



Applicant: Southern Discoveries Limited
Permission number: 50670-ACC
Application Type: Notified Lease

To: Aaron Fleming, Director Regional Operations, SSI
From: Lisa Wheeler, Senior Permissions Advisor
Peer Reviewed by: Olivia Graham, Senior Permissions Advisor
Date sent: 23 April 2025

Executive Summary - Whakarāpopoto ā kaiwhakahaere

1. Southern Discoveries Limited (the Applicant) has applied to construct and manage new staff accommodation in Cleddau Village (Accommodation Activity Area), in Milford Sound, Fiordland National Park, for a 30+30-year term (the Application).
2. The term being recommended is a 30-year term only, with no renewal.
3. A Preliminary Notice was sent to Te Rūnanga o Ngāi Tahu (dated 11 April 2019) as required under sections 52 and 53 of the Ngāi Tahu Claims Settlement Act 1998.
4. No feedback from Te Rūnanga o Ngāi Tahu has been received in response to the Preliminary Notice letter or through normal iwi engagement processes.
5. Feedback was received from local Rūnaka:
 - a) Makaawhio have no concerns as long as Department conditions are adhered to.
 - b) Murihiku Rūnanga/Kaitiaki Roopū don't want any applications processed until the Milford Opportunities Project (MOP) work and Park Plan review are completed.
6. This Application was held back for 5 years, initially in response to the COVID-19 pandemic, then waiting for outcomes of the MOP and the Fiordland National Park Management Plan (FNPMP) review. No progress has been made on either of these items, and a decision on this Application is now required.
7. The Application was reviewed by a Design Review Board (DBR) following advice from the District Office and Management Planners, as the Application is inconsistent with the FNPMP and new Cleddau Village Guidelines as a result of flood protection works consented in 2010. The DBR found that many of the Objectives in the Design Guidelines have not been achieved by the Application.

8. Part of the Application has staff accommodation being built in the Parking Activity Area, this is in keeping with the revised Cleddau Village layout (as part of a separate resource consent decision) but inconsistent with Map 10 in the FNPMP.
9. The FNPMP was not amended to reflect changes to the layout of the new Cleddau Village and the Design Guidelines therefore sit outside of the FNPMP provisions, so act as a guide to decision making.
10. The Applicant has recently advised that following the impacts of COVID-19 they will be looking to revise and reduce the scale of their Application. I have recommended this Application be approved because in my opinion, the design issues causing the inconsistencies with the Design Guidelines can be mitigated by a lesser scale development. And I conclude there are exceptional circumstances to allow development in part of the Parking Activity Area.
11. The Applicant has viewed the draft concession and provided feedback requesting a timeline to achieve providing new plans and commencing work be included in the concession document.
12. Lease Authorisation for approval (*reference removed for website version*).

I recommend that you..... (Ngā tohutohu)

	Concession under Part 3B of the Conservation Act 1987	Decision
a)	Approve the Application. Subject to the standard concession contract and the special conditions identified in this report	Yes / No

Decision Maker Rational:

I approve this application, noting the applicant will submit a revised design to the Design Board. The applicant is assessed as being consistent with the Conservation Act, and special conditions allow for effects to be managed with the submission of the new design – specifically to adhere to the Cleddau Village Design Guidelines and for the layout of the development to be altered to contain the parking requirements within site H3 where possible.

This application has been in process for some time, and its timely a decision is made, noting the view of iwi that the processing of the application is delayed until the Milford Opportunities Project decisions are made and FNPMP updated. While decisions on MOP are likely sometime soon, changes to the FNPMP could still be some time away. A decision is therefore required, and can be made. I note the applicant will submit a new design for consideration, with special conditions to comply with, once the Milford Opportunity Project decisions are known. This approach helps ensure consistency with the direction for Piopiotahi once its known.

I do not consider there to be evidence for exceptional circumstances to be considered of the 30+30 year term applied for. I therefore approve a 30 year term. This is also consistent with other Cleddau Village concession terms.

I am comfortable with the lease concession as drafted.



Date: *5 May 2025*

Aaron Fleming, Director Regional Operations, Southern South Island

Pursuant to the Delegation dated 9 September 2015 and 7 July 2019

Purpose - Te aronga

13. The purpose of this report is to bring together the relevant information and recommendations to support you to make a statutory decision.

Context - Te horopaki

14. The Application is to construct and manage new staff accommodation, to house up to 65 staff, on sites B2 & H3, in Cleddau Village, Milford Sound, Fiordland National Park.
15. The Application will replace staff accommodation previously leased (now demolished) from Tourism Milford Limited (TML) within the Visitor Services Activity Area to meet current and future staff housing requirements for the next 40-50 years.
16. Note: the Applicant's affected staff are being accommodated by TML in other accommodation facilities within their Lease area as an interim measure.
17. The Application seeks a total lease footprint of 2,304m², which comprises of:
 - Areas occupied by the buildings = 1,084m²;
 - Balance area in lease areas B2 and H3 outside of building envelopes = 597m²;
and
 - Area required for carparking (defined as a lease area extension) = 623m².



Figure 1 – shows location of proposed sites B2 and H3

18. A total of 27 parking spaces are proposed to be located on each side of Pembroke Drive, between the formal site boundary and the formed road. These will protrude partially into the designated Parking Activity Area (as defined in Map 10 of the FNPMP).
19. Construction is expected to take nine months and would utilise prefabricated panel construction, requiring 25 workers to be housed on site, during construction.

20. The Application was assessed by a Design Board against Implementation 14, s.5.3.9.1 (Milford Sound/Piopiotahi) criteria in the Fiordland National Park Management Plan 2007 (FNPMP) and the 2010 Cleddau Village Design Guidelines.
21. The previous staff accommodation was authorised under a National Parks Act 1980 (NPA) sublease agreement. As this Application is for new staff accommodation, it should be authorised under s.49 of the NPA as a concession, and Part 3B of the Conservation Act 1987.
22. The proposed locations are listed below.

Activity	Conservation Area	Land category /status	Description of location
Build & maintain staff accommodation	Fiordland National Park	National Park	Site B2 and H3, Cleddau Village, Milford Sound

23. The Applicant is seeking a term of 30 + 30 years. The rationale for this term is provided in paragraph 83 of this report.
24. The Applicant has no outstanding or existing compliance issues.
25. The key concerns to be considered for this Application are:
 - a) Cleddau Village was lifted and redeveloped (to undertake flood protection works) and the modified Village layout is slightly different to that shown in Map 10 in the FNPMP) for the Staff Accommodation Area (now encroaches into the Parking Activity Area).
 - b) As part of the RMA process, Cleddau Village Design Guidelines – August 2010 was developed which required building plans to be assessed against these criteria. A Design Board found the Application to be inconsistent with these guidelines.
26. While this flood protection work was approved under the Resource Management Act (RMA), the FNPMP was not partially reviewed at the time to reflect the changes, resulting in the Application being inconsistent with the FNPMP.
27. A copy of the final complete application can be found here [Application by Southern Discoveries Limited](#).
28. Site location plan and proposed building layout images can be found in Appendix 3.

Treaty Partner Relationships

29. The table below summarises our engagement with Treaty partners on this application:

Treaty partner	Summary of Treaty partner engagement
Te Rūnanga o Ngāi Tahu	11 April 2019 - A Preliminary Notice (letter) was issued to Te Rūnanga o Ngāi Tahu, which is a requirement of s.52 (and in

	accordance with s.53) of the Ngāi Tahu Claims Settlement Act 1998. No response was received to this letter or through the above iwi engagement process.
	29 October 2019 - Email sent to commence iwi engagement. No response was received from Te Rūnanga o Ngāi Tahu.
Makaawhio	29 October 2019 - Email sent to commence iwi engagement. Makaawhio were granted an extension on response due to Tangi. <i>“Te Runaka o Makaawhio have no concerns with this application as long as the Departments conditions are adhered to.”</i>
Murihiku Rūnanga/ Kaitiaki Roopū	29 October 2019 - Email sent to commence iwi engagement. <i>“There should be no applications processed until the Milford Opportunities work has been completed and options provided for when the Park Plan Review has been completed.”</i>

30. A copy of the Preliminary Notice can be found in Appendix 1, Item 1.
31. A copy of the email trail for iwi engagement can be found in Appendix 1, Item 2.

Section 4: Giving effect to the Principles of The Treaty of Waitangi - Ngā mātapono Tiriti

32. Four principles have been identified as most relevant to the work of Te Papa Atawhai: Partnership, Informed Decision-Making, Active Protection, and Redress and Reconciliation.
- ~~33.~~ The Department has consulted with Te Rūnaka Makaawhio and Murihiku Rūnanga/Kaitiaki Roopū through two rounds of consultation as the concept design plans changed. There was an initial objection from Murihiku Rūnanga/Kaitiaki Roopū for any new applications to be considered before the Fiordland National Park Management Plan review had been completed.
34. The Ngāi Tahu Claims Settlement Act 1998 (Settlement Act) states that a lease term for 50 years or longer is considered a disposal, consequently, if the Department were to consider a term of 60 years (as requested by the Applicant) then Te Rūnanga o Ngāi Tahu must be offered first right of referral for the Land.
35. The Department has complied with the requirements of the Settlement Act and the Treaty principles outlined above. While the Department is aware of Te Rūnanga o Ngāi Tahu's interest in commercial and cultural concession opportunities within Milford Sound/Piopiotahi, this Application does not fall into those interests.

Contributions

Management Planning Advice

36. Under Assyst Request R157773 (dated 13/05/19), general advice was sought on whether concession applications can be assessed against the November 2010 resource consent decision¹ when they are inconsistent with the FNPMP.
37. The advice received concluded the boundaries of Map 10 are indicative only and reflect the intent of the FNPMP as opposed to direction for Cleddau Village redevelopment. But noting, the Application for staff accommodation is inconsistent with the provisions of the FNPMP that requires staff accommodation to only be within the Accommodation Activity Area.
38. Further advice received under Assyst Request R169545 (dated 7/10/19), recommended the Application be assessed by the Design Review Board against the Cleddau Village Design Guidelines with a focus on sections 5. Site Layout Design; 6. Building Design and 7. Landscape Design, where inconsistencies with the Design Guidelines exist.
39. The Planner commented that no change occurred to the FNPMP to alter delineation of the affected Activity Areas (Accommodation and Parking Activity Areas) at the time. As a result of this, the Department must still assess this Application for consistency against the current FNPMP. The Guidelines should be read as an aide to decision-making, rather than prescriptions or formula.
40. In another assessment from a third Planner in November 2019, it was suggested: “... *Area B2 is probably in the Accommodation Activity Area but that Area H3 is at least partially, if not totally in the Parking Activity Area. I also note that there is a large amount of existing accommodation already built in what is the Parking Activity Area.*”
41. Copies of management planning advice can be found in Appendix 1, Items 3, 4 and 5.
42. Link to the Cleddau Village Design Guidelines can be found in Appendix 1, Item 6.

Other Advice

43. The FNPMP (2007) was drafted before the General Policy for National Parks (2005), so the language used in the FNPMP does not necessarily represent the guidance or thinking expressed in the General Policy. For some implementations (such as 24 and

¹The RMA Land Use consents process (for flood protection works – decision dated 29/11/10), allowed ground levels to be raised for flood protection works and reinstatement of the Cleddau Village over a slightly larger area than the Accommodation Activity Area. The Cleddau Village Design Guidelines were a requirement of the resource consent. A condition of the Land Use consent for residential development of Cleddau Village is that any new residential activity development in the Village is carried out *in general accordance with the Guidelines*. Where not consistent, the activity will be referred, at the discretion of the Department, to the Design Review Board.

33 of section 5.3.9.1 of the FNPMP, relevant to this Application) to be read as “will” statements, there would need to be some legal (bylaw or specific direction from the Conservation Authority and be explicit in the FNPMP). There are no bylaws in this case, so where this occurs, the “will” words are to be read as “should”.

Recommendations from the Southland Conservation Board (the SCB)

44. The SCB provided their comments in a letter dated 18 May 2020. They oppose this application because of its substantial non-compliance with the Cleddau Village Design Guidelines and hence with the higher-level policy documents to which the Guidelines are intended to give effect.
45. The SCB considers that the need for the proposal needs to be reviewed in the light of Covid 19 and in response to whatever form tourism and the visitor industry is likely to take for the foreseeable future.
46. A full copy of the SCB’s comments can be found in Appendix 1, Item 7.

Recommendations from the Design Review Board (DRB)

47. The DRB were asked to make suggestions on where changes could be made to the Application where it was appropriate. These included (but not limited to) a revised layout to better accommodate the superior level of accommodation on site B2 and the reconfiguration and of the other buildings to better suit the sites. Roof shapes, weatherproofing and better access to natural lighting were also suggested.
48. The Applicant was provided with a copy of the DRB’s report and provided their response dated 16 March 2020.
49. The DRB’s considered the response from the Applicant and commented “*In its earlier report, the DRB found that there was a significant level of non-compliance within the ... “Controls/Methods” throughout the Southern Discovery application. However, perhaps there are alternative ways and means to achieve the “Objectives” without making use of the specific “Controls/Methods” as listed in the Guideline. That is, should the Objectives take priority.*”
50. In the Final Report, however, the RDB maintained its position that many of the Objectives as listed in the Design Guidelines are not achieved by the current proposal. Objectives of particular significance are as follows:
 - Section 5.1: Objective 3 – *to maximise passive solar gain*
Objective 4 – *to avoid large, dominant forms*
 - Section 6.1: Objective 5 – *to design for the conditions of a lifetime*
 - Section 6.2.1: Objective 1 – *to be visually unobtrusive*
 - Section 6.5.1: Objective 1 – *to provide recessive roof forms*
Objective 2 – *to design for Milford’s rainfall*

51. The DRB noted that the Applicant would undertake to cap the number of residents at 65 people (the design provided for a total mixed capacity of 108 persons).
52. It should be noted that the brief for the DRB was to assess the Application against the objectives and compliance obligations of the Design Guidelines. Not against the criteria set out under Implementation 14 (of section 5.3.9.1) in the FNPMP that should be applied to any new building. Albeit that an advisory panel under Implementation 14(f) was created.
53. Considering the criteria in Implementation 14 and the Accommodation Activity Area Implementations 33-36, the FNPMP does not specify or restrict building heights and by default, the location of these sites at the entrance to Pembroke Drive make any development here more visible than elsewhere in the Village setting.
54. A link to the DRB's Reports can be found in Appendix 1, Items 8 and 10.
55. The Applicant's response to the DRB's First report can be found in Appendix 1, Item 9.

Summary of public notification process

56. Public notification of this application was undertaken from 1 July 2019 to 1 July 2019.
57. Two submissions were received opposing the application. There was no request by the objectors to be heard, so no hearing was held. Issues raised by the submitters were:
 - a) Compounding general staff accommodation within National Parks.
This issue was raised in submission 1, the recommendation is to not allow or accept this submission because it is general in nature and does not relate to this specific concession application.
 - b) Stresses of car parking at Milford Sound and the lack of plans within the application to illustrate the scale of the proposal in relation to the rest of the village.
This issue was raised in submission 2, the recommendation is to allow and accept this submission because it related to the nature of the activity and its effects and are matters the Minister can consider.
58. A Submissions Summary and Recommendation Report recommended the applicant be asked to provide plans showing the size of the building in context with the rest of the village.
59. A copy of the full Objection and Submission Summary Recommendation Report can be found here: [Application by Southern Discoveries Limited](#).

Statutory Analysis

Section 17S: Contents of Application

Does the Application include all required information as per s17S?	Yes
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60. Discussion: The Application contains enough information to allow a decision to be made in accordance with s.17S.

Section 17SC: Public Notification

Is public notification required?	Yes
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61. Discussion: The application is for a 30-year lease with one right of renewal. Any lease application requires public notification under s.17SC.

Section 17U(1) and (2): Analysis of effects

Is the activity consistent with s17U(1) and (2)	No
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62. Discussion: The Permissions Advisor who assessed this application looked at the potential effects of: construction; visual effects; more people in the Cleddau Village; transport and parking; as well as the positive effect that the building would replace existing staff accommodation located within the Visitor Services Activity Area and in a dilapidated state.
63. The Permissions Advisor considered that there are no methods to remedy, avoid or mitigate the adverse visual effects of this proposal, in particular its visual prominence.
64. Noted, is advice received from the Management Planners that site B2 sits within the boundaries of the Accommodation Activity Area and therefore is less inconsistent with the FNPMP than that of site H3, which encroaches into the Parking Activity Area.
65. Following the impacts of COVID-19, the Applicant has advised that they will now be reducing the scale of their accommodation requirements but want to see the outcome of the MOP decision before lodging new plans (relating to the location of any new accommodation site).
66. The Applicant has been advised that a decision will be made on their application before that announcement, and special conditions will be recommended for inclusion in the concession to provide some time for new plans to be submitted.
67. In re-accessing the original analysis of effects and understanding the Applicant now wants to submit new plans for a reduced development, I consider the effects can now be mitigated with special conditions requiring new plans to adhere to the Cleddau Village Design Guidelines and for the layout of the development to be altered to contain the parking requirements within site H3 where possible, this would then be consistent with the site boundaries in the FNPMP.

68. A copy of the full analysis of effects can be found in Appendix 1, Item 11.
69. Email correspondence with the Applicant can be found in Appendix 1, Item 12.

Section 17U(3): Purpose for which the land is held

Is the activity consistent with s17U(3) of the Conservation Act? (that is, not contrary to the purpose for which the land is held).	Yes
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The following conservation area is included in the application.

Title	Section	Considerations
National Park	S4 of the National Parks Act 1980	Managed for the purpose of preserving the parks for their intrinsic worth and for the benefit, use, and enjoyment of the public. Their preservation is in the national interest.

70. Discussion: A concession shall not be granted if the proposed activity is contrary to the purpose for which the land is held.
71. It is considered that this application is consistent with this purpose as housing essential staff allows for the public to benefit from, use and enjoy the National Park. Imposed conditions to address the potential adverse effects would ensure the land is preserved whilst the activity takes place.

Section 17U(4): Can a structure or facility be reasonably undertaken elsewhere?

Is the activity consistent with s17U(4) of the Conservation Act? (that is, the activity cannot reasonably be undertaken at another location or in an existing structure?)	Yes
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72. Discussion: Due to the remoteness of Milford Sound/Piopiotahi, an Accommodation Activity Area has been specifically set aside to allow concessionaires that meet the criteria set out in the FNPMP to house their staff in this area. This Applicant is an existing concessionaire and meets the criteria, therefore satisfying s.17U(4).

Section 17U(6) and (7): is exclusive possession necessary

Is the activity consistent with s17U(6) and (7) of the Conservation Act? (That is, exclusive possession is necessary)?	Yes
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73. Discussion: The Accommodation Activity Area has been surveyed to provide specified sites for staff accommodation to be built on. While each site will house a varying number of staff per concessionaire, each site should be afforded the exclusive right to quiet enjoyment from general members of the public and for security reasons.

Section 17W: Relationship between concessions and conservation management strategies and plans

Is the activity consistent with all relevant statutory planning documents?	No
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- General Policy for National Parks 2005,
- [Southland Murihiku Conservation Management Strategy 2016](#)
- [Fiordland National Park Management Plan 2007](#)

General Policy for National Parks 2005 (GPNP)

74. Discussion: It is considered that this application is inconsistent with the GPNP because it is considered inconsistent with the National Park Management Plan (discussed below) and inconsistent with policy 9(e).

Southland Murihiku Conservation Management Strategy 2016 (Southland CMS)

75. Discussion: Fiordland National Park lies within the Fiordland Te Rua-o-te-moko Place in the Southland Murihiku CMS.
76. The CMS recognises Milford Sound/Piopiotahi as one of four Icon destinations within the Fiordland Te Rua-o-te-moko Place and highly valued locally, nationally and internationally for its outstanding landscapes, pockets of tranquillity and marine wildlife.
77. Policy 2.2.2 in the CMS recognises the Fiordland National Park Management Plan, particularly the outcomes and more detailed management directions, as providing direction for the Park management.

Fiordland National Park Management Plan 2007 (FNPMP)

78. Discussion: The Applicant meets the criteria set out in Section 5.3.9.1, Implementation 36(a)(iii) of the FNPMP, for staff to be accommodated within the Accommodation Activity Area for onsite managers and essential staff of Milford Sound/Piopiotahi based recreation, tourism, and accommodation concessions.
79. The Application has been assessed and considered inconsistent with the FNPMP:
80. For those parts that are located within the Parking Activity Area;
- “The Plan is clear that staff accommodation should not occur in the Parking Activity Area, however, this policy was based on Cleddau Village in its previous format – prior to being redeveloped to raise the ground level as a means of flood protection. The Plan was not partially reviewed or amended to recognise this...”*
81. Exceptional circumstances are being argued here,
82. The Implementation in the plan need to be interpreted to mean “should”, rather than “will”, as the latter requires regulations or bylaws to enforce. The Minister has a

discretion to grant a concession contrary to a “should” policy, but there would need to be exceptional circumstances for him to do so. It is open to the decision maker to consider there are exceptional circumstances.

- a) The Plan notes there are natural hazards in Deepwater Basin, and this was a limitation (one of the goals of providing a world class visitor experience and preserving Milford Sound iconic views and atmosphere (page 156 of the Plan);
- b) Since the plan was approved, it was necessary for the Department to carry out major flood protection works, to protect the Village against a major flood risk and allow staff accommodation to be provided to the extent contemplated in the Plan (up to 260 beds rather than the 70 beds prior to the works being completed);
- c) The Department consulted stakeholders about the proposed new Accommodation Activity Area as part of the resource consent process.
- d) The Department considered (at the time) the proposal was consistent with the Plan (and the Southland Conservation Board also considered the amended Accommodation Activity Area was consistent with the Plan).

83. Further to this, after the flood protection works were carried out:

- a) the Department directed at least one staff house be relocated into the Parking Activity Area;
- b) approximately five staff houses² - including one belonging to the Applicant – had authority granted by the Department to locate in the Parking Activity Area (via concession from the Minister’s delegate).

84. The previous Permissions Advisor commented: *“The plan was approved in 2007. The Flood protection works were carried out subsequently to this time. On its own, this would not be strong enough to indicate exceptional circumstances but taken with other factors it is relevant to consider.”*

85. I deviate from the assessment where it states *“the DRB must consider whether it is generally consistent with the Plan.”* The DRB (Design Review Board) were required to assess the Application against the Cleddau Village Design Guidelines (the Guidelines). It was not their brief to also consider the Application against the FNPMP. Furthermore, because a partial review of the FNPMP was not undertaken. The Guidelines were designed as aides for decision making, rather than prescriptions and aimed to assist informed and consistent decisions.

² The Permissions Database shows the following accommodation concessions within Milford Sound since 2010 when the RMA was granted: Milford Sound Tourism (49960-ACC and PAC-14-12-25); Cruise Milford (39126-ACC); Milford Sea Kayaks (PAC-14-12-02); Southern Discoveries (PAC-14-12-23).

86. Regarding the DRB findings when assessing this Application against the Guidelines, the Applicant disagreed with many of their comments. However, the following amendments were suggested (by the Applicant):
- Solution to achieve complying site coverages – Include the parking areas within the lease areas to bring the total site coverage down to 45% (B2 site) and 39% (H3 site).
 - Roofing - Reviewed all the proposed roofing elements and taken on board the DRB comments, drawings amended accordingly.
87. The Applicants response was reviewed by the DRB which concluded, whilst taking on board the Applicant's comments, that several inconsistencies between the Application and the Guidelines remain. These have been set out in paragraph 48 above.
88. The Application is inconsistent with Section 5.3.9.1, Implementation 14 of the FNPMP, *"The buildings as proposed are considered inconsistent with the objectives and implementations listed in the Plan in regard to their level of visual intrusiveness into the surrounding landscape."*
89. It should be further noted that while the 2007 FNPMP was not updated to reflect the flood protection changes at the time, the FNPMP was due to be reviewed in 2017 where these changes would have been incorporated into a new FNPMP. However, this has not occurred and the 2007 FNPMP is now well overdue for its 10-year review.
90. As the Applicant has indicated they are now seeking to downsize their original development proposal, I am of the view that special conditions requiring the Applicant to submit further revised plans for approval to address the outstanding concerns raised by the RDB would mitigate the inconsistencies with the current Application.
91. I recommend the Application be granted subject to special conditions.
92. A copy of the Cleddau Village Guidelines can be found here: *(reference removed for website version)*.
93. A copy of the Exceptional Circumstances Guidelines can be found here: *(reference removed for website version)*.
94. A full copy of the S17W statutory analysis can be found in Appendix 1, Item 13.
95. The email correspondence with the Applicant can be found in Appendix 1, Item 14.

Section 17Z: Term of concession

Is the activity consistent with s17Z of the Conservation Act?	No
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96. A lease or a licence may be granted for a term (which term shall include all renewals of the lease or licence) not exceeding 30 years or, where the Minister is satisfied that there are exceptional circumstances, for a term not exceeding 60 years.
97. The Application is for a term of 30 + 30 years. The Applicant's rationale for seeking a further 30-year term is:
- "Southern Discoveries as the applicant is intending to invest between \$11 and \$12 million to construct high quality sustainable buildings that will have a useful life of at least 50 years. To be constrained to a lease period of 30 years will have serious economic consequences for the company and will significantly increase both financing and depreciation costs and also create the risk of having to abandon the buildings when they are just 60% through their economic life. We believe that our application for lease terms that are aligned to the useful economic life of the proposed structures is both reasonable and essential to the overall sustainability of the buildings intended use."*
98. The Supreme Court has defined exceptional circumstances as "well outside the normal range of circumstances" – that is, truly an exception rather than the rule, although they do not have to be unique.
99. The Ngāi Tahu Claims Settlement Act states that a term for 50 years or longer is considered a disposal, consequently, if the Department were to consider a term of 60 years (as requested by the applicant) then Ngāi Tahu must be offered first right of referral for the Land.
100. In accordance with Section 52 and 53 of the Ngāi Tahu Claims Settlement Act preliminary notice was given to TRoNT in relation to processing this Application.
101. Below is a list of active concessions, and their terms, within the "Milford Sound Frontcountry Accommodation Activity Area" and Cleddau Village (as per the Permissions Database):
- Cruise Milford (39126-ACC) – 20 years
 - Cruising Milford Sound (14-12-19) – 30 years
 - Downer NZ (14-18-76) - 30 years
 - Fiordland Lobster (14-12-21) – 30 years
 - Milford Sea Kayaks (14-12-02) – 30 years
 - Milford Sound Tourism (49960-ACC) – 30 years
 - Mitre Peak Cruise (14-12-20) - 30 years
 - Real Journeys (14-12-12) - 30 years
 - Southern Discoveries (14-12-23. 19 and 23 Pembroke Drive) – 30 years
102. Specific to the Applicant, they currently hold 2 short term Wildlife Act Authorisations (39449-FLO and both expiring in June 2025); 2 Marine Reserve Authorisations (PAC-14-12-23, expiring June 2025 and PAC-14-18-52-03 expiring June 2030); and 1 30-year Lease Concession for staff accommodation in Cleddau Village (PAC-14-12-23 which expires August 2041).

103. The Applicant also holds a sublease (under the Mitre Peak Lodge Headlease held by Tourism Milford Limited) for the café facilities. The Headlease expired in 2020 and is currently operating on a month-to-month basis until the right to be offered a new lease for a further term of 30 years has been processed. The Applicant may retain the café operation under these negotiations.
104. In addition to this Application, there are two other applications pending decisions, these are for:
- 119270-MAR Commercial vessel-based marine viewing Permit for NZ Fur Seals, and Dolphins which will replace 39669-MAR which expired 19/03/25.
 - 111392-MAR for the use of existing mooring in Harrison Cove for a term of 15 years to replace PAC-14-02-01.
105. The previous Permissions Advisor considered that this application does not meet the criteria for exceptional circumstances. A maximum term of 30 years is consistent with the Conservation Act, Ngāi Tahu Claims Settlement Act and existing concessions. I concur with this assessment.

Other Relevant information – Applicant’s feedback on draft concession

106. Discussion: A draft copy of the concession document was provided to the Applicant on 15 April 2025 to give them the opportunity to understand and comment on what is being recommended and the expectations being implied in the concession.
107. The Applicant responded on 23 April 2025 acknowledging the progress recently made to move the Application towards a decision. They still have reservations on undertaking physical works before a decision is made on the Milford Opportunities Project. The Applicant in previous correspondence outlined a potential timeline they could work to once the MOP decision is made. This timeline has been reiterated in the feedback on the draft concession.
- “Assuming everything progresses as expected, we aim to submit new plans within 12-24 months following the resolution of Milford Ops, with finalisation within the next 3 years. Construction would then commence 18 months to 2 years thereafter. Considering the scale of the project, originally estimated at \$11m, we believe this timeline is suitable for all parties involved.”*
108. The Applicant has asked for these dates to be included in the concession if possible. I have not amended the concession in response to this feedback nor inserted any specific dates. As the decision maker you need to consider whether it is appropriate to include any timeframe in the concession to avoid the Applicant becoming in breach of their concession under section 17ZD(2) of the Conservation Act 1987.

109. A copy of the Applicant's full feedback can be found here: *(reference removed for website version)*.

Recommended Operating Conditions

110. **Term:** 30 years
111. The recommended term is different to the term applied for (30 + 30) for the reasons outlined in paragraphs 92 to 101 above.
112. **Standard and Special Conditions:** No amendments to the standard (Schedule 2) conditions applied to Notified Concession are proposed. Additional Special (Schedule 3) Conditions are proposed to be included in this Notified Concession, see Appendix 3.
113. **Fees:** *(Section reference removed for website version)*

Appendices

Appendix 1 – Contributions document register (*register removed for website version*)

Appendix 2 – Plans and image of proposal

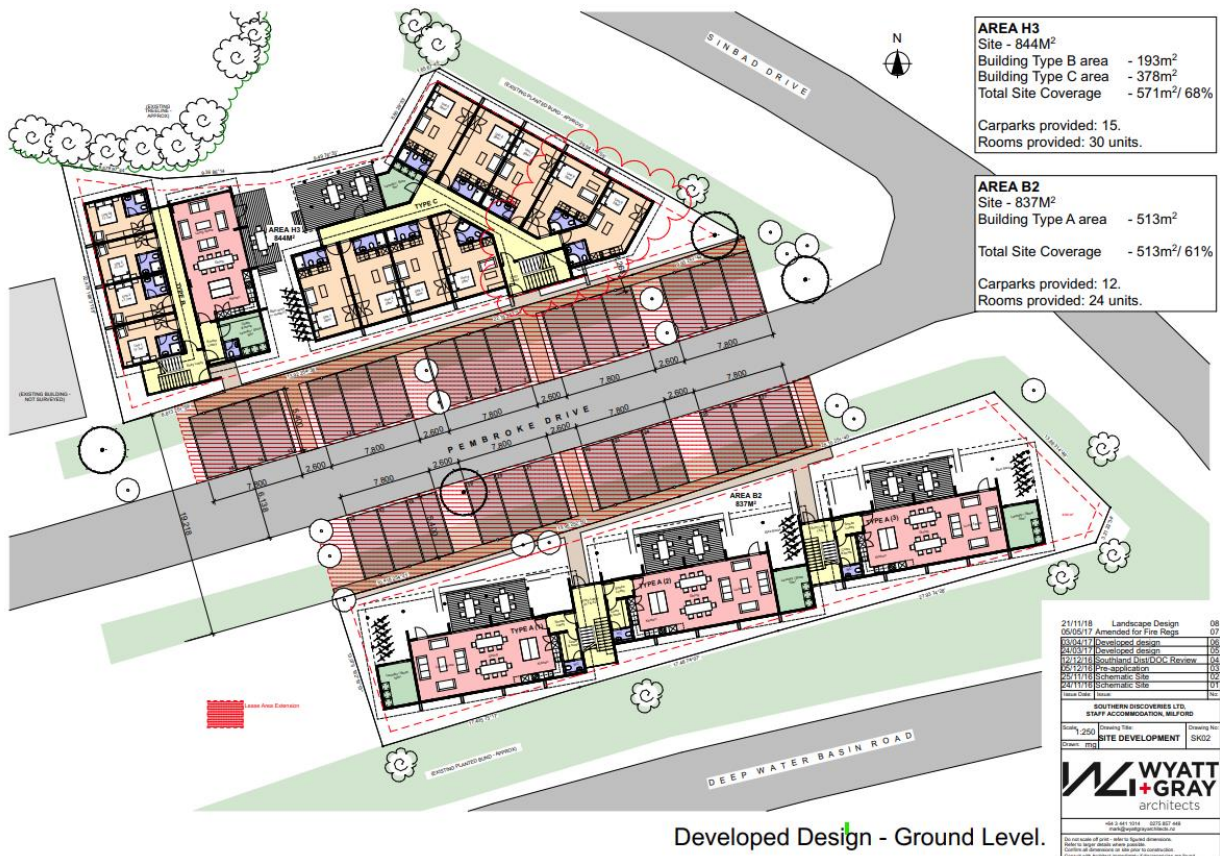


Figure 2 – shows proposed site layout of sites B2 and H3



Figure 3 – provides a 3-dimensional view of the application (with site B2 in the foreground)

Proposed Schedule 3 Special Conditions (*reference removed for website version*)