

## **Q&A: Decision on the Fiordland Link monorail**

### **1. What was the proposal?**

Riverstone Holdings Limited's (RHL) concession application involved a 43.8-kilometre monorail running from the Mararoa River through the Snowdon Forest Stewardship Area before crossing private land to terminate at Te Anau Downs in Fiordland National Park. A construction track running parallel to the monorail was to become a mountain bike trail.

The proposal also included two terminus buildings with associated parking and access roads – one on marginal strip land next to the Mararoa River and the other at Te Anau Downs on land within Fiordland National Park. These areas are all within the Te Wāhipounamu -South West New Zealand World Heritage Area.

The monorail is part of RHL's Fiordland Link Experience – a transportation package/tourism experience to take passengers from Queenstown to Te Anau Downs via catamaran, all-terrain vehicle and monorail.

### **2. What has been the process for considering this application?**

The process for considering RHL's monorail proposal has been complex and involved numerous assessments and reports, as well as public consultation over the past seven years.

RHL lodged their initial application for the monorail in August 2006 and, following a DOC-commissioned external audit, submitted a modified application in November 2009.

The Department of Conservation (DOC) assessed this according to legal requirements and recommended in its initial report that it be granted subject to certain conditions and the public submission process.

The application was notified for public submissions in December 2011 and submissions closed in March 2012. The 40-day submission period was extended by two weeks due to public interest. Of the 314 written submissions received, 27 were in support and 287 in opposition.

Public hearings were held over four days in Te Anau and Invercargill in April 2012 and 57 people took the opportunity to speak. RHL presented their right of reply at the last day of the public hearings and commented on the draft hearing commissioner's report in May.

The report on submissions from the hearing commissioner in October 2013 recommended two options: 1) to approve the application subject to specific changes to conditions; or 2) to decline based on inadequate information.

Separate to this, DOC also commissioned further information about the effects of the application on the biodiversity and landscape values that contribute to the area's World Heritage status. This was in response to concerns expressed by the World Heritage Centre to the Government in October 2012 that the effects of the proposal on these values hadn't been taken into account.

The Minister of Conservation visited the sites of the proposed monorail and terminus buildings and met with RHL and the hearing commissioner in October 2013.

In December 2013, the Minister asked for additional advice on the financial viability of the monorail proposal. DOC commissioned an independent review which looked at the tourism assumptions of the proposal and the economics of the business case. RHL provided a response to these reports in April and May 2014, which included an independent peer review of their own business plan.

In December 2013, the Minister also invited the New Zealand Conservation Authority (NZCA) to give its views on the application and a response was received in January 2014.

In May 2014 DOC advised the Minister about the matrix of information that would need to be considered in his decision on the monorail proposal.

### **3. Why has it taken so long?**

This is one of the most large-scale and significant development proposals for public conservation land that DOC has dealt with. The assessment of this application has involved numerous separate specialist assessments and reports and a public consultation process. In addition, further assessments and reviews were required due to concerns about effects on World Heritage values and the financial viability of the proposal. From receipt of RHL's application, this process has taken about four and a half years.

### **4. Why did the Minister choose to make a decision on this application instead of Department of Conservation?**

The Conservation and National Parks Acts provide for decisions on concession applications to be made by the Minister of Conservation.

In February 2013, the Minister decided he would make the decisions for both the Milford tunnel and Fiordland monorail proposals. He decided that given the scale of these proposals and the degree of public interest, it was appropriate that he make the decision rather than it be delegated to a DOC official.

This decision is consistent with the powers of delegation, where the Director-General of Conservation shall refer matters of national interest or involving significant environment, social or economic implications to the Minister.

**5. What are the considerations the Minister must take into account in deciding on such this application?**

The Minister must consider a wide range of information on the effects of the monorail proposal in relation to requirements in the Conservation Act and National Parks Act.

Under the Conservation Act, relevant considerations are the nature of the activity; the effects of the activity, structure or facility; any measures to avoid, remedy or mitigate adverse effects; any environmental impact assessment or audit, and oral and written submissions.

Relevant information includes the application, DOC's initial assessment and report, the hearing commissioner's report on submissions, the reports on effects on World Heritage values, the report on financial viability and RHL's responses to these reports.

**6. Who did the Minister meet with in considering this application?**

The Minister met with Department of Conservation officials, the applicants Riverstone Holdings Ltd, the hearing commissioner who considered the 314 submissions and the New Zealand Conservation Authority, which is an independent advisory body on conservation matters.

The Minister also visited the site of the proposed monorail through the Snowdon Forest and the areas affected by the construction of the two termini, car parks and roads.

**7. Why did the Minister not meet with opponents of the monorail proposal?**

Public submissions were heard by the hearing commissioner who was then required to report to the Minister.

It would have been unfair and a breach of natural justice if the Minister had chosen to meet with only some of the large number of people and groups who submitted on the proposal.

**8. What advice has the Minister received from the Department of Conservation on the monorail proposal?**

There are three main departmental reports to the Minister: 1) the "Officer's Report"; 2) the "Report to the Decision-Maker"; and 3) the DOC's final submission.

The Department's initial report (the "Officer's Report") recommended the concession be granted subject to certain conditions and the hearing of public submissions. Additional information and evidence presented through the public consultation process led the hearing commissioner to recommend in the second report, the "Report to the Decision-Maker," that the application either be approved subject to

changes to particular concession conditions or declined due to inadequate information.

In its final submission, DOC advised the Minister about concerns with the adequacy of information about the effects of the monorail due to the “envelope” approach whereby the on-the-ground route and design of the monorail within a 200 metre-wide corridor through the Snowdon Forest would not be finalised until the concession was granted. This approach made it difficult to quantify the potential effects on conservation values of the clearance of vegetation, including disturbance of native wildlife, and to determine the effectiveness of the concession conditions.

## **9. How has the World Heritage status affected the process and decision?**

The World Heritage Area of Te Wāhipounamu -South West New Zealand was granted by UNESCO in 1990. This status has no specific impact on domestic legislation or the requirements the Minister must consider under the Conservation Act and National Parks Act in making his decision. However, the Minister must exercise powers under these Acts consistently with New Zealand’s obligations under the World Heritage Convention.

DOC initially considered that assessing the monorail proposal against the legal purpose for which land within Te Wāhipounamu -South West New Zealand World Heritage Area is held would also satisfy our obligations under the World Heritage Convention.

However, concerns were raised by the International Union for the Conservation of Nature (IUCN) through the World Heritage Centre (WHC) with the Government in October 2012. The WHC advised that the application had not been adequately assessed against the Statement of Outstanding Universal Value for the World Heritage Area.

In response, DOC commissioned additional information on the effects of the application on biodiversity and landscape values of the World Heritage Area. The report on biodiversity concluded the effects of the monorail on biodiversity values could not be accurately assessed because the exact route of the monorail within the 200 metre-wide corridor had not been defined and effects may be greater than stated in the application.

The landscape report concludes that the monorail would have only minor effect on the integrity of the World Heritage Area as a whole but would have significant effects on naturalness in the vicinity of the monorail corridor.

## **10. What did the reports on financial viability of the monorail conclude?**

DOC commissioned an independent review of RHL’s business case at the request of the Minister. This involved an assessment of the tourism assumptions and a review of the economics of the business case.

The tourism assessment concludes that assumptions about ticket price, revenue increases, start-up time and overall size of the market for the Fiordland Link Experience were overly optimistic. The financial review concludes that the monorail proposal is unlikely to be viable. RHL does not agree with these conclusions and provided contrary expert advice in response to these reports.

#### **11. What was the advice the Minister received from the New Zealand Conservation Authority?**

The NZCA advised the Minister on the need for a coherent strategy for public access to Milford against which concession applications should be assessed. They raised concerns about the mix of land of varying conservation status such as stewardship land within the World Heritage Area and the need to review this. The Authority also suggested that an amenities area under the National Parks Act would need to be created for the proposed terminus in Fiordland National Park.