



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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Milford Opportunities Project: Initial Policy Decisions

Portfolio Transport / Tourism / Conservation

On 27 June 2023, the Cabinet Environment, Energy and Climate Committee.

Programme

- 1 **noted** that the Milford Opportunities Project Masterplan (the Masterplan) proposes a range of significant changes to Milford Sound / Piopiotahi, including a new governance and management model, managed access, charging international visitors for access, establishing Te Anau as a hub, developing experiences along the corridor, encouraging sustainable practices and minimising visitor risk, and reorganising and modernising Milford Sound / Piopiotahi and its infrastructure;
- 2 **noted** that in June 2021, the Cabinet Economic Development Committee (DEV) agreed to the formation of a dedicated Unit and Establishment Board to feasibility test the Masterplan, prioritising work across five core policy work streams – managing access to Milford Sound / Piopiotahi, charging for access, concessions, governance and management arrangements, and Treaty of Waitangi [DEV-21-MIN-0135];

Managing access via the road

- 3 **noted** that the Masterplan proposal to manage access to Milford Road via a permit system would require new legislation that regulates access to the road for purposes other than those already provided for in legislation, such as for tourism purposes;
- 4 **noted** that initial feasibility work has identified significant operational, legislative, and cost implications associated with restricting road access for tourism purposes;
- 5 **noted** that the Masterplan rationale for restricting road access is unlikely to provide a strong enough case to override the operational, legislative, and cost implications of the option, if alternative options can achieve the intended outcomes;
- 6 **directed** officials and the Board to report back on whether alternative options could deliver the intended objectives for managing access, and whether there is a preferred option, for public consultation in early 2024;

Approach to charging

- 7 **noted** that in June 2021, DEV agreed that the Milford Opportunities 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 [DEV-21-MIN-0135];
- 8 **noted** that legislative change would be required to implement an access charge as envisioned by the Masterplan and that initial feasibility testing has identified that amending existing legislation is unlikely to be practical or deliver on the intended outcomes;
- 9 **noted** that an access charge in any form would need to be implemented via new, bespoke legislation;
- 10 **noted** that the range of options for designing and implementing an access charge is dependent on the preferred option for managing access to Milford Sound / Piopiotahi, and on options for complementary revenue streams;
- 11 **noted** that an access charge that differentiates between international visitors and others may have human rights implications;
- 12 **agreed-in-principle**, subject to paragraph 13 below, that any access charge would be a levy, differentiated based on residency, subject to further analysis on a preferred implementation approach and the ability to differentiate charges, and engagement with Ngāi Tahu;
- 13 **directed** officials and the Board to develop options on how an access levy should be implemented, and the purposes for which the levy could be used (including covering the core upfront costs of Crown capital investment and ongoing operating costs, and to enable further investment into conservation and relevant community outcomes), for public consultation in early 2024;

Approach to concessions

- 14 9 (2) (f) (iv), 9 (2) (g) (i)
- 15 **agreed-in-principle** to strengthen how concessions are used within and around Milford Sound / Piopiotahi, including a stronger approach to allocation, greater use of conditions to seek improved outcomes, and greater focus on performance and active concession management, subject to further legal and policy advice;
- 16 **directed** officials and the Board to provide advice to the Milford Opportunities Project Ministerial Group on options for the policy and regulatory framework for concessions in Milford Sound / Piopiotahi, including the case for change, whether operational or legislative changes are required, and implications for the wider concessions system, for public consultation in early 2024;
- 17 **noted** that the Minister of Conservation will report back to the Milford Opportunities Project Ministerial Group on options for how existing and new concessions are managed in and around Milford Sound / Piopiotahi, while further work is completed on the wider policy framework;

Management and governance arrangements

- 18 **noted** that officials and the Board will report back to the Milford Opportunities Project Ministerial Group with recommendations for the ongoing management and governance arrangements for the area, including whether there is merit in a new entity, how the interests of Ngāi Tahu in any arrangements should be considered, and implications for other agencies and statutory entities, for public consultation in early 2024;

Treaty of Waitangi

- 19 **noted** that section 4 of the Conservation Act 1987 features of the strongest weightings of Treaty of Waitangi principles in legislation requiring the Minister of Conservation and Department of Conservation to give effect to the principles of the Treaty of Waitangi in the interpretation and administration of the Act;
- 20 note that Ngāi Tahu, whose rangatiratanga over the area was established in the Ngāi Tahu Claims Settlement Act 1988, have a range of relevant rights and interests and have been actively involved in the Milford Opportunities Project Board, and in supporting the policy process;
- 21 **directed** officials and the Board to ensure that relevant rights and interests continue to inform the policy development, particularly as they relate to access, concessions, management, and governance;

Next steps

- 22 **noted** that legislative changes may be required or desired to give effect to the final package of options, and that Ministers will consider preparing a legislative bid for the 2024 or 2025 Legislation Programme depending on the outcome of detailed policy work;
- 23 **agreed** that the Milford Opportunities Project Unit undertake engagement with key parties over the next six months to continue developing, refining, and testing key proposals, including with commercial operators, statutory bodies, community, and interest groups;
- 24 **invited** the Milford Opportunities Project Ministerial Group to report back to Cabinet in early 2024, including with a draft public consultation document to seek public views on the options, to inform the final business case and final decisions on potential legislative change.

Rebecca Davies
Committee Secretary

Present:

Hon Kelvin Davis
Hon Dr Megan Woods
Hon Willow-Jean Prime
Hon Rachel Brooking
Hon James Shaw

Officials present from:

Office of the Prime Minister
Officials Committee for ENV