

Appendix One: Milford Opportunities Project (MOP) business case and proposed Government response

1. MOP delivered a compelling case for change at Piopiotahi

Rising visitor pressures, natural hazards, and ageing/cluttered infrastructure are leading to poor or limited visitor experiences and risks to biodiversity and safety - impacting NZ's tourism reputation at a UNESCO World Heritage Site

The area is accessed through a district with a low rates base and pricing for access & concessions does not reflect the value of the area to visitors and operators, their willingness to pay, or the costs & risks of the activities.

An outdated National Park Management Plan (NPMP), regulatory complexity, and incumbent concessionaires with limited competitive or performance pressure is leading to:

- A lack of certainty and coordination for investment and visitor management;
- The lack of a cultural narrative, and missed opportunities for the local economy, conservation, and Ngāi Tahu

There is broad support for a more strategic, collaborative and innovative approach to delivering better outcomes, and an expectation this will happen quickly.

Aspirational investment objectives

1. World class visitor experience that enhances conservation & community
2. Self-funding commercial model
3. Improved governance and management
4. Efficient, resilient and sustainable infrastructure
5. Acknowledge Ngāi Tahu as mana whenua & Treaty partner & embed their values
6. Extend benefits to wider region

2. And made some significant proposals...

A bespoke ringfenced, International Visitor Access Charge (IVAC) of \$100pp

Designation of Milford Sound Piopiotahi as a special amenities area, with a statutory management plan separate from the Fiordland National Park

An Independent statutory Board, which would design & set the IVAC and decide how revenue is allocated, and develop the management and investment plans

Diffusion of activity and investment throughout the Milford Road SH94 corridor to mitigate AF8 safety risks, improve the visitor experience, and help to reduce congestion

A significant (50-year) programme of investment funded by the IVAC, incl. \$592m in improvements to visitor facilities and \$114m to invest in biodiversity within 10 years

A new management and delivery entity governed by the Board to deliver the plans, manage visitors, and procure & operate infrastructure, while DOC retains regulatory functions around concessions

A more strategic and efficient approach to concessions to drive innovation/new commercial opportunities

Give effect to Ngāi Tahu rights, interests and aspirations through participation in decision-making, commercial opportunities and increased cultural visibility.

3. While we acknowledge the objectives and many of the key ideas, the business case is not a full-and-complete solution, and more work is needed on specific proposals

✓ Special amenities area is a good idea	✗ Removing the area from the NPMP would increase complexity, risk coordination failure and undermine the Govt's ability to consider conservation values and cumulative effects in an integrated way
✓ Visitor access charge is needed	✗ A bespoke ring-fenced charge would pre-empt consultation the Minister of Conservation proposes on a national charging framework and future Cabinet decisions on where and how to apply charges and allocate funding
✓ A long-term investment plan is needed	✗ But there was no prioritisation of projects within the business case under a binding constraint. Further work is needed to assess and prioritise capital works to generate a coherent plan
✓ A more strategic and efficient approach to concessions is needed	

4. Current legislative and regulatory reforms can be leveraged to deliver the key proposals

The Minister of Conservation's Conservation Amendment Bill and improvements to DOC's regulatory systems will enable

- a streamlined statutory planning process
- more flexibility for amenities areas
- more innovative approaches to concessions
- access charging for public conservation land (subject to public consultation on the general framework)

5. And a forward delivery plan is required to:

- Bring the detailed area and spatial planning for Milford Sound Piopiotahi under the Fiordland National Park Management Plan
- Prioritise and sequence the business case's capital investment proposals
- Review the approach to managing concessions
- Get some short-term capital projects underway

6. We recommend Cabinet:

A. Make immediate decisions that will frame the Government's response and provide certainty for stakeholders, tourism operators and investors:

- Agree to consider an amenities area for Milford Sound Piopiotahi, with unique planning rules to support economic activity in the area, but agree it will remain part of the Te Rua-o-te-moko/ Fiordland National Park, and no separate statutory governance or management entity will be established.
- Agree that the Government will not prevent cruise ships accessing Piopiotahi Milford Sound (which is the responsibility of Environment Southland), and that public access on SH94 will continue unchanged at this time – and further work will consider safety, vehicle congestion, carparking issues and mitigating the negative environmental effects of these activities.
- Agree that Milford Sound Piopiotahi Aerodrome will remain open, with questions of long-term ownership, funding and resilience addressed in the future.

B. Note the Minister of Conservation will lead development of the Government's response, in collaboration with the Minister of Tourism and Hospitality, that maintains momentum but aligns with the Government's conservation and tourism reform agenda, including:

✓ Immediate visitor experience improvements and cultural projects in Milford Road corridor.

✓ Exploring a Milford Sound Piopiotahi-specific access charge to fund conservation and world-class tourism facilities (subject to public consultation on the general framework).

✓ A detailed investment plan for significant capital works.

✓ A collaborative, area planning process that will lead to a new Fiordland National Park Plan with an amenities area to support economic development & deliver a world-class experience.

✓ More strategic allocation of concessions overtime - make sure existing concessionaires are treated fairly, and new concessions can be provided quickly through a competitive process.