

Briefing: Finalisation of Milford Opportunities Project Establishment Board Terms of Reference and project update

To	Minister of Conservation Minister of Tourism Associate Minister of Transport	Date submitted	27 April 2023
Risk Assessment	Medium Finalisation of TOR is necessary to ensure that the MOP Board and Unit have a clear understanding of their roles and expectations of the Ministerial Group.	Priority	High
Reference	23-B-0176		docCM: 7324701 MBIE: 2223-3252 MOT: OC230350
Security Level	In Confidence		
Action sought	Sign the attached letter to Mr Bill Day <u>Agree</u> to extend the project to June 2024 <u>Agree</u> to meet with members of the MOP Board and Unit in May 2023, pending your diary commitments	Timeframe	5 May 2023
Attachments	Attachment 1 – Letter to Bill Day Attachment 2 – Finalised Milford Opportunities Establishment Board Terms of Reference		

Contacts	
Name and position	Cell phone
Richard Davies, Policy Director, Tourism, Labour, Science and Enterprise - Ministry of Business, Innovation and Employment	s9(2)(a)
Bryn Gandy, Deputy Chief Executive, System, Strategy & Investment – Te Manatū Waka Ministry of Transport	
Jessica Ranger, Manager, Placemaking and Urban Development - Te Manatū Waka Ministry of Transport	
Tim Bamford, Chief Advisor to the Deputy Director-General Biodiversity, Heritage and Visitors - Department of Conservation	
John Arathimos, Principal Advisor (Policy) Milford Opportunities Project - Department of Conservation	

Proactively released

Executive summary – Whakarāpopoto ā kaiwhakahaere

1. The Milford Opportunities Project (MOP) Establishment Board (the Board) is now led by interim Chair Mr Bill Day. Attached for your approval is a letter to Mr Day that attaches finalised Terms of Reference for the Board and provides guidance concerning the focus of the Board and MOP Unit's work programme over the next six months.
2. MOP funding is in place to support the project to June 2024 via the March Baseline Update. The project is due to end in December 2023, but the Board requested that it run to June 2024. Officials support this.
3. A key priority for MOP to June 2023 is to prepare a Cabinet paper. You will receive a draft by 18 May 2023. The paper will include options analysis concerning the feasibility of implementing recommendations in the MOP Masterplan. Members of the Board and Unit are keen to discuss the paper with you in May if possible. Officials are also identifying a new Board Chair and replacement of Board tourism representatives.

We recommend that you ... (Ngā tohutohu)

		Decision
a)	<u>Sign</u> the attached letter to Mr Bill Day, which includes finalised Terms of Reference for the MOP Board	Yes / No
b)	<u>Note</u> that the Minister of Finance has approved a shift of approximately \$9 million in MOP funding to the 2023/24 financial year via the March Baseline Update (MBU)	
c)	<u>Agree</u> to extend the project completion date to 30 June 2024	Yes / No
d)	Note that you will receive a draft Cabinet paper concerning MOP by 18 May 2023	
e)	<u>Agree</u> to meet with members of the MOP Board and Unit in May to discuss the work programme, pending your availability	Yes / No
f)	<u>Note</u> that officials are identifying potential replacements for the Chair and tourism representatives on the Board	



Date: 27 / 04 / 23

Richard Davies
Policy Director, Tourism
Labour, Science and Enterprise,
Ministry of Business, Innovation and
Employment



Date: 27 / 04 / 23

Jessica Ranger
Manager, Placemaking and Urban
Development
Te Manatū Waka Ministry of
Transport



Date: 27 / 04 /23

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

Date: / /

Hon Willow-Jean Prime
Minister of Conservation

Date: / /

Hon Peeni Henare
Minister of Tourism

Date: / /

Hon Kiritapu Allan
Associate Minister of Transport

Proactively released

Purpose – Te aronga

1. This paper requests that you:
 - approve finalised Terms of Reference (TOR) for the Milford Opportunities Project (MOP) Establishment Board (the Board)
 - sign a letter to the Interim Chair of the Board, Mr Bill Day, concerning the TOR and MOP Unit's work programme, and
 - note current developments and next steps for the project.

Background and context – Te horopaki

2. You were recently asked to approve TOR for the MOP Board and letters to the former Chair of the Board (Dr Keith Turner) and Minister of Finance (22-B-0805). These concerned the TOR, MOP Unit's work programme and funding arrangements for the project. Recent developments have necessitated minor revisions to the earlier advice sent to you.

Outstanding matters

Your letter finalising the TOR is now addressed to the interim Chair

3. Dr Keith Turner resigned as Chair of the Board on 31 March 2023. Mr Bill Day is interim Chair. A previous draft letter from you to Dr Turner (22-B-0805) is now addressed to Mr Day and is attached for your approval (Attachment 1). The letter attaches finalised TOR for the Board (Attachment 2). It asks that the Committee and Unit focus their work programme on developing policy options concerning managed access to Milford Sound, charging international visitors, governance, and concessions by December 2023. The letter also requests that any decisions or progress concerning the Unit's work programme do not predetermine outcomes of decisions by the Ministerial Group.

A letter to the Minister of Finance seeking an extension of MOP funding is no longer required

4. We previously recommended that you seek approval from the Minister of Finance to shift uncommitted MOP funds from the 2022/23 financial year to the 2023/24 financial year (22-B-0805). Since then, approximately \$9 million in MOP funding has been shifted to the 2023/24 financial year via the March Baseline Update (MBU). This was approved by the Minister of Finance. Given this, it is no longer necessary for the Ministerial Group to ask the Minister of Finance to approve an extension of MOP funding beyond the 2022/23 financial year.

We propose that you agree to extend the end date for the project to June 2024

5. The previous Ministerial Group had agreed to extend the MOP from June 2023 to December 2023. The former Chair of the Board, Dr Keith Turner, subsequently requested that the project end date is further extended to June 2024. This would give the MOP Board and Unit two years to complete their work from when they were established in June 2022 (one year behind schedule). A two-year timeframe to complete feasibility testing of recommendations in the MOP Masterplan is broadly consistent with Cabinet expectations.

Current developments

A paper is being prepared for consideration by Cabinet in June

6. The MOP Board and Unit, in consultation with agencies, is drafting a paper from you to the Cabinet Environment, Energy and Climate Committee (ENV). This provides a progress update on the project, and options analysis concerning critical policy areas as stated in your letter to Mr Day. A draft paper will be sent to you by 18 May 2023. Subject to your approval, we intend for the paper to be considered by ENV on 22 June 2023.

Members of the MOP Board and Unit have asked to meet with you

7. Members of the MOP Board and Unit have requested a meeting with you in May to discuss the MOP work programme. They are particularly keen to gain further insights from you concerning the depth of feasibility testing and implementation of recommendations in the MOP Masterplan. We understand that the MOP Board will also write to you concerning this and provide 'deep dive' options analysis.
8. We consider that a meeting with the Board and Unit would be an opportunity for you to outline your expectations concerning key deliverables for the project. Should a meeting not be possible, officials will reinforce focal work areas for the project as proposed in your letter to Mr Bill Day.

A process is underway to select new Board members

9. You have agreed to officials approaching potential replacements for the Chair and tourism representatives in the Board (23-B-0085). We will provide a further update on the outcome of this process in due course.

Risk assessment – Aronga tūrarū

10. Finalisation of TOR is necessary to ensure that the MOP Board and Unit have a clear understanding of their roles and expectations of the Ministerial Group.

Consultation – Kōrero whakawhiti

11. This paper including its attachments was jointly prepared by the Department of Conservation; Ministry of Business, Innovation and Employment; and Ministry of Transport.

Financial implications – Te hīraunga pūtea

12. These are noted in paragraph 4.

Legal implications – Te hīraunga a ture

13. The feasibility testing phase of the project will include analysis of legal pathways required to implement recommendations in the Masterplan. A decision by Cabinet to implement elements of the Masterplan would most likely require amendments to existing legislation such as the National Parks Act and relevant transport legislation, or bespoke legislation for Milford Sound. These could take several years to implement.

Next steps – Ngā tāwhaitanga

14. Pending your approval, finalised TOR and guidance on the MOP work programme will be sent under a covering letter from you to the interim Board Chair.

ENDS

Proactively released