

Meeting Memo



Department of
Conservation
Te Papa Atawhai

In Confidence

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To: Minister of Conservation

Date: 28 June 2022

From: Tim Bamford, Acting Director,
Heritage and Visitors

Subject: Milford Opportunities Ministerial meeting

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| Contact | |
| Tim Bamford, Acting Director, Heritage and Visitors | s9(2)(a) |

Meeting purpose & context

1. This memo supports your attendance at the Milford Opportunities Ministerial Group (the Ministerial Group) on Wednesday 29 June at 8pm. The Ministerial Group is delegated responsibility from Cabinet for oversight of the Milford Opportunities Project (MOP). The next phase of the project is focused upon feasibility testing of the Milford Masterplan recommendations. A list of recommended agenda items for the meeting is appended at Attachment One.
2. The MOP Masterplan aims to create a world-class visitor experience that benefits Milford Sound Piopiotahi and surrounding communities while supporting conservation goals. This project aims to reset how tourism is managed with a key focus on conservation outcomes. The MOP has as its foundation an innovative, collaborative approach firmly based on the principles of regenerative tourism. It is strongly aligned to DOC's Heritage and Visitor strategy and Government's tourism strategy [22-B-0429 refers].
3. The Ministerial Group's Terms of Reference specifies that the group is constituted of the Minister of Conservation (Chair and Convenor), the Minister of Tourism and the Minister of Transport.
4. The TOR also provides that the ministers of the group are responsible for decisions in relation to their own portfolios but have a responsibility to ensure that those decisions are aligned with those of the other portfolios.
5. As Chair, you have a key role in ensuring the Ministerial Group achieves consensus on issues, and that decision making is collaborative. You also manage the relationship with the Chair of the MOP Board.

Agenda items – background and talking points

1. Ensuring the Ministerial Group is effective

To establish robust working relationships within the Ministerial Group to help regain the project's lost momentum

6. This is the first meeting of the reconstituted group, with Associate Minister of Transport Hon Kieran McAnulty having assumed delegated responsibility for the Minister of Transport's role.
7. This meeting presents an opportunity to establish a robust working relationship within the group and consider how you will cooperate over the two years for the feasibility testing phase of the project. We understand that Minister Nash will raise his concerns about the need for all decision making to be undertaken through the Ministerial Group meetings rather than through circulating papers. We support all significant decisions being raised in this manner.
8. The meeting comes as the MOP works to regain momentum lost over the last year because of delays in establishing the Milford Opportunities Board and MOP Unit.
9. Those delays have arisen because of administrative issues, s9(2)(a) difficulty in obtaining a suitably experienced director to head the MOP Unit, and dissonant views on the composition of the MOP Board. Other than finalisation of the board composition and the Terms of Reference for the MOP Board, these issues have now been resolved.
10. The role of the Ministerial Group going forward will be to focus on the strategic level, of desired project outcomes, ensuring that key decisions that arise during feasibility testing are aligned with overarching government priorities and strategies and will achieve the best outcomes for tourism management in New Zealand. You may like to discuss with the Ministerial Group how you see its role going forward, and what needs to happen to ensure its effectiveness.
11. The Ministerial Group will also need to be forward looking to identify opportunities of synergy, and possible disruptors. The scale of transformation of the proposed changes to the management and governance of Milford Sound Piopiotahi is disruptive when considered in the context of the current legislative settings for public conservation land and state highways. Legislative amendment is likely to be required to enable a new way of managing visitors. Any changes will need to be fit for purpose for this area, and suitable for application to other areas of elevated tourism pressure.
12. While the MOP Board and Unit have been established with a high level of operational freedom, the agencies supporting the Ministerial Group have a role in supporting the Ministerial Group with advice on the project's alignment with the Masterplan and other government policies. You may like to discuss with your colleagues how the agencies might best work together to provide a joined-up view on these matters.

Talking points

13. To establish robust working relationships within the Ministerial Group to help regain the project's lost momentum you could discuss the following points:
 - How best to clarify roles within the Ministerial Group?
 - What is the most effective way for the Ministerial Group to operate to regain momentum whilst maintaining strong decision making?
 - What is the best way to ensure that the agencies align to support the Ministerial Group?

2. Milford Opportunities Board membership and role

Ministers have yet to finalise the membership of the Board. It would be useful to discuss this issue at your meeting.

14. It has been proposed that representatives of Southland District Council (SDC) and Environment Southland (ES) be appointed to the Board, however the Ministerial Group has not yet come to a consensus on the appointment of ES. Your predecessor sent a letter to ES stating that they will receive an appointment letter in due course. The appointment letter has not yet been signed by the Ministerial Group s9(2)(g)(i) [REDACTED]. Please note that the MOP Chair has already been in contact with ES welcoming them to the Board in anticipation of the appointment letter being issued.
15. Another discussion point is whether both Councils should have voting rights. The Chair of the MOP Board considers that voting rights should be granted to SDC in recognition of their close relationship with the community of the area and their leadership of the earlier stages of the project. Your predecessor considered that neither Council should have voting rights, which aligns with the role that central government representatives play as advisors to the Board. We recommend that Ministers reach a consensus on SDC's role.
16. s9(2)(g)(i) [REDACTED] has been critical of aspects of the Masterplan and has been seeking a place on the Board. s9(2)(g)(i) [REDACTED] on the Board would significantly reduce the work required to manage this and allow MOP to focus on its primary role of organising feasibility assessments.
17. s9(2)(g)(i) [REDACTED] s9(2)(g)(i) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
18. We recommend that the Group reach agreement on the membership of the board, specifically the role of the local authority representatives, and what the approach to further requests for Board membership will be.

Talking points

19. To agree the final composition of the Board you could discuss the following points:
 - Can we reach an agreement on the inclusion of Environment Southland on the Board?
 - What are your thoughts on whether Southland District Council is voting or non-voting?
 - s9(2)(g)(i) [REDACTED]
 - What will be our approach when more stakeholders request a seat on the Board?

3. MOP Board Terms of Reference

The Ministerial Group needs to consider and agree the level of freedom accorded to the Board and Chair in overseeing the project.

20. The supporting agencies (DOC, MBIE and MOT) have a role in monitoring the direction of travel of the project and providing corresponding advice to the Group. However, the Ministerial Group needs to consider and agree the level of freedom accorded to the

Board and Chair in overseeing the project. The Chair wishes to hold a high level of freedom and trust from Ministers to facilitate innovation.

21. Risks to consider are the reputation of the project (and its credibility) and divergence from previously agreed direction without Ministerial agreement. 9(2)(g)(i)

Note Ministers can disband the Board or use other mechanisms to restrict activities if the Board does not perform. We recommend the Ministerial group discuss and agree the level of control and oversight of the Board and project that should be exerted through the Board Terms of Reference and monitoring arrangements.

Talking points

22. To agree the level of control and direction over the project you wish to exert through the TOR you could discuss the following point:
- What level of control and oversight of the Board and project should be exerted through the Board TOR and monitoring arrangements?

4. Meeting with the Chair of the MOP Board

Dr Turner wishes to test his thinking with the Ministerial Group around the ability to achieve the MOP Masterplan outcomes through transformational change

23. A meeting between the Ministerial Group and the Chair of the Board is being set up.
24. We understand that Dr Turner wishes to test his thinking with the Ministerial Group around the ability to achieve the MOP Masterplan outcomes through transformational change. He will be looking for an indication of Ministers' appetite for significant changes to the management of Milford Sound Piopiotahi.
25. At the meeting with the Board Chair it will also be important to discuss and confirm roles, and cement a working relationship with the Chair that provides clarity on roles and responsibilities to avoid issues. We suggest you work with the other members of the Ministerial group to define the other issues you wish to discuss with the Board Chair.
26. The Ministerial Group will be separately provided with advice to support that meeting.

Talking points

27. To prepare for the forthcoming meeting with the MOP Chair you could discuss the following points:
- Are there any issues that should be raised with the Chair of the MOP Board?
 - What is our agreed approach to working with the Chair going forward?

Risks

28. If the Ministerial Group does not have an agreed view of their role and the challenges of the project it is unlikely that it can guide the MOP project to success. This meeting is important to set the relationships within the Ministerial Group to enable joined up decision making and provide confidence that it can achieve the outcomes sought.
29. Further delays in finalising the membership of the MOP Board and the Board Terms of Reference risks slowing the progress of the project because of the resulting uncertainty. We recommend that Ministers act decisively to resolve these issues.

Treaty implications

30. Ngāi Tahu have been central to the Masterplan's development. The current visitor experience is almost devoid of any cultural element. The Masterplan addresses this issue and provides an avenue to actualise Ngāi Tahu's aspirations.

Legislative implications

31. To be implemented, some of the MOP Masterplan recommendations will likely require legislative change. This could include precedent-setting changes to how government approaches public access, charging for services, concessions management, and governance and management models.
32. DOC manages commercial activities on public conservation land through the concessions management system. The Masterplan recommendations have implications for existing long-term concession holders who have significant investment in infrastructure in the next 5-10 years. DOC will need to work closely with the MOP Unit to test how the masterplan recommendations might be actualised within the current legislative framework or whether it would be more appropriate to use another mechanism, such as special legislation, to enable the desired change to concessions.
33. Lessons from the MOP may also, in parallel, inform the approach to management of other high use conservation areas.
34. The MOP Board will provide advice to the Ministerial Group on these issues as a key deliverable.

Attachments

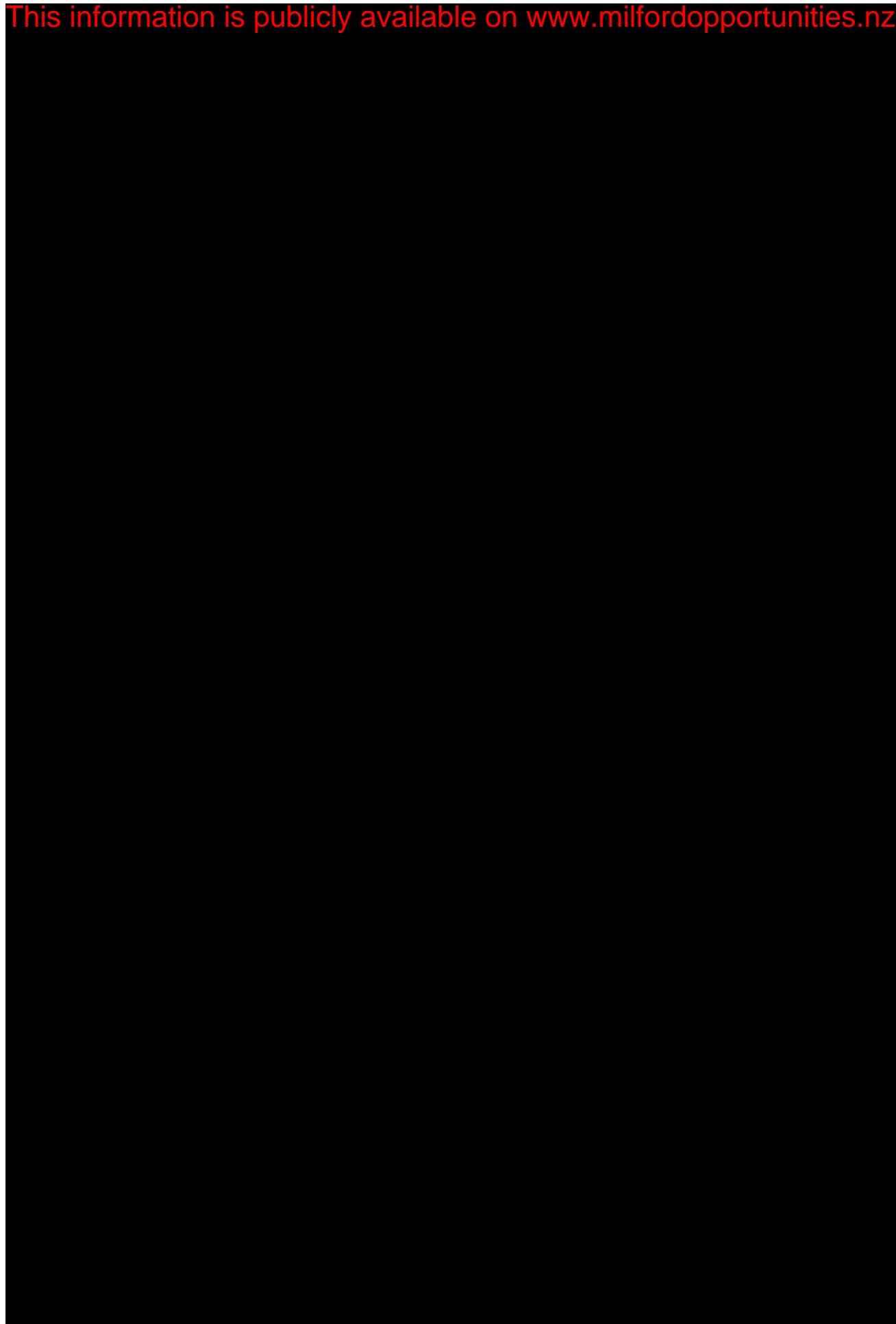
35. Attachment 1 – Summary of suggested agenda and talking points
36. Attachment 2 – Terms of reference for the Ministerial Group

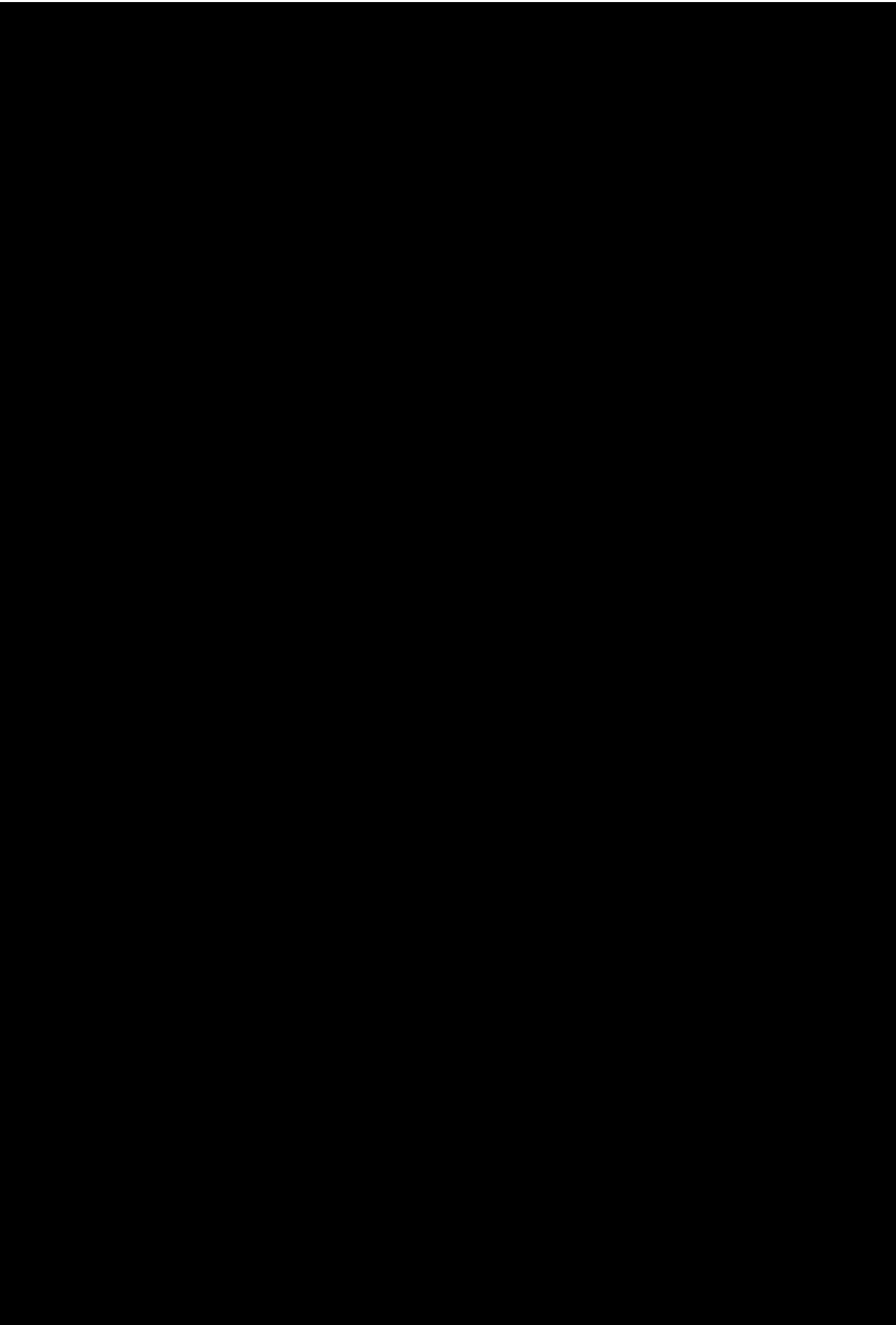
MEMO ENDS

Proactively released

Attachment 1: Summary of suggested talking points

| Hon Poto Williams, Minister of Conservation Meeting with Milford Opportunities Ministerial Group Wednesday 29 June 2022, 8:00pm | |
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| No DOC officials will be present | |
| Agenda Item | Talking points |
| 1 Ministerial Group role | <ul style="list-style-type: none"> • How best to clarify roles within the Ministerial Group? • What is the most effective way for the Ministerial Group to operate to regain momentum whilst maintaining strong decision making? • What is the best way to ensure that the agencies align to support the Ministerial Group? |
| 2 MOP Board membership | <ul style="list-style-type: none"> • Can we reach an agreement on the inclusion of Environment Southland on the Board? • What are your thoughts on whether Southland District Council is voting or non-voting? • s9(2)(g)(i) [REDACTED] • What will be our approach when more stakeholders request a seat on the Board? |
| 3 MOP Board Terms of Reference | <ul style="list-style-type: none"> • What level of control and oversight of the Board and project should be exerted through the Board TOR and monitoring arrangements? |
| 4 Meeting with Dr Keith Turner | <ul style="list-style-type: none"> • Are there any issues that should be raised with the Chair of the MOP Board? • What is our agreed approach to working with the Chair going forward? |





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