

Talking points: Milford Opportunities Project Board announcement – *follow up to 22-M-0141*

Purpose

1. This document provides talking points, board member biographies and a draft media release for announcing the formation of the Milford Opportunities Project (MOP) Board.

Background on the Milford Opportunities Project

2. The MOP was established in 2017 to address the impact of visitor pressures on Milford Sound Piopiotahi and the Milford Road corridor, to protect the area's significant cultural and natural values, and to enhance people's enjoyment of it.
3. The MOP is a collaborative approach by Ngāi Tahu, central and local government and local businesses to address and resolve the fundamental challenges facing tourism in Milford Sound Piopiotahi and the surrounding area. The Milford Opportunities Masterplan is the result of intensive work by the project over four years.
4. As part of an integrated solution, the Masterplan released in July 2021, details a range of recommendations that, if enacted, would bring transformative change to Milford Sound Piopiotahi and surrounding areas.
5. The MOP Masterplan makes recommendations that 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.
6. The recommendations in the Masterplan are intentions of future direction. The next stage of the project is testing the conceptual vision through detailed planning and feasibility assessments to form a robust implementation plan. There are significant implications that need to be worked through to enable potential implementation of specific recommendations. These will go through their normal government processes and will be brought to Cabinet as required and progress on recommendations will be subject to funding availability.
7. The next stages of the MOP will be progressed by a Ministerial Advisory Board.

MOP Board key facts:

8. The Milford Opportunities Ministerial Advisory Board will be jointly overseen by the Ministers of Transport, Tourism and Conservation.
9. In February 2022 the Ministerial Group agreed to the appointment of the members of the MOP Board to oversee the feasibility phase of the MOP.
10. In April 2022 Minister Allan appointed a representative of Environment Southland (ES) to the Board. Letters of appointment are being sent to ES and Southland District Council as advisory non-voting board members.
11. The announcement of the MOP Board has been delayed from December 2021 due to the need to undertake three rounds of recruitment to secure a MOP Director, key decisions from Ministers on the organising structure for MO s9(2)(a)

12. The Director has now been confirmed in role, decisions by the Ministerial Group on the MOP structure and Board members have been confirmed s9(2)(a)
13. We are working with MBIE and MOT as well as the Chair of the Board to revise the draft Board Terms of Reference (TOR). The Board TOR will be sent to the Ministerial Group for review and approval by the end of July.

Talking point material – questions and answers

1. What is the MOP and why was it set up?

- Milford Sound Piopiotahi is Aotearoa New Zealand's premier visitor attraction and is one of New Zealand's most popular visitor attractions.
- Pre-covid Milford Sound Piopiotahi was receiving on busy days over 4,000 visitors a day. Infrastructure was not coping; cars were parked for kilometres up the state highway. The place was noisy and congested and not the experience we want to showcase to the world.
- The Milford Opportunities Project was established in response to pressures that tourism was placing on Milford Sound Piopiotahi. In June 2021, the MOP delivered a visionary Masterplan to Cabinet aimed at protecting the place, while creating a world-class visitor experience.
- Although tourism numbers have dropped significantly due to COVID-19, it is expected that as New Zealand receives increasing numbers of worldwide visitors again, pressure will return.
- Worldwide, governments are rethinking how they manage the impacts of intensive tourism. For New Zealand the MOP provides an opportunity to re-set and rebuild how high-use tourism sites are managed, with a focus on cultural values, sustainability and conservation.
- Our approach is unique in taking an integrated approach to visitor management that considers not only the impacts of tourism in place, but the impact of how visitors travel, and the experiences and heritage that are often overlooked when the tourist experience is focussed on a specific site.
- The Masterplan makes recommendations that ensure that 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.
- The key elements of the Masterplan are:
 - Restricting private vehicle access through a permit system and providing public transport with the primary transport hub located at Te Anau
 - Redesigning the facilities and attractions on the Milford Road to encourage longer and slower visitor experiences
 - Charging international visitors for access to Milford Sound Piopiotahi based on the value of the place, creating a self-funded sustainable funding system
 - Prohibiting cruise ships from entering Milford Sound Piopiotahi
 - Closing the 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

- Introducing a new governance and management structure to improve efficiency and function, potentially with special legislation to enable change.

2. What is the significance of MOP?

- Though specific to Milford Sound Piopiotahi, the MOP is of national interest due to the potential precedent setting nature of the project for visitor management in protected areas across in New Zealand.
- MOP is shaking up how we do tourism and is an excellent test case for creating a self-funded, sustainable model for site management, where improvements, maintenance, and conservation are 9(2)(f)(iv)
- The recommendations will undergo stringent feasibility testing before Government can make an informed decision on them.
- 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 and may result in legal challenges.

3. Who are the board and what will they be doing?

- The next stages of the MOP will be progressed by a Ministerial Advisory Board, designed to bring fresh perspective to the issues of Milford Sound Piopiotahi.
- The Board will provide direction to the MOP Director and Unit and drive delivery of a robust business case for the Ministers to secure better outcomes for Milford Sound Piopiotahi.
- The Board will be led by the deeply experienced chair Dr Keith Turner. Members of the board include mana whenua representatives Muriel Johnstone and Michael Skerrett, alongside tourism and environmental leader Michelle Trapski, philanthropist and seasoned business leader Bill Day, and award-winning architect Andrew Patterson, bringing collective knowledge of the outdoors, sustainable tourism, design.
- Supporting the board's expertise and experience are Southland District Council chief executive Cameron McIntosh, Wilma Falconer, the newly appointed chief executive of Environment Southland, as well as senior officials from the Ministry of Business, Innovation and Employment, Ministry of Transport, and the Department of Conservation.
- The MOP Unit will define and deliver the work programme. The MOP Board is expected to deliver its final report to cabinet in the first half of 2024.

4. How is the board independent from Ministers and government?

- The voting members of the board are appointed as independent advisors to the MOP and are not employees of any government department or ministry. They are required to make well-reasoned objective decisions and recommendations in the interest of all New Zealanders, based on their personal experience, knowledge and skills.
- The voting members of the board are supplemented by advisory members, appointed to provide advice and recommendations drawn from the perspective of the agencies they represent.

5. What will be done in the feasibility testing stage of the MOP work programme?

- The feasibility phase of work will include further detailed analysis, consultation, and public engagement on the Masterplan recommendations.
- This will involve detailed analyses of the feasibility of the Masterplan's recommendations and their implications, cost-benefit analyses, pre-delivery design, community and stakeholder consultation, and work on consenting and preparation for infrastructure construction on individual projects.

6. Why has it taken so long since the Masterplan was launched in 2021?

- The Masterplan was not devised as a 'quick fix' and does not recommend that changes are made overnight. Its recommendations are about taking time to create a better visitor experience and preserving the natural beauty and environment of the area for future generations.
- With the Board in place and the MOP unit being established, we're expecting to see significant progress on the feasibility testing of the Masterplan, including getting feedback from key stakeholders and international visitors.

7. What involvement has the government had since the release of the Masterplan last July?

- The government has provided funding of \$15m in funding over the next two years to support the MOP Board and business unit as they carry out the next stage of the project detailed planning and feasibility assessments to form a robust implementation plan
- This funding has been used to establish a Milford Opportunities Project unit within the Department of Conservation. That unit has, to this point, been focussed on setting up appropriate governance for the project and recruiting key staff.
- DOC, the Ministry of Transport and the MBIE are partnering with the MOP on the feasibility testing of the Masterplan recommendations.

8. What is the timeframe for recommendations to be decided on and implemented?

- Stage Three, the feasibility testing stage, is expected to take two years to complete, though feasibility testing of some recommendations may be completed sooner.
- Proposed timelines for implementation will be determined as feasibility testing progresses. Stakeholders will be updated as feasibility testing progresses.

9. How can I keep informed of the project's progress?

- Regular project updates will be published on the MOP website, including opportunities to provide feedback on proposals.

Risks - Not for Publication

Negative questioning and comments may arise because the project is tracking behind expected timelines announced previously.

This delay has arisen because of:

- The government spent time to select a strong experienced Board and Director.

- Although this has meant a delay in the commencement of the feasibility testing of the Masterplan, the only impact is the delay in the schedule. The MOP is expected to deliver its final report to cabinet in the first half of 2024.
- The government recognises the project has not progressed at the pace some stakeholders would prefer; however, the government considers it is essential to have the right team in place to ensure the project outcomes are enduring and meet expectations.
- The project will publish regular progress updates and offer plenty of opportunities for stakeholders to have their voices heard.

Although the plan provides recommendations that are yet to be assessed for feasibility there may be a public perception that the Masterplan is a fait accompli and that this stage of the MOP will signify a rubberstamp for it.

This risk is mitigated by:

- The appointment of well-respected and independent thinking members to the board, in particular the chair.
- Consistent and factual messaging reflecting that the recommendations are not a fait accompli – they will go through their respective public processes, including further work on feasibility, funding, and possible legislative change

Proactively released

Draft press release

Ministerial Advisory Board to drive Milford Opportunities Project

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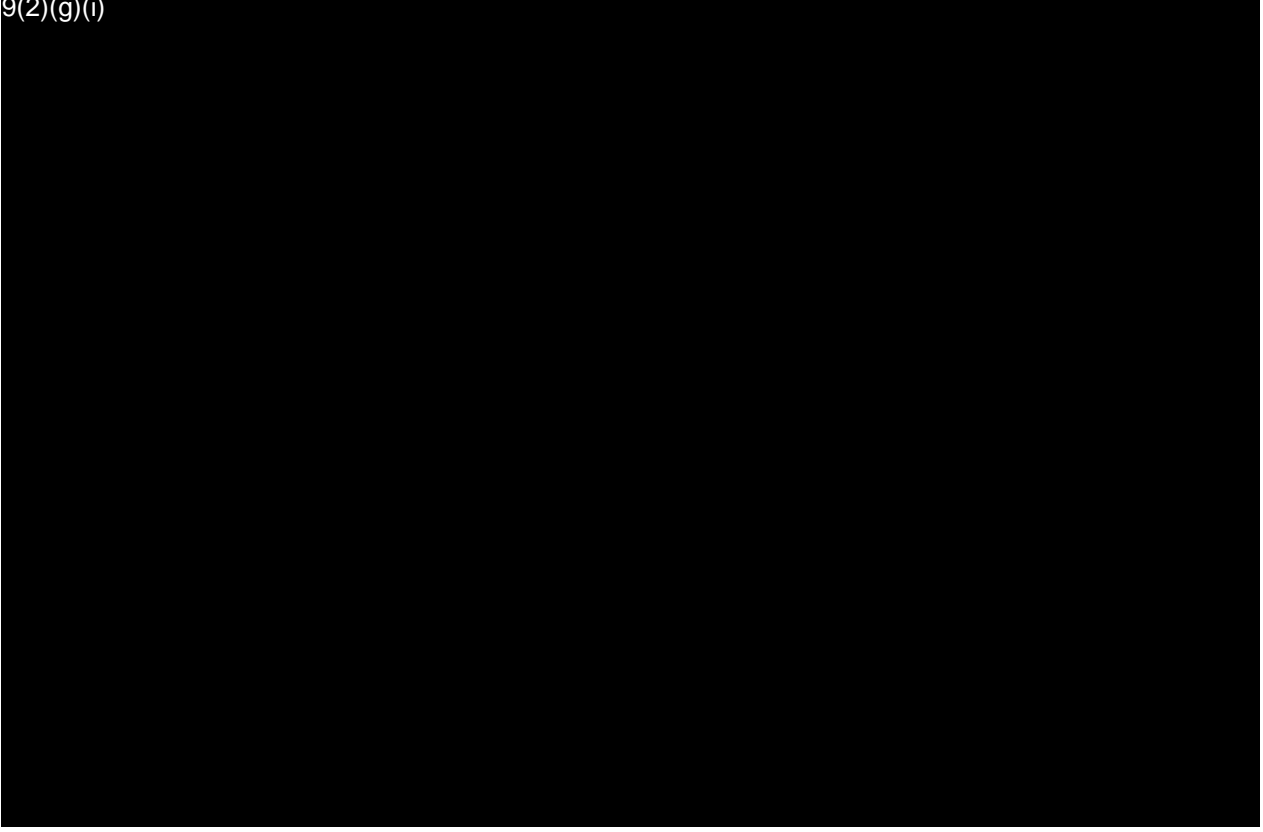
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Milford Opportunities Project Board Biographies

Chair – Dr Keith Turner

Keith has over 39 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. His planning and development roles have given him a deep insight to the sectoral drivers of growth and competitive advantage in economies. He has extensive experience of working with the major economic and environmental policy departments of government. Keith has also received wide recognition for his achievements. Including having been recognised as a Distinguished Fellow by Engineering NZ, awarded the William Pickering Award for Engineering Leadership, and won the premier award for Outstanding Leadership at the 2015 Energy Awards. He was appointed Chair of the Transpower Board on 1 May 2022, having been a board director since December 2021. He has also been appointed as Independent Chair of the Queenstown Spatial Plan Steering Group and Governance Group. Keith has been Chair of the previous stages of the Milford Opportunities Project since 2017.

Muriel Johnstone MNZM, Ōraka Aparima, Ngāi Tahu representative

Muriel is an expert in Ngāi Tahu place names, whakapapa, traditions and history. She has voluntarily dedicated more than 40 years to Ngāi Tahu, Oraka-Aparima and her community. Muriel is a passionate environmental advocate who has represented Ōraka-Aparima Rūnanga and Ngāi Tahu on numerous governance boards. Muriel recently received the Member of the New Zealand Order of Merit, for her services to Māori and her work in conservation. As a respected Kaumātua and Kai-Rongoā, Muriel is a Te Waipounamu Trustee on the National Te Kāhui Rongoā Trust.

Michael Skerrett QSM - Ngāi Tahu representative

Kaumātua Michael whakapapa's to Waihopai Runanga. As past manager of Te O Marama, he recently stepped down as chair of Kaitiaki Roopu o Murihiku. He was on the Board of Te Runanga o Ngai Tahu for many years. Michael has extensive experience in both commercial and educational governance, and strong skills in ensuring alignment of organisational activities to both tikanga and legislative requirements. Michael was awarded the Queen's Service Medal for services to Maori and the community in 2013.

Bill Day

Bill is well known and highly respected, including by tourism operators, in the region for his many efforts and contributions. He has 40 years corporate experience, and his previous board experience includes Wanaka Airport Users Group Chair; Wanaka Marina Company Director; Waikato Link PSAF Investment Committee Director; LandSAR NZ Director. Bill has contributed much to local communities in respect of both philanthropy and governance. This includes establishing a sustainable model for Wanaka Search & Rescue (for which he remains a director).

Andrew Patterson

A vivid architectural storyteller with a passion for Māori history and mythology, Andrew is an advocate for architecture that responds to our history, the landscape and sense of place. Andrew won NZ Australian and Awards for Architecture multiple times.

Michelle Trapski

Michelle has a track record of business improvement, commercial success and excellence in leadership. She was instrumental in The Headwaters project, set up by philanthropists in Glenorchy, which demonstrates a new concept for sustainable hospitality, tourism services and retail. Michelle has a range of board and senior executive experience across the tourism and education sectors.

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