement and social license	Ensure there is robust communication and engagement with Ngāi Tahu, our Treaty Partners, local communities, tourism sector and wider NZ public to maintain social license for the master planning work. Where applicable engagement and consultation will run in conjunction with the FNPMP and Regional Coastal Plan reviews.
Visitor monitoring programme	Establish a monitoring programme to ensure robust consistent monitoring and reporting. It is intended the monitoring programme will continue post implementation of the MOP Master Plan which will provide evidence of visitor response to implementation actions.

43. A report back to Cabinet on the options, implications and progress to stage three - implementation is expected mid 2020.

### Risks

44. The biggest risk associated with the Milford Opportunities Project is delays, as the status quo will see conservation, safety and overall visitor experience degrade further as visitor numbers to Milford Sound *Piopiota* increase annually.
45. Securing funding to progress stage two is also a high risk for MOP, and if funding is not forthcoming it is highly likely to damage the reputation of the region as a visitor destination and damage New Zealand's reputation more broadly
46. The communications and reputational risk for the project will evolve as option development shifts to the public consultation phase. Commercial Information



## Consultation

47. The Ministry of Business, Innovation and Employment and the Department of Conservation have consulted with the New Zealand Transport Agency, the Ministry of Transport and Treasury on this paper.
48. The Department of the Prime Minister and Cabinet (PAG) has been informed.

## Financial Implications

49. Stage two will be a substantial piece of work and is currently unfunded. The Southland District Council on behalf of the governance group will work with officials to secure a funding pathway which would enable stage two to proceed without delay.
50. Stage two will agree a Master Plan for *Piopiota* and an investable plan for implementation. Much of the investment in that plan can be expected to be met from existing funding such as Long-term Plans, the National Land Transport Fund and agency baselines, as well as private sector investment. There may be additional investments that are required and appropriate funding sources will be identified.

### *IVL option*

51. Cabinet has previously delegated expenditure of the IVL to the Ministers of Tourism, Finance, and Conservation.
52. Joint Ministers may make funding decisions based on an investment plan, this could be in place from 1 July when the IVL commences.

## Legislative Implications

53. None at this point. Options including legislative implications will be assessed during Stage two and reported back to Cabinet with the Master Plan.

## Human Rights

54. N/A.

## Gender Implications

55. N/A.

## Disability Perspective

56. N/A.

## Publicity

57. Subject to funding being secured, a joint press release would be issued announcing stage two work commencing. This would be followed by the project Governance Group partner agencies/representatives issuing more detailed communications material to local and national media, as well as interested and affected communities in the lower South Island.

58. Given the concepts and options to be researched, investigated and tested, the resultant proposals in the draft Master Plan would disrupt the status quo. Therefore, the overall communications risk at this point is judged as medium.

59. Commercial Information

### Proactive Release

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

### Recommendations

The Minister Tourism and Minister for Conservation recommend that the Committee:

1. Note stage one of the Milford Opportunities Project developed concepts to address the pressures that conservation, national park values, safety and the visitor experience is coming under on the Milford corridor and at Milford Sound *Piopiotahi* due to increasing visitor numbers.
2. Confidential advice to Government
3. Note that no recommendations will be made by the Governance Group of the Milford Opportunities Project on the results of stage two until Ministers have been fully consulted.
4. Agree the Milford Opportunities Project advance to stage two to develop a Master Plan to improve future management and protection of the Milford corridor and at Milford Sound *Piopiotahi* while recognising and protecting national park values.
5. Note there will be funding requirements for the next phase of work, which will take 18 months to complete. Southland District Council is working with officials on a funding pathway.
6. Invite the Ministers of Tourism and Conservation to report back with the draft Master Plan to Cabinet to consider before December 2020.

Authorised for lodgement

Hon Kelvin Davis  
Minister of Tourism

Hon Eugenie Sage  
Minister of Conservation

Appendix 1 – Stage two options to be investigated

### **Developing a blueprint for Milford Sound *Piopiotahi***

Create a new blueprint for Milford Sound *Piopiotahi* that imagines the Sound as it was before people arrived (making vehicles and built infrastructure secondary to the landscape).

Confidential advice to Government

Improve the road entry to Milford Sound *Piopiotahi* to enhance the visitor experience.

Confidential advice to Government

### **Transport innovation**

Develop a transportation plan to improve transport and visitor safety and reduce pressure on the Milford corridor and destination. Confidential advice to Government

Commercial Information

### **Pricing options**

Explore pricing models to fund conservation and investment at Milford Sound *Piopiotahi*.

### **Sustainable resources**

Explore low to zero carbon options for energy use at Milford and through the corridor.

Explore using low to zero carbon transport solutions from Te Anau to Milford Sound *Piopiotahi*, including hydrogen/electric buses.

### **Distribute visitor experiences across the wider region**

Look to understand the wider opportunities and consequences that Milford Sound *Piopiotahi* could create from its proposed changes across the lower South Island.

Leverage and mitigate the above by aspects such as:

- Promote 'must do' experiences around the wider region;
- Identify enabling projects at key locations;
- Identify 'moments' to capture along the way;

- Develop infrastructure and services that supports the visual experience – stopping points at locations of high scenic value.

### **Develop and promote Te Anau as the gateway to Fiordland**

Support and explore the infrastructure needed to develop Te Anau as the hub and gateway of the journey, showcasing sustainable tourism in an exemplary landscape.

Promote Te Anau as a hub for distributed experiences, supporting stays for more nights on average to grow local economy.

Manage pressure on Queenstown.

### **Connect people with place**

Create a slower, more immersive visitor experience along the Milford corridor and at Milford Sound *Piopiotahi*, with consistent application of stories of the place at stops which capture, frame and stage highlights to encourage visitors to engage with nature and heritage as well as the landscape. Provide local hosting opportunities.

### **Connect people with nature and the conservation effort**

Offer advocacy, education, and full immersion in the conservation effort, where conservation and sustainability come together:

- Conservation hub at a central location with nodes/satellites at other key sites to link the conservation theme with the place;
- Opportunities for visitors to be involved in conservation;
- Messaging around climate change, resilience, human actions and impacts.