

Briefing: Resignation of MOP Ministerial Advisory Committee Chair, finalisation of Ministerial Advisory Committee Terms of Reference and MOP funding arrangements

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| To | Minister of Conservation Minister of Tourism Associate Minister of Transport | Date submitted | 28 February 2023 |
| Risk Assessment | Medium Confirmation of funding beyond June 2023 is required to ensure project viability. | Priority | High |
| Reference | 22-B-0805 | | docCM: 7235803 MBIE: 2223-2220 MOT: OC230014 |
| Security Level | In Confidence | | |

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| Action sought | <u>Note</u> that the MOP Ministerial Advisory Committee Chair, Dr Keith Turner has resigned with effect from 31 March 2023. <u>Agree</u> to send finalised Terms of Reference under covering letter to Dr Turner. <u>Agree</u> to seek approval from the Minister of Finance to transfer uncommitted MOP funding from the 2022/23 financial year to the 2023/24 financial year. | Timeframe | 6 March 2023 |
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| Attachments | <p>Attachment 1 – Letter to Dr Keith Turner</p> <p>Attachment 2 – Finalised Ministerial Advisory Committee Terms of Reference</p> <p>Attachment 3 – Letter to Minister of Finance</p> |
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| Contacts | |
|--|-------------------|
| Name and position | Cell phone |
| Richard Davies, Policy Director, Tourism, Labour, Science and Enterprise - Ministry of Business, Innovation and Employment | s9(2)(a) |
| Bryn Gandy, Deputy Chief Executive, System, Strategy & Investment – Te Manatū Waka Ministry of Transport | s9(2)(a) |
| Jessica Ranger, Manager, Placemaking and Urban Development - Te Manatū Waka Ministry of Transport | s9(2)(a) |
| Tim Bamford, Chief Advisor to the Deputy Director-General Biodiversity, Heritage and Visitors - Department of Conservation | s9(2)(a) |
| John Arathimos, Principal Advisor (Policy) Milford Opportunities Project - Department of Conservation | s9(2)(a) |

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Executive summary – Whakarāpopoto ā kaiwhakahaere

1. The Milford Opportunities Project (MOP) was established to preserve Milford Sound Piopiotahi's world heritage status, cultural and conservation values and improve the overall visitor experience. Rapidly increasing tourism numbers, particularly prior to the Covid pandemic, had exacerbated congestion along the Milford Road corridor and placed significant pressure on ageing infrastructure.
2. Dr Keith Turner, Chair, MOP Establishment Ministerial Advisory Committee (the Committee) has resigned with effect from 31 March 2023. Attached for your signature is a letter thanking him for his service.
3. Former members of the MOP Ministerial Group, the Hon Poto Williams, Hon Stuart Nash and Hon Kieran McAnulty had agreed on amendments to finalise Terms of Reference for the MOP Committee (22-B-0747 refers). These will be included in the letter to Dr Turner.
4. Your letter to Dr Turner also comments on the Committee's recent progress update (including recent correspondence from Dr Turner on 24 February 2023), reinforcing the importance of the relationship with Ngāi Tahu. We propose that you ask that the MOP Unit develops robust policy advice concerning access, pricing, governance, and concessions by December 2023 and that other workstreams are not fully progressed until primary policy issues are addressed.
5. Current funding for the project ends on 30 June 2023. The Committee has requested an extension of existing funding to 30 June 2024. Permission will be required from the Minister of Finance to transfer uncommitted MOP funds from the 2022/23 financial year to the 2023/24 financial year.

We recommend that you ... (Ngā tohutohu)

| | | Decision |
|----|--|----------|
| a) | <u>Note</u> that Dr Keith Turner, Chair, Milford Opportunities Project Establishment Ministerial Advisory Committee has resigned with effect from 31 March 2023 | |
| b) | <u>Sign</u> the attached letter to Dr Turner | Yes / No |
| c) | <u>Agree</u> that the Ministerial Advisory Committee is directed to narrow the focus of the MOP Unit's work programme on: <ul style="list-style-type: none"> • developing policy options on access, charging international visitors, governance and concessions (supported by engagement and research) • cultural work with Ngāi Tahu. | Yes / No |
| d) | <u>Agree</u> that other workstreams – namely infrastructure development, commercial revenue modelling and consideration of closing the aerodrome and banning cruise ships are not fully progressed until primary policy considerations have been addressed | Yes / No |
| e) | <u>Sign</u> the attached letter to the Minister of Finance | Yes / No |
| f) | <u>Note</u> finalised MOP Ministerial Advisory Committee Terms of Reference, for sending to the Milford Opportunities Project Establishment Ministerial Advisory Committee | |



Date: / /

Richard Davies
**Policy Director, Tourism
Labour, Science and Enterprise,
Ministry of Business, Innovation and
Employment**



Date: / /

Jessica Ranger
**Manager, Placemaking and Urban
Development
Te Manatū Waka Ministry of Transport**



Date: / /

Tim Bamford
**Chief Advisor to the Deputy Director
General, Biodiversity, Heritage and
Visitors, Department of Conservation**

Date: / /

Hon Willow-Jean Prime
Minister of Conservation

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Date: / /

Hon Peeni Henare
Minister of Tourism

Date: / /

Hon Kiritapu Allan
Associate Minister of Transport

Purpose – Te aronga

1. This paper requests that you sign letters to the Chair of the Milford Opportunities Project (MOP) Ministerial Advisory Committee (the Committee) and the Minister of Finance. These concern the resignation of the Chair, finalised Terms of Reference (TOR) for the Committee, a recent progress update from the Committee, the MOP Unit's work priorities and funding for the project. You will be provided with a fuller briefing on MOP in coming weeks.

Background and context – Te horopaki

Overview of the Project

2. A record 870,000 visitors went to Milford Sound Piopiotahi in 2019 (the most recent figures before COVID-19), with tourism demand forecast to reach 1.1 million by 2050. Ongoing visitor pressure is likely to exacerbate congestion along the Milford Road corridor, reduce safety, threaten conservation values in the Fiordland National Park, and place significant pressure on ageing infrastructure.
3. The MOP Masterplan was finalised in May 2021 and aims 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'*.
4. Key recommendations in the MOP Masterplan include introduction of a managed access and transport model¹, charging international visitors an access fee², establishing a new governance model³, developing new experiences along the corridor, improving infrastructure in Piopiotahi, prohibiting fixed wing aircraft, and replacing the aerodrome with a heliport, and banning cruise ships from Milford Sound.
5. In June 2021 Cabinet approved the creation of a Ministerial Advisory Committee and a Unit to undertake feasibility testing of Masterplan recommendations in Stage Three of the Project. It was expected that this would be undertaken over two years and completed by June 2023. Cabinet also agreed that a Ministerial Group, consisting of the Ministers of Conservation (lead), Tourism, and Transport, would be decision maker on Stage Three. The Ministerial Group makes decisions on the project based on consensus among the three ministers. Agency advice is provided to the Ministerial Group via joint briefings from the Department of Conservation (DOC); Ministry of Business, Innovation and Employment (MBIE), and Ministry of Transport (MOT). There are no regular meetings of the Ministerial Group. We will consult with your offices concerning the possibility of scheduling these.
6. The Committee and Unit were established in mid-2022. They are hosted by DOC and report to the MOP Ministerial Group. DOC, MBIE and MOT support the Committee and Unit and provide separate agency advice to the Ministerial Group.

¹ New Zealanders could travel to Milford Sound in private vehicles provided they obtain a permit for limited car parking spaces. Other visitors would travel on an express hop on/hop off park and ride service from Te Anau using zero emission (H2 or EV) buses.

² International visitors would pay an access fee to enter Fiordland National Park. Entry for New Zealand residents would be free.

³ Two proposed options are legislative action within existing frameworks, or creation of a new statutory entity that would deliver the purpose, objectives, role and principles of the Masterplan and replace the existing bodies' functions.

7. Stage Three of the project is supported by a \$15m budget from Covid-19 tourism recovery funding. This is spread over the 2020/21 and 2022/23 financial years and is administered by DOC.
8. You have been asked to report back to Cabinet on progress of the MOP Unit in March 2023. A draft Cabinet paper for your consideration will be provided in the next week.

Outstanding matters

9. Several matters remain outstanding at the time of your appointment to the Ministerial Group. These are:
 - Responding to the recent resignation of the Committee Chair, Dr Keith Turner
 - Finalising Terms of Reference (TOR) for the Committee
 - Providing feedback on a recent progress update from the Board, and
 - Considering a request from the Committee to extend the project to June 2024 (which will need Minister of Finance approval to transfer the related funding).

Resignation of MOP Committee Chair

10. Dr Keith Turner resigned as MOP Committee Chair on 16 January 2023. This will take effect from 31 March 2023. Dr Turner considers that the project is on a sound footing for Stage Three which is focussed on feasibility testing of recommendations in the MOP Masterplan. Attached for your consideration and signature is a letter to Dr Turner thanking him for his involvement in the project (Attachment 1).
11. There is likely to be local and media interest in Dr Turner's resignation. We propose that a note be put onto the MOP website acknowledging his resignation, and that a successor will be announced in due course. We will also provide your offices with key messages to support any reactive questions on Dr Turner's resignation and next steps.
12. We will brief you separately on potential successors to Dr Turner, and the process for appointing the new Chair. Dr Turner has offered to support this.

Finalised Terms of Reference

13. Draft TOR for the Committee had undergone several revisions in recent months. Former members of the MOP Ministerial Group, Hon Poto Williams, Hon Stuart Nash and Hon Kieran McAnulty had agreed on final revisions to the TOR (22-B-0747 refers). These have not been communicated to the Committee. We propose that you include the TOR (Appendix 2) in your letter to Dr Turner. The finalised TOR:
 - Clarifies that recommendations in the MOP Masterplan will not be enabled prior to decisions from the Ministerial Group concerning their feasibility
 - Adds 'environment' and 'conservation' to the list of attributes for skill-based members of the Committee
 - Notes that agency representation at Committee meetings remains at ex-officio status regardless of who the attendee is, and
 - Notes that the project end date is subject to the availability of funding.

Feedback on Committee Progress Update and Forward Work Priorities for the MOP

14. The Committee provided a progress update to former members of the Ministerial Group in 2022. This included an outline of the MOP Unit's high level work programme.

Unfortunately, the Ministerial Group did not have an opportunity to give feedback on the progress update. Your letter to Dr Turner does so. Your letter also refers to correspondence from Dr Turner dated 24 February 2023 which welcomes you to your new roles and reiterates the focal areas of the MOP Unit's work programme.

15. The Committee and Unit should be commended for bringing some momentum to the process. However, agencies have continued to reinforce to the MOP Unit that Cabinet decisions are required on substantial first order policy issues before much of the detailed feasibility work can progress.
16. There are strong interdependencies across key recommendations and workstreams in the Masterplan. Given this, appropriate phasing of the MOP Unit's work programme is essential towards ensuring the overall success of the project. Agencies will continue to work with the MOP Unit to achieve this.
17. We propose that your letter to Dr Turner provides direction to the Ministerial Advisory Committee concerning the focus the MOP Unit's work programme over 2023. Given the already tight timeframes, officials recommend that the Ministerial Advisory Committee be directed to:
 - narrow its focus to policy feasibility testing that addresses access, pricing, governance and concessions (including associated engagement and research), and
 - cultural work with Ngāi Tahu.
18. Officials also recommend that the Ministerial Advisory Committee is asked to not fully progress work on infrastructure planning, aspects of commercial revenue modelling, and consideration of banning cruise ships into Milford Sound and closure of the aerodrome until primary policy considerations have been addressed. Focusing on the substantial first order policy issues before this detailed work will enable stakeholders to be better brought along the process, and feed in appropriately as the feasibility testing progresses.

Letter to Minister of Finance

19. As noted in paragraph 6, the Committee and Unit were appointed approximately one year behind schedule in June 2022. This was due to complications in the recruitment process and a tight labour market. The Ministerial Group had provisionally agreed to extend the project to December 2023 on account of this. The Committee has subsequently requested an additional extension of the project to June 2024. This is to allow the Unit to have two years to complete its work programme, as envisaged by Cabinet in 2021.
20. Officials support extending the timeframe for the MOP Ministerial Advisory Committee and Unit to undertake Phase Three, on the condition that they appropriately phase the MOP Unit's work programme, aligned with direction from Ministers.
21. MOP funding currently ends on 30 June 2023. The previous Ministerial Group was briefed that permission will be required from the Minister of Finance to transfer uncommitted funding from the 2022/23 financial year to the 2023/24 financial year (noted in 22-B-0747). A letter concerning this has been drafted for your consideration and signature (Attachment 3).

Risk assessment – Aronga tūraru

22. An extension of existing funding beyond June 2023 will be required to ensure project viability.

Consultation – Kōrero whakawhiti

23. This paper including its attachments was jointly prepared by DOC, MBIE and MOT. The Treasury was also consulted.

Financial implications – Te hīraunga pūtea

24. These are noted in paragraph 21.

Legal implications – Te hīraunga a ture

25. The feasibility testing phase of the project will include analysis of legal pathways required to implement recommendations in the Masterplan. A decision by Cabinet to implement elements of the Masterplan would most likely require amendments to existing legislation such as the National Parks Act and relevant transport legislation, or bespoke legislation for Milford Sound.

Next steps – Ngā tāwhaitanga

26. You will be provided with a fuller joint agency advice on MOP, including preliminary analysis of recommendations in the Masterplan, in coming weeks.
27. Cabinet has requested a progress update on the project by the end of March 2023. This is being drafted by the MOP Unit in consultation with the Ministerial Advisory Committee and agencies.

ENDS

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