

Meeting Memo



Department of
Conservation
Te Papa Atawhai

In Confidence

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To: Minister of Conservation **Date:** 11 May 2022

From: Tim Bamford, Acting Director,
Heritage and Visitor Unit

Subject: Meeting with Milford Opportunities Project Board Chair, Dr Keith Turner

Contact (organiser)	
Dr Keith Turner, Milford Opportunities Project Board Chair	s.9(2)(a)
Contact (local DOC staff)	
Name and position	Cellphone
Claire Spencer, Manager Regional Visitor Planning	s.9(2)(a)

Purpose

1. This memo provides context and talking points for your meeting with the Chair of the Milford Opportunities Project (MOP) Board, Dr Keith Turner on Thursday 12 May.
2. We understand that Dr Turner is looking to:
 - a. provide an update on the progress of the project and his thinking on how a business model might work for Milford Sound Piopiotahi
 - b. provide an update on MOP's recruitment of the MOP Programme Director.

Background and context – Te horopaki

Feasibility testing of the MOP Masterplan recommendations will commence soon to inform decision making by Ministers

3. In July 2021, MOP released its Masterplan, which set out a wide range of recommendations across a broad number of topics—all of which will undergo stringent feasibility testing before Government can make an informed decision on them.
4. As part of an integrated solution, the Masterplan details a range of recommendations that, if enacted, would bring transformative change to Milford Sound Piopiotahi and surrounding areas, some of which will require ministerial support and significant feasibility testing.
5. The key recommendations from the Masterplan are:
 - a. Restricting private vehicle access to Milford Sound Piopiotahi through a permit and public transport system
 - b. Charging international visitors for access to Milford Sound Piopiotahi based on the value of the place, creating a self-funded sustainable system
 - c. Prohibiting cruise ships from entering Milford Sound Piopiotahi
 - d. Closing the aerodrome (fixed-wing runway) at Milford Sound Piopiotahi and replacing it with an expanded heliport to allow for significant reorganisation of the infrastructure and visitor flow at Milford Sound Piopiotahi
 - e. Redesigning the facilities and attractions on the Milford Road to encourage longer and slower visitor experiences. The primary transport would be regular hop on/hop off bus services
 - f. Making Te Anau the primary transport hub for the journey to Milford Sound Piopiotahi
 - g. Introducing a new governance and management structure for Milford Sound Piopiotahi village and surface waters of the Sound to the Tasman Sea and the Milford Road corridor to improve efficiency and function, potentially with special legislation to enable change
 - h. Using the revenue collected from visitors to increase the funding for conservation, mana whenua and community aspirations, transport, and the visitor experience
 - i. Building a world class cable car to reach a higher elevation, combined with walks up Bowen Valley and a lookout over Bowen Falls.
6. The MOP's independent, collaborative approach illustrates how strategic long-term thinking could better provide integrated future management and presents an opportunity for the Department to harness ground-breaking innovative solutions.
7. Some of the Masterplan recommendations, if they are to be implemented, will likely require bespoke legislation that contains precedent-setting changes to how Government approaches public access, charging for services, concession management, and governance and management models. For further information on the intent and background to MOP see the Cabinet Paper that was confirmed in June 2021, in Appendix Two.
8. As part of feasibility testing, MOP will develop detailed business cases for the recommendations which will be presented to Government for decisions on the recommendations to progress.
9. The MOP Board met for the first time on Tuesday 12 April to discuss the Masterplan recommendations and priority work areas. Discussion included the workstreams crucial to successful outcomes, being:

- a. What a self-sustaining business model for Milford Sound Piopiotahi could look like
- b. Legal and legislative pathway – including the enablers to facilitate revenue collection for reinvestment
- c. Transport – how visitors access Milford Sound Piopiotahi, via road, air and water
- d. Possible new governance and management structures.

Implications of the MOP for DOC

10. Though specific to Milford Sound Piopiotahi, MOP is of national interest due to the potential precedent setting nature of the project for transformational change of how tourism is managed in New Zealand. Due to the scale and complexity of the MOP masterplans recommendations, it has large implications for DOC.
11. Beyond site-specific impacts, implementation of the Masterplan may impact how DOC governs Milford Sound Piopiotahi. s9(2)(g)(i)
12. The concession situation at Milford Sound Piopiotahi is already complex and there are several significant and long-term concessions up for renewal. s 9(2)(g)(i)
13. MOP offers DOC considerable opportunity to work with Ngāi Tahu and could be one of DOC's major avenues to bring the Treaty principles to life. Ngāi Tahu contributed an aspirations and values paper to the information gathering stage of the MOP work (see Appendix 4).
14. The current Fiordland National Park Management Plan is overdue for revision. The context of the age of the current plan, the MOP Masterplan, COVID 19 impacts on businesses and DOC working with Ngāi Tahu on how to give life to our section 4 responsibilities, means there are a range of expectations and aspirations for the park plan review across stakeholders, concessionaries, Ngāi Tahu and DOC.
15. Developing a new park plan in the context of the MOP work and our growing understanding of the Section 4 responsibilities will be challenging. It presents an opportunity to ensure that the new plan is agile and able to meet changing needs while upholding conservation values but achieving this will require a substantial change to DOC's current planning mechanisms.
16. The proposed Conservation Law Reform may provide an avenue to address the above challenges.

MOP's recruitment of its Programme Director is expected to be finalised in May 2022

17. A Programme Director was originally scheduled to be in place by December 2021, but MOP has emphasised the need to find the right candidate rather than the expedient one. Recruitment took longer than anticipated and a candidate has now been endorsed by the Board.
18. The work programme has been delayed by the extended recruitment process, but will begin when the Director's appointment is completed, expected imminently.
19. DOC will continue to support the MOP Unit to enable effective and timely delivery of the work programme.

Key people at the meeting

20. Dr Turner was named Chair of the MOP Board in July 2021.

21. He has over 40 years of executive experience in the power industry, and for the latter 25 years, held senior executive positions in Meridian Energy (as CEO), the former Electricity Corporation of New Zealand (as COO), and its predecessor NZED. Since 2008 he has been a Professional Director on major NZ and Australian boards. He was appointed Chair of the Transpower Board on 1 May 2022, having been a director on that board since December 2021.
22. You talked with Dr Turner by telephone on Monday 9 May. During that call you discussed the appointment of a representative of Environment Southland to the MOP Board and the issue of his remuneration as Chair of the Board. Further information on those issues is attached as Appendix Three.

Opportunities

23. The meeting provides the opportunity for Dr Turner to discuss implementation of the MOP Masterplan and provide an update on MOP's recruitment of the MOP Programme Director.
24. Dr Turner wishes to test his thinking with you around transformational change. We expect the conversation will be centred around the following transformative propositions:
 - a. Legal and legislative pathway to enable implementation – including the enablers to facilitate revenue collection for reinvestment
 - b. Transport – how visitors access Milford Sound Piopiotahi, via road, air and water
 - c. Possible new governance and management structures.
25. The meeting is an opportunity for you to discuss potential implications for conservation and DOC, such as:
 - a. the need for conservation to be front and centre of the next stage of the work for Milford Sound Piopiotahi given the impact of tourism on biodiversity and the natural environment
 - b. interconnection with other DOC priority work:
 - Implementation of the DOC Climate Change Adaptation and Action Plan
 - Fundamental reform of conservation legislation.
26. As Chair of the Ministerial Group you have the opportunity to convene the Ministers of Tourism and Transport to discuss opportunities and implications of the transformation change this project could bring.
27. There is an opportunity for you to visit Te Anau and Milford Sound Piopiotahi to consider the reality at place of the implications of the most crucial workstreams.

Risks

28. This meeting is low risk. That said, it is crucial that the MOP Ministerial Group and the MOP Chair maintain a good, working relationship.

Appendices

Appendix One – Talking Points/Key messages

Publicly released under www.milfordopportunities.nz/assets/Projects/MOP-Establishment-Board-TOR-May2023

Appendix Three – Additional points discussed during telephone conversation of 9 May

Out of scope

MEETING MEMO ENDS

Talking points/Key Messages

<p>Dr Turner's recent Board appointment</p>	<p>9(2)(g)(i) [Redacted]</p>
<p>Implementation of the MOP Masterplan</p>	<p>9(2)(g)(i) [Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>9(2)(g)(i) [Redacted]</p> <p>9(2)(g)(i) [Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>
<p>Working with the Ministerial Group</p>	<p>9(2)(g)(i) [Redacted]</p> <p>[Redacted]</p>

Progress on recruiting the
MOP Programme Director

9(2)(g)(i)

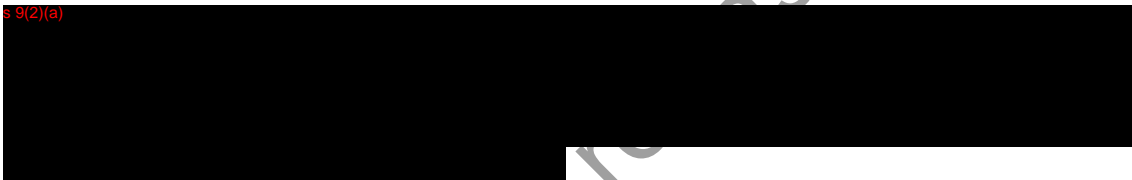
Proactively released

Additional points discussed during telephone conversation of 9 May

Environment Southland's appointment to the Board

29. In February 2022 the Ministerial group agreed on the appointment of the members of the Milford Opportunities Project Board. You have also recently agreed to the appointment of a representative of Environment Southland as an additional advisory member of the board, with no voting rights (consistent with other local and central government appointees).
30. Letters for signing by the Ministerial Group confirming the appointment of representatives of Environment Southland and Southland District Council to the MOP Board in an advisory role are to be sent to your office on 16 May. The draft Board Terms of Reference is being revised and will also accompany the letters requesting approval by the Ministerial Group before being issued to the Board.

Remuneration for the MOP Chair

31. Dr Turner was appointed Board Chair for the period July 2021 to June 2023 [CAB-21-MIN-0237]. The appointment of Dr Turner was based on his knowledge, skills and experience and his ability to provide consistency as the project moves from Stage Two to Stage Three.
32. s 9(2)(a) 

Proactive