

Ref: DOC: 22-B-0805
MBIE: 2223-220
MOT: OC230014

The Hon Grant Robertson
Minister of Finance
Parliament Buildings

Tēnā koe Minister Robertson

Milford Opportunities Project

We are writing to seek your approval to transfer unappropriated funds for the Milford Opportunities Project from the 2022/23 financial year to the 2023/24 financial year.

The Milford Opportunities Project (MOP) Masterplan was launched in July 2021. The Masterplan makes recommendations that aim to ensure:

Milford Sound Piopiotahi maintains its status as a key 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 New Zealand Inc.

On 23 June 2021 the Cabinet Economic Development Committee (DEV) agreed to the formation of a dedicated Unit and Establishment Board by July 2021, so that the detailed planning and feasibility testing of the Masterplan's recommendations could commence (DEV-21-MIN-0135 refers). The Board and Unit would provide advice to a decision-making Ministerial Group consisting of the Ministers of Conservation, Tourism and Associate Minister of Transport. DEV had earlier approved funding of \$15 million from 2020/21 to 2022/23, to 'fund the next phase of the fundamental redevelopment of Milford Sound...' (DEV-21-MIN-0067 refers).

The Establishment Board and Unit has been appointed approximately 12 months behind schedule. This was due to complications in the recruitment process and an acute skills shortage in the labour market. Whilst the intention was to complete the feasibility testing phase of the project by June 2023, we consider a more realistic timeframe for doing so is now June 2024. The proposed extended timeline is consistent with Cabinet's intent that the Establishment Board and Unit would have two years to complete its work.

Given the abovementioned considerations, we request your approval to transfer any uncommitted funding for the MOP from the 2022/23 financial year to the 2023/24 financial year. This transfer will be included in the March Baseline Update. Our expectation is that the Establishment Board and Unit will have demonstrated significant progress in their work programme by June 2023. This includes policy advice to the Ministerial Group and Cabinet on the feasibility of implementing key recommendations in the Masterplan, particularly in relation to controlling access to Piopiotahi, pricing and concessions. The Department of Conservation is

responsible for the funding and will ensure stringent management of expenditure in consultation with the Board, Unit and other agencies.

We look forward to your consideration of this matter in due course.

Nāku noa nā

Hon Willow-Jean Prime
Minister of Conservation

Hon Peeni Henare
Minister of Tourism

Hon Kiritapu Allan
Associate Minister of Transport

cc:

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

Heather Kirkham, General Manager, Tourism, Ministry of Business, Innovation and
Employment

Jessica Ranger, Manager, Placemaking and Urban Development, Ministry of Transport

Draft - not required by the Minister. Proactively released