

Executive Summary

Sustainable Tourism in New Zealand

This proposal will provide a unique travel and tourism experience. New Zealand markets itself to the world with a promise of “100% Pure New Zealand”. We will enjoy the benefits of sustainable tourism fully if we can consistently deliver on that promise now and in the future, while not compromising the very essence of what our visitors come to see.

Riverstone Holdings Limited has applied for a concession to create and operate the Fiordland Link Experience. The proposed Fiordland Link Experience showcases New Zealand with a unique three-stage journey incorporating a catamaran, all terrain vehicle and monorail linking Queenstown and Lake Te Anau. Once constructed this infrastructure can deliver an intimate “Pure New Zealand” experience from Lake Wakatipu to Lake Te Anau and beyond, to a large number of visitors with minimal environmental impact. The journey will include glacial lakes, back country rivers, tussock grasslands, mountain vistas, beech forest and rural farmland. It will be unparalleled, passing through the Snowdon Forest part of the Te Wāhipounamu (South West New Zealand) World Heritage Area and finish at the edge of the Fiordland National Park.

Low Environmental Impact

The proposal aims to create tourism value with minimal environmental impact at a national, regional, and local level. Up to one million people with a range of fitness levels can be catered for. It will provide access to what visitors want to see in a controlled and manageable way. Providing an appropriate experience to a large number of people will alleviate the need for people to try and create a “Real NZ” experience themselves, which often results in very significant environmental impacts.

The environmental impact of visitors will be minimised by;

- using a natural and direct route between Queenstown and Lake Te Anau
- a small physical footprint – the monorail track will be supported by piers each 20 metres apart
- construction does not require substantial earthworks
- utilising renewable energy for an electrically powered monorail.

The route has been carefully selected to enable tourists to enjoy a world heritage area without compromising national park or conservation management values. The route however does not enter the Fiordland National Park other than the terminus site at Te Anau Downs next to the current hospitality facilities. The low-to-the-ground straddle monorail will run on a concrete track and is safe and easy to engineer. The concrete track can be laid by rigging equipment operating from the track already laid and no road is required for construction or operational purposes.

A project of this scale can not occur without some environmental impact, but the impact is very limited and mostly contained within a narrow corridor on the edge of both farmland

and the Department of Conservation area. Once constructed there will be very minimal ongoing environmental impact.

Regional Benefits for Te Anau and Southland

Whilst providing a new and unique tourism experience the proposal also improves regional transport between Queenstown, Te Anau and other destinations in Fiordland and Southland. Tourism is a major driver of economic growth in Otago and Southland. It is essential that infrastructure investment is made to enable the local economy to capture the potential growth in tourism income. The infrastructure will support proposed investment in the region such as Discover Fiordland in Te Anau, development of destinations along the Southern Scenic Route, and alternative locations in Fiordland.

The Fiordland Link Experience will market Lake Te Anau and Te Anau as its destination. Local tourism operators within the Te Anau area will benefit from the increased profile that Te Anau will receive being one of the destinations of this trip.

The main terminus and primary maintenance facility will be at Te Anau Downs. Economic benefits will accrue to Te Anau and the regions from the expenditure during the construction period. There will also be a significant number of permanent jobs created to run the operation and maintain the plant. These positions will be primarily based in Te Anau.

Milford Sound/Piopirotahi

Milford Sound/Piopirotahi is an iconic destination in New Zealand and will continue to attract large numbers of visitors. The \$150 million investment is underpinned by the visitor flow to Milford. The project is feasible because it will attract a share of the approximately 500,000 visitors who travel to Milford each year. The current return trip from Queenstown by road is a long day – up to 13 hours, with only two hours at destination. The more varied and quicker Fiordland Link Experience will be an attractive alternative for some of the Queenstown based travellers. With the western terminus at Te Anau Downs, those using the Experience to access Milford will transfer to a coach and enjoy the trip along the Milford Road through the Eglinton Valley as a key part of their Milford Experience.

The popularity of Milford Sound and the way many people currently access it as a day trip from Queenstown, leads to a concentration of visitors or peak in the middle of the day. With visitor numbers forecast to increase, solutions are being sought to address the visitors' impacts so the visitor experience and the environment are not degraded. The shorter transit time of the Fiordland Link Experience will assist with smoothing peak visitor numbers. The time saving of more than two hours for the return journey time will significantly increase the efficiency in utilizing existing infrastructure at the Sound.

The proposal also looks to assist with the management of vehicle flows along the Milford Road through the construction of a vehicle consolidation and parking facility at Te Anau Downs. The more direct route will lead to a substantial reduction in CO² emissions and improved road safety between Queenstown and Te Anau Downs.

Profile of Riverstone Holdings

The application is being made by Riverstone Holdings Limited (RHL). RHL is a private company with majority New Zealand ownership. Infinity Investment Group Holdings Limited is the major shareholder in RHL. Minority shares are held by Philip Phillips and a Singaporean investor. Wanaka based Infinity is one of the largest developers in the South Island and currently involved in several projects with a value in excess of \$100 million each. Infinity is led by CEO Bob Robertson who is also the CEO of RHL. Infinity are well known for contributing to the communities in which they operate and investing in conservation and environmental values.

Consultative and iterative process

The project has been iteratively conceived and developed over many years. A number of alternatives have been researched and evaluated. A significant route change has been made following the lodgement of a draft application in August 2004. The current route now avoids the Dunton Wetland and the Snowdon Remote Area.

Consultation has occurred with a wide range of groups with careful and prolonged consideration of national, regional and local issues. Cultural values have been addressed and local Iwi actively consulted. The applicant has facilitated discussions with the tourism sector, nationally and locally, local and regional councils, Te Anau business leaders and environmental groups.

It is anticipated that some minor adjustments will be looked at in the route finalisation process. In some case minor adjustments can mitigate potential effects on environmental values.

Overview

The Fiordland Link Experience journey has three sections.

- 1) Queenstown to Mt Nicholas Station - 20km via a catamaran, southwest across Lake Wakatipu.
- 2) Mt Nicholas Station to Kiwi Burn Terminus - 45km by an all terrain vehicle (ATV) from wharf facilities up the Mt Nicholas, Von and Mavora Lakes existing back country roads to a terminus located between the Mavora Lakes road and the swing bridge over the Mararoa River.
- 3) Kiwi Burn Terminus to Lake Te Anau - 41km by an electrically powered monorail through tussock land, Snowdon Forest and farm land to a terminus close to the lake shore at Te Anau Downs.

The 106 kilometre trip would be able to be completed in just over two hours.

Construction

The majority of construction activity and impact on the environment for the Fiordland Link Experience will be associated with the establishment of the 41km long single monorail track from the Kiwi Burn to the Te Anau Downs terminus.

The minimal and localised impact on the environment through the construction phase and ongoing operation was a key driver in the selection of a low level single track monorail train. A construction program of 24 to 30 months is proposed.

The majority of supporting piers and the track would be installed and laid by a travelling rig, operating from each end of the just completed section of the track. This would reduce the impact on the environment during construction to a minimum. The monorail will require a corridor clear of vegetation through which it can pass. The width of the corridor required is 4-6m and for much of the route the canopy would remain intact.

Earthworks for the monorail track would be minimal. After restoration it is expected any earthworks would have a negligible affect.

Operations

The experience would initially be designed for 160 passengers at a time. Frequency and scheduling can adapt to daylight hours and seasonal demand. One of the advantages of the operation is its flexibility and scalability; additional carriages could be added to the monorail train set to cater for up to 224 passengers during peak times. If demand for this service grew more trains could be added with a maximum of four trains able to run on the monorail track at any one time. The catamaran and ATV units could be scaled up or down accordingly.

Approximately 100 full time staff will be required for the normal running of the business, with staff based in Queenstown and primarily Te Anau.

The Fiordland Link Experience will have a strong focus on sustainable operating principles and low environmental impact. Interpretation of environmental and cultural values would be built into many aspects of the trip. The monorail would operate to a safe operating plan as approved by the Land Transport Safety Authority. Full emergency procedures will be required as part of this safe operating plan.

Environment Description and Effects

There have been significant resources invested in preparing the project to this point and lodging the concession application. A multi-disciplinary team has been supported by input from specialist consultants. Together the team have worked to assess environment values, potential impacts and develop mitigation strategies and monitoring suggestions where appropriate.

Freshwater Issues

The project area lies entirely within the head water tributaries of the Waiau River catchments and includes the Kiwi Burn, Whitestone River, Upukerora River, Dunton Creek, Henry Creek and Retford Stream. An analysis of the presently recorded fish in this area noted that none of the fish are regarded as rare or endangered, although some may have restricted distributions.

The monorail track would span all rivers. No supporting piers would be required to be placed in the normal flow of the rivers crossed. Therefore there is unlikely to be any

obstruction to fish movement as a result of the project. Careful environmental management around the water courses would ensure that water quality is maintained.

Noise

The existing noise level on the monorail route varied considerably. The monorail used for this project will be current technology and will not have a high noise level. The expert report by Marshall Day Acoustics stated that with the suggested mitigation measures in place the effect of noise will be negligible.

Terrestrial Ecology & Landscape Values

The proposed route straddles the Livingstone and Upukerora ecological districts and lies almost entirely in the Te Anau basin landscape unit. The vegetation crossed by the route can be divided into four types – mountain beech forest, red beech forest, dry open areas and wet open areas. Several different habitats occur along the proposed route. Introduced mammals are common within the vicinity of the route.

Mitigations proposed in the ecological report included a modified alignment in two places to avoid riparian vegetation, red beech forest patches and areas of large red beech trees. Concerns about weed spread during construction and through the presence of a “corridor” in the forest can be addressed by monitoring and a rigorous weed management program.

The key findings of the Landscape and Ecological assessments performed by Boffa Miskell are that with a careful process for the final alignment of the route, the experiential aims of the project can be achieved whilst the landscape and ecological values are maintained.

Tangata Whenua Values

Te Ao Marama completed a Cultural Impact Assessment of the proposal. The assessment stated that the proposed Fiordland Link project has the potential to impact significantly upon Ngai Tahu values and beliefs, if it is not managed carefully. Ngai Tahu considered though, that through proper management and monitoring, these risks may be successfully reduced. A working relationship with the Runanga will be established to ensure the monitoring and mitigation strategies currently proposed are applied effectively.

Farming and Commercial Activities

The Fiordland Link Experience route passes through and close by a number of farming operations. The effects of this proposal will be minimised by developing the proposal collaboratively with the land owners. A related party to Riverstone Holdings Limited has purchased the lease of the Te Anau Downs accommodation complex on the land where the Te Anau Downs terminus will be sited. The effects on the other parties are unlikely to be significant.

Recreation

The major recreation uses in the area are tramping, hunting, angling and kayaking. There are no significant effects on the areas’ recreational values, however some more than minor impacts have been identified at the Kiwi Burn area. The Kiwi Burn terminus is proposed close to the highway end on a strip of Department of Conservation land that

runs between the Mavora Lakes Road and Mararoa River to the Kiwi Burn swing bridge and start of the walking track. There is no other site available. The impacts in this area were anticipated and explicitly provided for in the relevant Conservation Management Strategy. The applicant proposes relocating or replacing the Kiwi Burn hut and track to an alternative location providing the same recreational value. This process will be done in consultation with local tramping groups and the Department of Conservation. Other parts of the tracks and routes between the Kiwi Burn and Retford Stream are affected to a lesser extent. The track can be realigned and the impacts have been assessed as minor.

Tourism Issues

Tourism plays a key role in our economy and its growth. The tourism sector is one of New Zealand's largest export earner, supports 10% of all jobs in New Zealand directly or indirectly and contributes almost 10% of New Zealand's GDP. This proposal will support the New Zealand Tourism Strategy 2010 (NZTS), which outlines the way forward for this vital sector.

The NZTS articulates marketing and managing a world class visitor experience. Recommendations include developing and maintaining recreational facilities in the conservation area and the provision of infrastructure required to support tourism's growth and development. The proposal is clearly consistent with these strategies, sustainability recommendations and target markets.

Mitigation and Monitoring

A large number of mitigation features have been built into the overall design of the project to ensure that any effects associated with the construction and operation are avoided, remedied or mitigated. Environmental monitoring will be undertaken through the construction phase and be built in to the operating processes.

Conclusion

The Fiordland Link Experience will bring significant benefits. It will result in a quality tourism experience and an increased appreciation of this local environment by a large number of people. It will result in a smoothing of peak flows in Milford Sound/Piopiotaahi and will reduce the need for new infrastructure in the area thereby improving the utilisation of the plant operated by concessionaires in the Sound.

The smoothing of peak in-flows into Milford Sound/Piopiotaahi provides DOC with a wider range of management options for this destination. The creation of a quality journey from Queenstown to Te Anau/Te Anau Downs also supports the development of new destinations within Fiordland if that is required due to capacity constraints at Milford Sound/Piopiotaahi.

Economic benefits will accrue through reduced CO₂ emissions and reduced accidents through improved road safety. The Department will receive concession fees that can be reinvested in the conservation area. The project structure will also provide economic benefits to the local and regional economy through the significant capital expenditure and new employment opportunities in the construction phase and ongoing operation of the

Experience. It will continue to support tourism growth for both the Queenstown and Te Anau communities.

These wide ranging benefits will very substantially outweigh any effects associated with the construction and operation of the experience. This proposal has been carefully created to ensure that invasive engineering in a National Park or conservation area is avoided and the highest safety goals can be achieved. The proposal offers a significant contribution to the management of visitors to Milford Sound and an exciting opportunity for New Zealanders to benefit from sustainable tourism in the future.