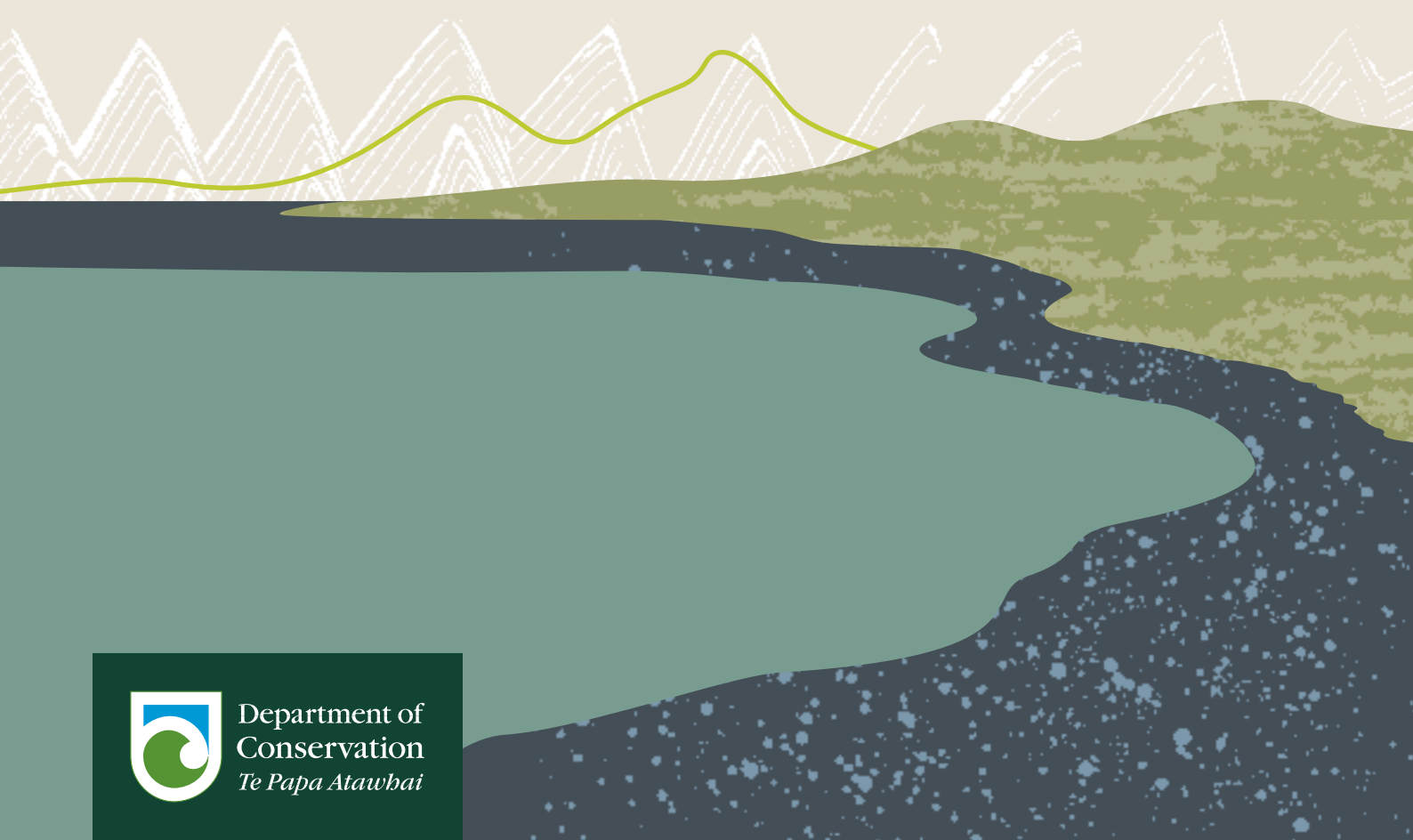


# Department of Conservation Te Papa Atawhai

**ANNUAL REPORT**  
FOR THE YEAR ENDED  
30 JUNE 2018



Department of  
Conservation  
*Te Papa Atawhai*



# Department of Conservation Te Papa Atawhai

## **ANNUAL REPORT** FOR THE YEAR ENDED 30 JUNE 2018

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# Foreword from the Director-General

*Toitū te marae a Tāne-Mahuta,  
Toitū te marae a Tangaroa,  
Toitū te tangata.*

*If the land is well and the sea is well,  
the people will thrive.*

New Zealand has a world leadership opportunity to integrate our culture, people and the environment to create a hugely compelling advantage for New Zealand's leadership role within the world ('our gift to the world'), by drawing on our unique emergent conservation philosophy that interweaves ancient Māori and Western notions of stewardship and recognises the interdependent relationship between people and nature.

This kaitiakitanga ethos carries within it an intrinsic duty of care for people and planet. It is in our nature to look after nature.

We have the opportunity to show the world another way – a way that values and marries both knowledge systems: Western science and mātauranga Māori. This is a distinctly New Zealand conservation philosophy that we have coined Kura (or Mana) Taiao: a way that demonstrates the value of whanaungatanga through

forming and fostering relationships and connections to sustain our environment – recognising that it, in turn, sustains us and future generations. This places a powerful expectation on us all as the current and future guardians of this place.

We have had a great year, with Budget 2018 delivering one of the biggest-ever funding increases for conservation – an additional \$181.62 million over the next 4 years. With this new funding comes even greater responsibility to ensure the Department (DOC) is achieving real gains for conservation and delivering on the Government's priorities.

## Biodiversity gains

This year's record-breaking breeding results for black stilt/kakī clearly demonstrate the benefits of successful pest control in the Tasman valley, which allowed more eggs to be harvested for incubation in captivity.

The challenge remains to develop more pest-free habitats that are safe for the release of captive-bred birds.

Predator Free 2050 remains the cornerstone of our biodiversity work. Long-term monitoring continues to prove the benefits of the current pest-control



Lou Sanson at Lake Angelus Hut, Nelson Lakes National Park. Photo: Georgia Sanson

strategies. The repeated use of effective tools like 1080 has produced outstanding results, as shown in the Landsborough valley where bird numbers have steadily increased over the past 20 years in response to a sustained suppression of rats, stoats and possums. We can also now say, using data from previous control operations, that periodic aerial 1080 operations will lead to a lasting reduction in possum numbers in New Zealand forests.

Our Aquatic, Terrestrial Ecosystems, Threats and Planning and Support teams play a crucial role in our biodiversity work. For example, this year, habitat assessment of the sole population of Chesterfield skinks revealed the acute risk of extinction due to cyclonic tidal surges. So, in partnership with Auckland Zoo, 50 skinks were taken into captivity to start a breeding programme.

Looking ahead, the Government is investing more than \$81.2 million for predator control over the next 4 years. Analysis of weather patterns that affect forest seeding and subsequent breeding of rats show a severe mast is predicted in autumn 2019 across both the North and South Islands. Roughly 1.5 million hectares of high value public conservation land will need predator control during 2019/20 as a result.

Secured annual funding in DOC's baseline means we can carry out regular predator control programmes, not only in mast years.

## Working with others

DOC's ability to grow conservation is enhanced by broadening and leveraging our connections with others. DOC's approach through partnering reflects this, and continues to deliver results.

The first collaboration at a regional scale, the Taranaki Mounga Project, is a partnership with the Taranaki Taku Tūrangā project. It includes DOC, eight Taranaki iwi and philanthropic investor the NEXT Foundation, supported by founding sponsors Shell New Zealand, Jasmine Social Investments, TSB Community Trust and Landcare Research. The aim is to suppress

and eradicate invasive predators on the mountain and beyond.

DOC's special partnership with Tūhoe was recognised by the Institute of Public Administration New Zealand (IPANZ) at the 2017 Public Sector Excellence Awards, with the Prime Minister's Award and the Crown-Māori Excellence Award.

DOC and Te Uru Taumatua (the governing body of Tūhoe) have implemented the 2014 Treaty settlement legislation that grants Te Urewera legal personhood, giving it the same rights and powers as a person.

On the land management front, we're working with Environment Canterbury and Land Information New Zealand to ensure all three agencies work together to enact the Mackenzie Vision and provide consistent advice through statutory processes. We've begun discussions with NEXT Foundation to investigate landscape-scale predator control within the upper Mackenzie basin and DOC has initiated a multi-agency Mackenzie Tourism Plan with high-country farmers – a unique challenge for our partnership strategy.

Million Dollar Mouse, a joint initiative between DOC and funding partners the Morgan Foundation, WWF New Zealand, Island Conservation, and public supporters, has successfully delivered one of the most complex island pest-eradication projects ever undertaken.

Special plants and wildlife, including 21 species of breeding seabirds, more than 150 species of insects – 17 percent of them only found on the Antipodes – 21 uncommon plant species and 4 unique land birds are found on Antipodes Island. They can now thrive without mice preying on the insects or competing with the land birds.

### *Ka tū te moho, Kia ora ake anō The takahē stands, in order to live again*

In a significant step for DOC's Takahē Recovery Programme, 18 birds were released into Goulard Downs off the Heaphy Track. This translocation marks the next step in takahē recovery. The programme estimates it could eventually accommodate up to 30 breeding pairs.



The Takahē Recovery Programme consists of a small dedicated team within DOC, in partnership with Ngāi Tahu, our national partner Fulton Hogan, supporters Mitre 10 and New Zealand National Parks and Conservation Foundation, and numerous volunteers and staff across many sites nationwide. All of us are working together to ensure this taonga species is successfully returned to the wild.

## Visitors

International visitor growth continues. Although it generates revenue for the country, increased traffic challenges us to both protect the natural and historic resources that attract people to New Zealand, and continue to provide people with the opportunity for exceptional experiences.

To meet these needs, we are putting several initiatives in place. Differential pricing trials that charge overseas visitors more for some of our Great Walks will begin in the summer.

A new electronic booking system has also been introduced which enables people to better manage their bookings, while also helping DOC to more effectively communicate with travellers about local conditions and safety risks.

We will continue to improve and refine DOC systems and planning to ensure we can minimise any impacts from people visiting conservation land.

Conservation is becoming mainstream. Each year we see more and more New Zealanders getting involved, whether it is getting out on walking tracks, doing backyard trapping or planting trees. We need everyone to care about saving the more than 4,000 species of unique wildlife at risk of extinction.

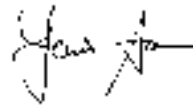
DOC has a role in connecting and reconnecting the minds and hearts of the people to the heartbeat of the land and sea. This goes to the core of our national identity – our connection with nature is part of what makes us New Zealanders. The Department needs to work with others, whanaungatanga, connecting

people to nature, nature to the people – caring for and cherishing what makes New Zealand special.

I want to acknowledge the hard work of staff, including the hundreds of volunteers who take the time every year to support DOC's conservation efforts. Collectively, alongside our partners, we can achieve great things for New Zealand.

There's never been a better time to get involved.

Ngā mihi nui



**Lou Sanson**

Director-General of Conservation

27 September 2018

# Introducing DOC

## Our purpose

*To work with others to increase the value of conservation for New Zealanders*

*Kia piki te oranga o te ao tūroa, i roto i te ngātahitanga, ki Aotearoa.*

DOC works collaboratively to seek conservation outcomes. Our purpose also recognises that conservation activities and outcomes are valued by New Zealanders, and that even more value can be attained. This can be through the:

- heritage values of our parks and unique native wildlife
- value that tourism brings as people seek to enjoy our nature
- clean waters coming from protected catchments
- contribution to healthy lifestyles
- contribution to a successful brand for marketing 'New Zealand'.

## Department of Conservation

### OUTCOMES MODEL

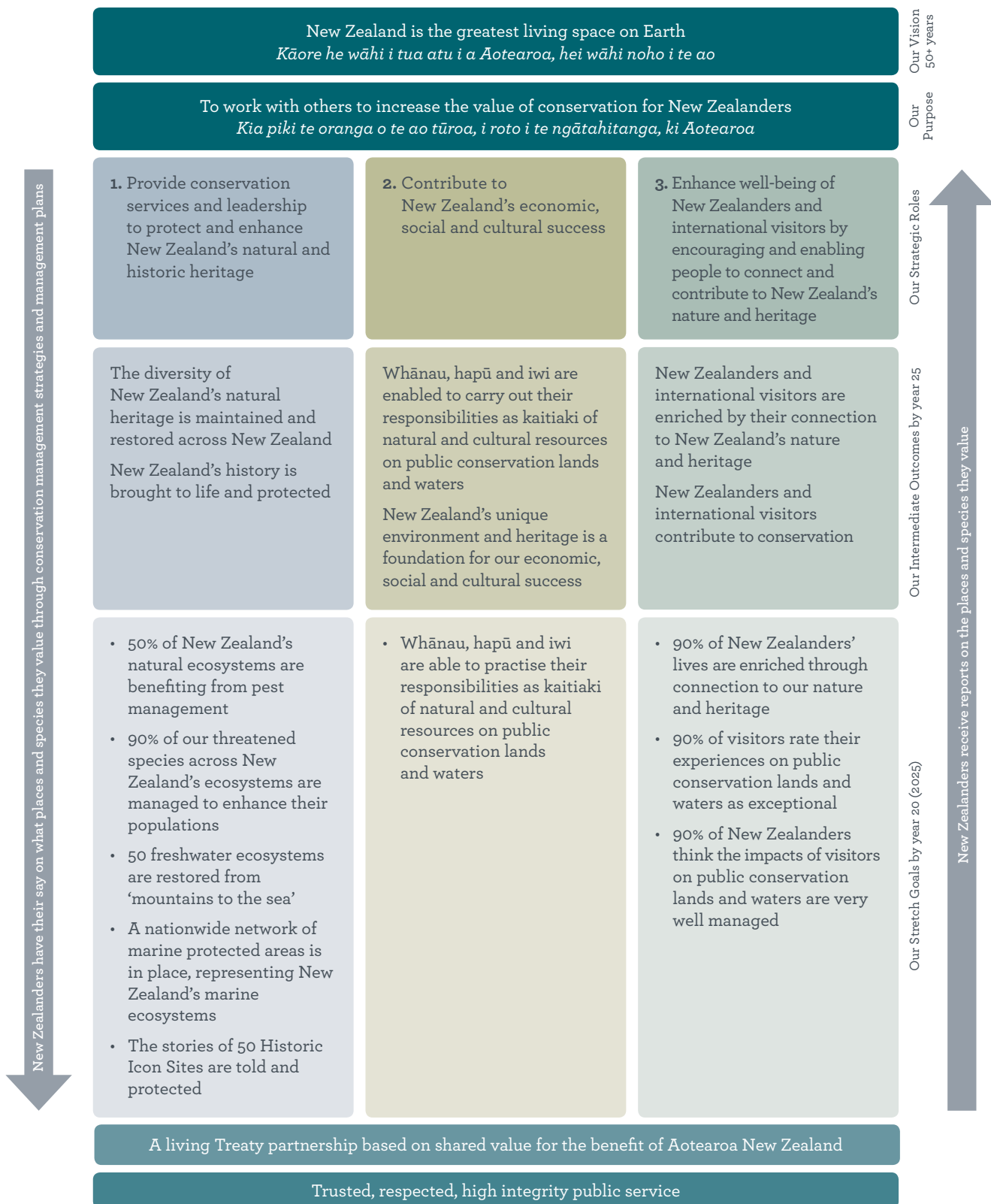
A living Treaty partnership based on shared values for the benefit of Aotearoa New Zealand



Well-served Government and citizens

Capable Department of Conservation operating with a spirit of service

## Department of Conservation STRATEGIC ROLES AND STRETCH GOALS



# DOC's outcome

*New Zealanders gain environmental, social and economic benefits from healthy functioning ecosystems, from recreation opportunities, and from living our history.*

An important foundation for achieving this outcome is people's attitudes – having respect for the environment and being supportive of conservation. We believe this will result from people having a wider understanding of how conservation makes a difference to their well-being.

*Toitū te marae a Tāne-Mahuta,  
Toitū te marae a Tangaroa,  
Toitū te tangata.*

*If the land is well and the sea is well,  
the people will thrive.*

## PERFORMANCE INDICATORS FOR DOC'S OUTCOME

### Tracking trends in the benefits New Zealanders seek and receive from the natural, historic and cultural heritage managed by DOC

As little as 30 minutes in nature each week can help reduce depression and high blood pressure. Eighty-five percent of Kiwis believe that their connection to nature improves their lives.

DOC has surveyed a sample of New Zealanders since 2006 to determine the benefits people believe they gain from having DOC manage natural, historic and cultural heritage. The types of benefit reported have been similar across the years, although the proportions of each benefit change a little between years. This survey was not undertaken in 2017/18, and options are being sought for understanding the public's view about benefits for reporting in future years.

#### Health and well-being – Healthy Nature Healthy People

Youth Leadership Camp at Lake Mahinapua Scenic Reserve on the West Coast of the South Island offers young people a chance to step out of the classroom and into nature. Challenges are worked through both personally and as a team. Nature provides the backdrop, feeding into every challenge, pushing the youngsters to grow and find resilience.

Jane Neale, WestREAP's camp coordinator says, "Being in nature makes the students use their initiative more, to solve problems." That's because the consequences are more direct and getting tipped out of a canoe in a lake is immediately your problem! Nature is strong on reinforcing self-responsibility, and it's not there to blame.

"When kids walk through the bush to the beach, then swim, and don't bring their towel or clothes, they get cold walking back. We notice that next time they are more likely to think ahead and look after themselves. That's nature providing a clear feedback loop."

The students develop their critical thinking through play in nature, and studies show this helps arm them with coping skills in adulthood. Studies also show that activity in nature increases a child's sense of empathy, empowers them, and develops social skills and confidence. Their capacity for positive social behaviour builds, all the time growing that connection to nature that will serve as a touchstone for their life.

Nature-based education also feeds into the cross-government Environmental Education for Sustainability Strategy, which aims to increase people's understanding, skills and motivation to work together to solve environmental challenges, while advocating for a healthy environment and society.

### Tracking the relative value of conservation as an indicator of support for conservation

As with the previous performance indicator, DOC is looking at how to report on the relative value of conservation in more tangible ways than responding to surveys. Investigations into the economic benefits of outdoor recreation and tourism are being initiated, as part of the response to growing international tourism in New Zealand.

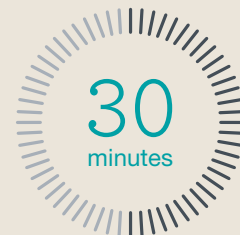
In this context, DOC is working with others to increase the value of conservation for New Zealanders, through the personal benefits they receive from their connection with nature, and is looking to describe and help deliver benefits within the Four Capitals approach: Natural Capital, Social Capital, Human Capital, and Financial/

Physical Capital. Initiatives such as the Healthy Nature, Healthy People partnership with the Mental Health Foundation allow DOC to demonstrate the broader context of conservation reflected in one of DOC's strategic roles: to contribute to New Zealand's economic, social and cultural success.

Mental Health Awareness Week in October 2017 focused on encouraging people to spend time in nature. A survey of Mental Health Awareness Week participants in December 2017 found that 71 percent of 1,018 respondents said that they spent more time in nature because of the campaign, and 84 percent of those said this helped them recognise that spending time in nature has helped/can help them 'feel good'.

DOC-managed facilities provide important opportunities for people to engage with nature. Many people live and spend holiday time near these places. To help people benefit from this connection, DOC is exploring ways of working with others to increase awareness of New Zealand's natural places and reducing barriers to visitation.

As little as



in nature each week can help:

reduce depression



reduce blood pressure



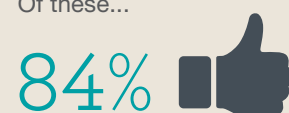
**Mental Health Awareness Week in October 2017 focused on encouraging people to spend time in nature**

A survey of MHAW participants in December 2017 found that:



said they spent more time in nature because of the campaign

Of these...



recognised that spending time in nature has helped/can help them 'feel good'

# Performance summary

DOC measures progress towards long-term goals in business streams and 10-year stretch goals. For 2017/18 the following four business streams apply, as do the eight stretch goals profiled in this Annual Report.

From 2018/19 these goals will be represented by the three strategic roles, the associated six intermediate outcomes and nine stretch goals shown in the DOC strategic roles and stretch goals diagram on page 7.

## Intermediate outcomes – 50-year focus

### Natural heritage

The diversity of our natural heritage is maintained and restored.

### Historic heritage

Our history is brought to life and protected.

### Recreation

New Zealanders and our visitors are enriched by outdoor experiences.

### Engagement

New Zealanders connect and contribute to conservation.

One or more of these conditions may apply. The results for some outcomes, notably natural heritage, reflect a composite of indicators and measures that may individually be improving or declining. The performance rating is therefore a generalisation.

### Definitions

**Improving** – Progress towards the outcome described is positive; overall conditions are improving; numbers are increasing; targets are being met or exceeded.






**Maintained** – The state of the outcome described is stable; overall conditions are neither improving nor declining; numbers are stable; if targets are being met, the outcome is being achieved.

**Declining** – Progress towards the outcome described is negative; overall conditions are degrading; numbers are decreasing; targets are not being met.

**Performance measures yet to be developed** – The foundation aspects of planning to determine a logical pathway ahead; and establishing clear milestones/targets.

The table below and banners throughout the report show DOC's performance this year.

### Key

Performance maintained	
Performance improving	
Performance declining	
Between surveys	
Performance measures yet to be developed	

# Department of Conservation performance indicators

Table 1: National performance indicators.

	Status
<b>Our overall outcome</b>	
Trends in the benefits that New Zealanders seek and receive from the natural, historic and cultural heritage managed by DOC	●
The relative value of conservation to New Zealanders as an indicator of support for conservation	●
<b>50-year outcomes</b>	
<b>Natural heritage</b>	
Indigenous dominance – ecological processes are natural	→
Species occupancy – the species present are the ones you would expect naturally	→
	Terrestrial →
Ecosystem representation – the full range of ecosystems are protected somewhere <sup>1</sup>	Freshwater ↓
	Marine ↓
<b>Historic heritage</b>	
The condition of actively conserved historic places (seeking a stable and not deteriorating condition)	→
The trend in New Zealanders' awareness of DOC as a manager of historic places	●
The trend in visitor participation at historic sites	●
The trend in visitor satisfaction with the quality of the experience provided at historic places	●
<b>Recreation</b>	
The trend over time in New Zealanders' awareness of DOC as a recreation provider	●
The trend in participation in recreation on public conservation lands and waters	●
The trend in visitor satisfaction with the quality of the experience and opportunities provided	●
<b>Engagement</b>	
Change in the satisfaction of tangata whenua with DOC's activities to help them maintain their cultural relationships with taonga	●
Change in the importance of conservation to New Zealanders	●
Change in the quality of the Department's engagement with key associates	●
Increase in engagement of the commercial sector in conservation partnerships	↑
Change in the level of investment from the commercial sector in conservation	→
Improvement in the level of return on investment for key DOC products and services	↑

## Sustained management

Sustained management reflects the scale of commitment by DOC and others to ongoing control of pests and weeds. The hectares declared is the total area within the many management units benefiting from the ongoing cycles of treatment (cycles may be ongoing or up to 7-year intervals). This multi-year commitment reflected in DOC's Four-year Plan is reviewed and updated each year to reflect the anticipated resources required to sustain control of these pests and weeds to desired low levels. This is the context within which annual treatment programmes for pest and weed control outputs proceed. See Table 2 overleaf.

<sup>1</sup> This indicator comprises the terrestrial, freshwater and marine components. The terrestrial component has met its first milestone of more than 400 ecosystem management units under active management. The marine and freshwater components will be progressed through the Stretch Goals established in 2014/15, with implementation being reflected by the Stretch Goal milestones and priorities in the DOC Four-year Plan.

Table 2: Sustained management measures.

Sustained management measures	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18
Possums – hectares sustained	939,395	975,620	773,233	800,168	1,508,000
Rats – hectares sustained					1,179,000
Mustelids – hectares sustained					1,221,000
Goats – hectares sustained	2,156,704	2,125,628	2,025,397	1,952,627	2,180,000
Deer – hectares sustained	540,756	522,714	615,648	645,115	980,000
Weeds ecosystem – hectares sustained	1,851,778	1,220,980	1,335,633	1,378,570	928,000

## Summary of output performance

Table 3: Performance trend by financial year.

Significant output measures	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18
<b>Predators</b>					
Beech mast response – hectares under restoration		681,004	59,545	867,904	523,221
Possums – hectares treated	180,069	375,316	164,459	205,037	256,601
Possums – hectares treated by others				22,011	17,483
Rats and/or mustelids – hectares treated			190,385	1,045,291	763,514
Rats and/or mustelids – hectares treated by others				117,666	106,710
<b>Other animal pests</b>					
Goats – hectares treated	1,222,053	1,103,331	1,190,949	1,049,453	1,072,448
Deer – hectares treated	372,458	456,757	444,777	415,808	412,353
<b>Weed pests</b>					
Weeds ecosystem – hectares treated	454,074	525,469	555,168 <sup>2</sup>	380,187	291,942
Weeds ecosystem – wilding conifer hectares treated				1,168,037	355,824
Weeds ecosystem – wilding conifer hectares treated by others				54,395	23,074
<b>Species and ecosystems</b>					
Threatened species – improved security	196	258	346	259	252
Threatened species – managed for persistence <sup>3</sup>	104	159	407	338	265
Ecosystems – managed for ecological integrity	185	480	497	517	561
Historic assets – remedial work to standard	17	17	6	9	7
Historic assets – maintenance work to standard	984	1,387	1,382	1,370	1,356
<b>Recreation facilities</b>					
Recreation assets – huts to standard (percent)	70	90	93	89	90
Recreation assets – tracks to standard (percent)	47	56	57	60	62
Recreation assets – structures to standard (percent)	92	94	96	97	98
<b>Community engagement</b>					
Engagement – volunteer workday equivalents	35,149	34,789	37,556	36,018	41,882
Engagement – partnerships	605	901	887	777	450

<sup>2</sup> Includes additional wilding conifer treatment (22,278 ha).

<sup>3</sup> This result represents threatened species managed for persistence in at least one site.



# Natural heritage



Tomtit. Photo: Shellie Evans

# The diversity of our natural heritage is maintained and restored

## LONG-TERM OUTCOME GOAL

The diversity of our natural heritage is maintained and restored

## PERFORMANCE INDICATORS

- Indigenous dominance – ecological processes are natural
  - Species occupancy – the species present are the ones you would expect naturally
- Ecosystem representation – the full range of ecosystems is protected somewhere:
- Terrestrial
  - ↓ Freshwater
  - ↓ Marine

## STRETCH GOALS

- 50% of New Zealand's natural ecosystems are benefiting from pest management.
- 50 freshwater ecosystems are restored from 'mountains to the sea'.
- A nationwide network of marine protected areas is in place, representing New Zealand's marine ecosystems.

New Zealand's special places and species are our taonga and are at the heart of what it means to be a Kiwi. New Zealanders are rightly proud of the diverse and distinctive range of natural heritage this country offers. Around 70 percent of our native birds, 80 percent of our plants and all our native land reptiles, frogs and bats are found nowhere else in the world. However, New Zealand's natural heritage has greatly reduced in diversity and extent over the past 700 to 800 years and is continuing to be degraded by introduced animals and plants, human activities and the effects of climate change. Not only is this a real loss to the heritage of this and future generations, it also affects the services that ecosystems provide, such as clean water, greenhouse gas absorption and retention, reduced siltation and healthy soils.

The information required to understand the state of New Zealand's natural biodiversity comes from the Biodiversity Monitoring and Reporting System. This provides DOC and others with consistent, comprehensive information about biodiversity on the 8.5 million hectares of public conservation lands, and potentially across New Zealand. The system measures ecological integrity (ecological 'health'), which comprises ecological processes, species occupancy and ecosystem representation. The aim is for a balance in monitoring at different levels of scope and spatial coverage to enable DOC to report on gains and losses in biodiversity across conservation lands, whether managed intensively or not.

Trend information depends on completing the 5-year cycles of monitoring (supplemented by some longer-running monitoring). Trends in ecological integrity or species abundance are in many cases only being identified after intervals longer than 5 years. This is

because the influences of change may take several generations for indicator species or ecosystems to demonstrate deterioration or improvement in condition. However, some change (such as arising from extreme weather events) can be quite rapid when it does happen, and DOC uses monitoring results and priority setting systems to identify when and where to direct management effort. National status and trend reports are published as factsheets on the DOC website at [www.doc.govt.nz/our-work/monitoring-reporting](http://www.doc.govt.nz/our-work/monitoring-reporting). Several of these are referred to in this Annual Report.

## PERFORMANCE INDICATOR

### Dominance – ecological processes are natural

Current state: performance maintained



#### Measuring our progress towards dominant ecological processes

The aim, through management of conservation areas, is to ensure ecosystems are dominated by native plants and animals and shaped by natural ecological processes.

Many introduced species are having an impact on our natural ecosystems. There are the well-established pests and weeds we are tackling across the country, with progress in managing the key pests and weeds reported later in this section. There are also new threats that arrive in New Zealand, and when they do, a response is required to limit their impact. We can take heart from the successful eradication of the great white butterfly in 2016: DOC led a multi-agency programme over more

than 3 years to eradicate the pest butterfly from Nelson Tasman. It was the first eradication of an unwanted butterfly population in the world.

### Responding to rapid change – myrtle rust

Myrtle rust is a fungal disease that fatally attacks plants in the myrtle family, which includes pōhutukawa, mānuka and rātā. The disease was first detected in New Zealand in April 2017 on Kermadec pōhutukawa trees on Raoul Island, part of the DOC-managed Kermadec Island Nature Reserve, 1,100 km north of mainland New Zealand. Since then myrtle rust has spread rapidly and has been found in several regions of mainland New Zealand. As of April 2018, myrtle rust has been confirmed in 547 sites across the North Island and is also found in the Tasman District. So far only four locations involve public conservation lands: (Raoul Island, Mt Messenger in north Taranaki, Mt Kariori near Raglan, and a council-managed scenic reserve in west Waikato).

DOC is working closely with the Ministry for Primary Industries (MPI) to manage myrtle rust in New Zealand. Because of concern over the potential devastation that could be caused by myrtle rust, the New Zealand *Myrtaceae* plant species previously considered to be Not Threatened have now been designated as Threatened in the New Zealand Threat Classification System.<sup>4</sup>

Our work has moved from initial response to a longer-term work programme, and responding to the myrtle rust threat remains a high priority for DOC. Response activity includes:

- control of myrtle rust when it is found
- monitoring biodiversity impacts
- collection and storage of seed from *Myrtaceae* species for propagation at a later stage.

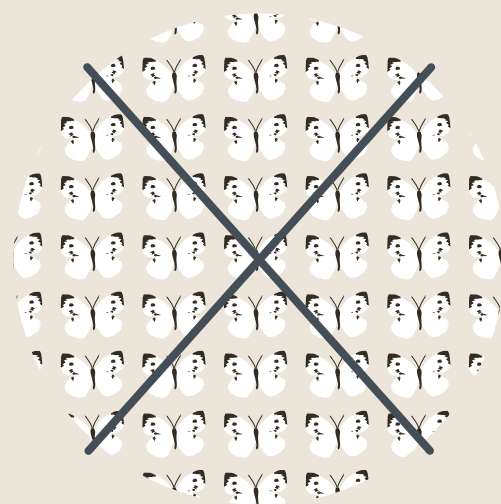
Early detection of outbreaks in New Zealand is vital to managing it. New Zealanders are encouraged to become familiar with what myrtle rust looks like and to report any suspected infestation.<sup>5</sup>

<sup>4</sup> Conservation status of New Zealand indigenous vascular plants, 2017 in the New Zealand Threat Classification Series 22 at [www.doc.govt.nz/nztc22](http://www.doc.govt.nz/nztc22).

<sup>5</sup> Myrtle rust information on Ministry of Primary Industries website at [www.mpi.govt.nz/protection-and-response/responding/alerts/myrtle-rust](http://www.mpi.govt.nz/protection-and-response/responding/alerts/myrtle-rust).

DOC led a multi-agency programme over more than 3 years to

### eradicate the pest great white butterfly from Nelson Tasman District



It was the  
**first eradication**  
of an unwanted butterfly population  
**in the world**



### Kauri dieback

DOC is responsible for protecting kauri on public conservation land and other land it manages, including many of New Zealand’s most significant kauri forests. Kauri dieback is a disease caused by a microscopic fungus-like organism that kills kauri of all ages. Called *Phytophthora agathidicida* (PA), it lives in the soil and infects kauri roots, damaging the tissues that carry nutrients and water within the tree, effectively starving it to death. Scientists suspect that this organism was already present in New Zealand and was not introduced by humans, but significant dieback events have been seen only recently. There is currently no proven cure or treatment, and nearly all infected kauri die.

The disease is easily spread through soil movements, such as on dirty footwear, animals, equipment and vehicles. We can save our kauri forests by containing the disease and stopping it spreading to other areas. We have trialled various footwear-cleaning methods and stations in recent years, including a large walk-through cleaning station at Tāne Mahuta in Waipoua Forest where visitor numbers are high. Twenty variations of these stations are now being installed on busy and high-risk DOC-managed tracks in the regions kauri naturally occur, with more being installed next year. Our studies have shown that these stations, if well designed, can communicate the seriousness of the issue to visitors.

We hope that all people who visit these places will respect the seriousness of this issue and use these stations to ensure their boots are clean when entering and leaving these areas, and will take similar care at other places where kauri grow.

However, even with those measures, the continuous spread of the disease and the general worsening of the condition of many stands is responsible for the major shift in conservation status for kauri from Not Threatened (in 2013) to Threatened – Nationally Vulnerable in the New Zealand Threat Classification System.

DOC is also employing other strategies to manage kauri dieback. Advocacy efforts by DOC and others over the past 2 years have supported DOC’s work on managing kauri dieback, by advocating for rules in district and regional plans to restrict the movement of potentially contaminated soil and vegetation. Such rules have been successfully included in the Auckland Unitary Plan and the Northland Regional Plan, and also in the Thames-Coromandel District Plan after DOC appealed the district plan to the Environment Court. DOC’s push for these rules supports the continued health of kauri forest ecosystems and the threatened species that live in these forests.



Photo: Brett Campbell



Photo: Brett Campbell

**STRETCH GOAL**

### 50 freshwater ecosystems are restored from ‘mountains to the sea’

Over the past year DOC has made further progress on its 10-year Freshwater Stretch Goal programme, which aims to restore 50 freshwater ecosystems from mountains to the sea by 2025. This Stretch Goal seeks to increase DOC’s contribution to the restoration of freshwater ecosystems across New Zealand in conjunction with the other groups, communities and agencies already doing good work in this area.

To achieve the Freshwater Stretch Goal, DOC is maintaining and enhancing its existing freshwater restoration programmes. This includes the long-term Arawai Kākāriki programme of wetland restoration and science at three significant wetlands: Whangamarino Wetland (Waikato), Awarua-Waituna Wetlands (Southland), and Ō Tū Wharekai (Ashburton lakes, Canterbury).

For more information about the work at these sites, visit [www.doc.govt.nz/arawaikakariki](http://www.doc.govt.nz/arawaikakariki).

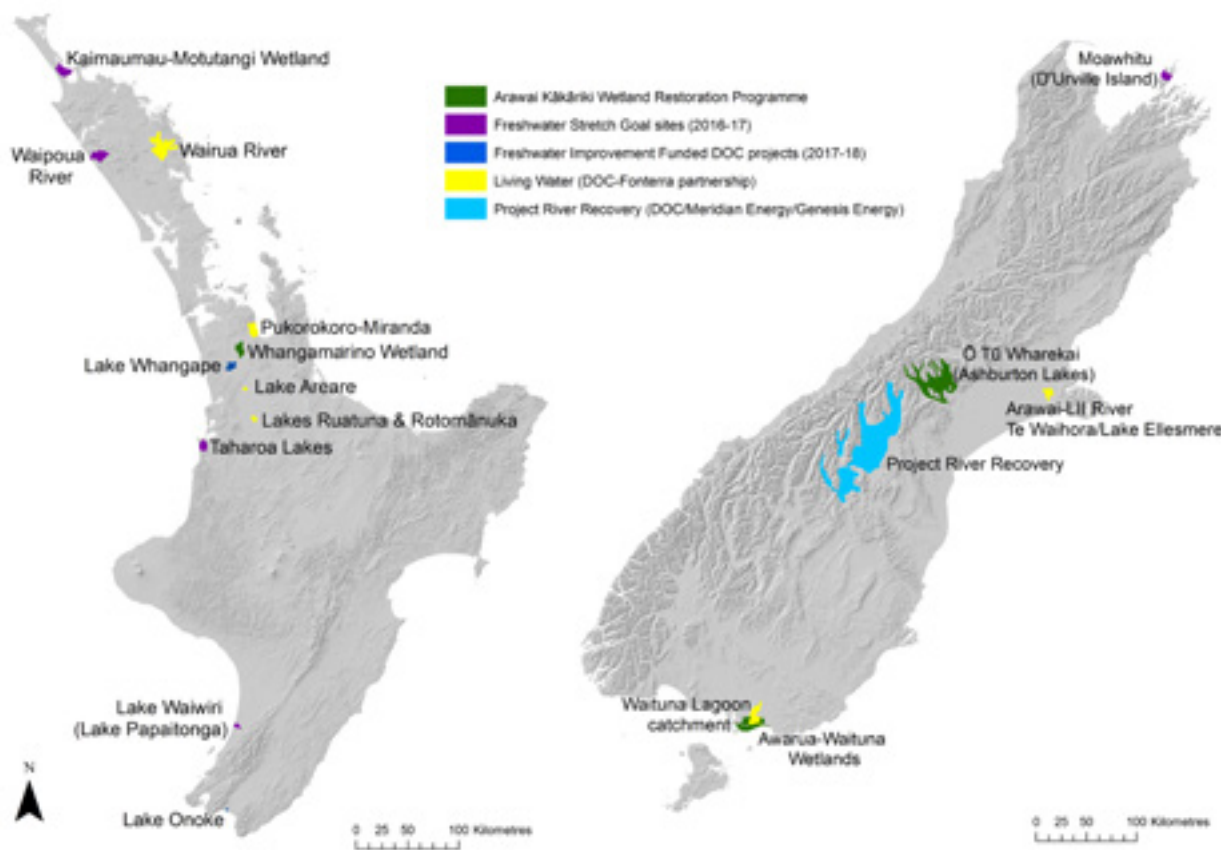


Figure 1: Freshwater Stretch Goal sites: 2018.



Figure 2: Living Water: progress after 5 years.

### ‘Living Water’ freshwater partnership

In support of achieving the Stretch Goal through working with others, the Living Water partnership is a 10-year partnership between DOC and Fonterra that seeks ‘game-changing solutions that will enable farming, freshwater and healthy ecosystems to thrive side-by-side’. The partnership is in its fifth year, and connects DOC’s restoration experience with Fonterra’s dairy industry expertise to deliver tangible benefits to local catchments and communities, and provide examples of good practice across New Zealand. The programme currently involves restoration programmes at five sites across New Zealand:

- Wairua River, Kaipara Harbour
- Pūkoro/Miranda, Firth of Thames
- Three Waikato peat lakes (Lakes Areare, Ruatuna and Rotomanuka)
- The Ararira-LII catchment of Lake Ellesmere (Te Waihora), Canterbury
- Waituna Lagoon.

Detailed planning and reporting information is available at [www.livingwater.net.nz](http://www.livingwater.net.nz).

### Braided river restoration

Project River Recovery is a long-standing programme of restoration in the upper Waitaki basin that seeks to maintain and restore braided river and wetland habitat in the South Island's upper Waitaki basin for the benefit of native plants and animals – some of which are found only in this area or use only this area to breed. Project River Recovery was established in 1990 through a compensatory funding agreement with Meridian Energy Ltd and Genesis Energy. The programme includes intensive weed control, predator control, wetland construction, and research and monitoring programmes. See [www.doc.govt.nz/prr](http://www.doc.govt.nz/prr) for further information.

In the 10 years since Arawai Kākāriki began, our three nationally significant wetlands (Awarua-Waituna, Ō Tū Wharekai, and Whangamarino) have seen major benefits from increased investment in freshwater conservation. Over 27,000 hectares is now in weed management, 7,000 hectares is under predator control, and some of our most threatened species, such as the Nationally Critical matuku/bittern and Nationally Vulnerable ngutu pare/wrybill, are being actively managed.

Our partners have had a huge impact too. We've worked with government agencies, research providers, educators, community groups and iwi. Through these collaborations we are co-funding and gaining in-kind support for freshwater biodiversity. We will continue to work closely with others, building capacity for conserving wetland ecosystems.

### Advocacy for marine and freshwater conservation

Resource Management Act advocacy is another tool for marine and freshwater conservation outcomes across a range of land-ownership types. This is because most marine and freshwater ecosystems occur outside the protected lands and waters network, and advocating the benefits of conservation is a key step towards encouraging private landowners to take actions that will grow conservation beyond public conservation lands and waters.

As an example, DOC's advocacy work in the review of the Canterbury Land and Water Regional Plan resulted in protection of significant habitats of Canterbury mudfish in the Selwyn River catchment, and protection of key īnanga (whitebait) spawning areas from development, through inclusion of 'prohibited activity' rules in the plan.

At a local level, DOC's advocacy in the consent process where Mt Campbell Station near Alexandra wanted to construct two dams on high country streams resulted in high value habitats for the nationally critically threatened Clutha Flathead galaxias being excluded from the dam development.

**STRETCH GOAL**

**50% of New Zealand’s natural ecosystems are benefiting from pest management**

DOC undertakes pest and weed control across New Zealand. Current reporting is for pest programmes undertaken by DOC, although information is being gathered to begin reporting on the treatment

undertaken by others as we collaborate to achieve this 10-year Stretch Goal. Examples of reporting from coastal Otago are found in Appendix 5: Conservation achieved by others.

Programmes of pest control are ongoing until eradication at a landscape scale can be achieved. The locations where sustained pest control takes place at significant scale are shown in the following maps, for possum and mustelid (weasels, stoats, ferrets) control.

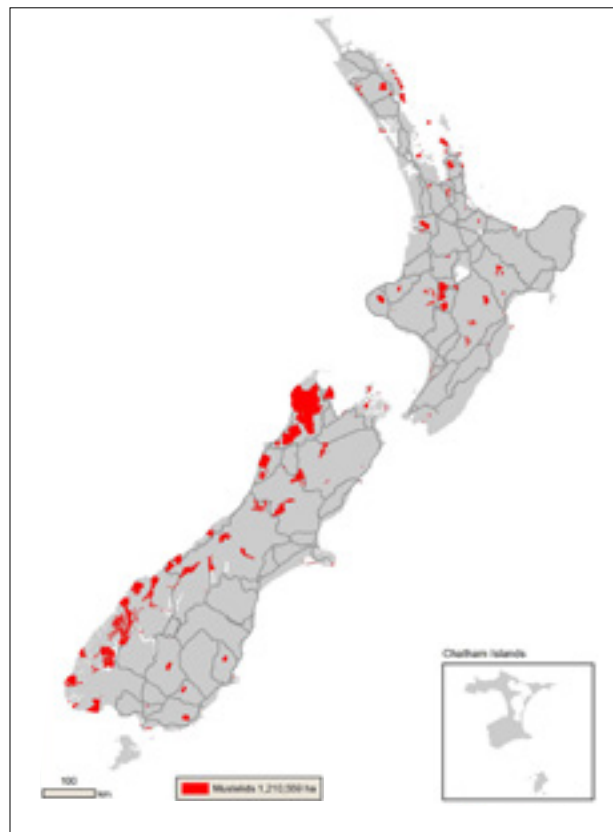
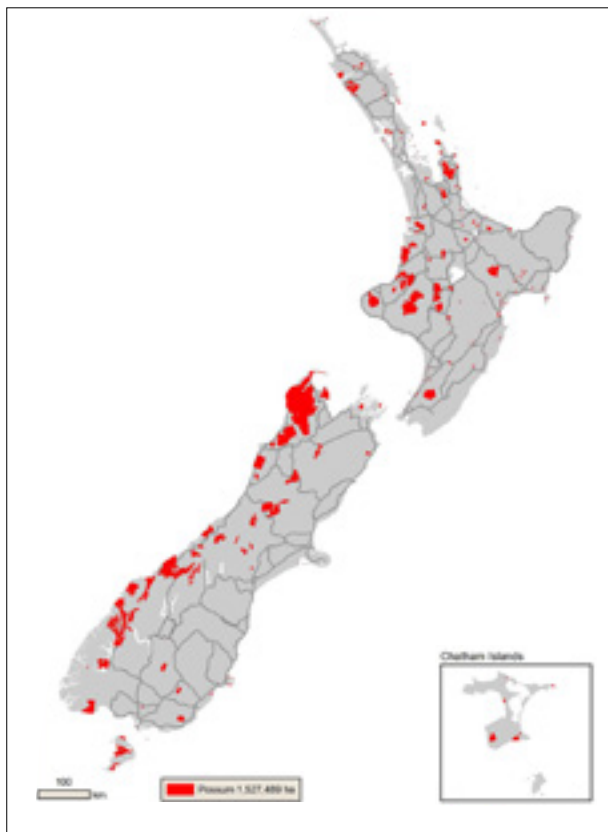


Figure 3: Areas under sustained management in 2017/18 for possums (left) and mustelids (right).

**Battle for our Birds – beech mast response**

During the year, as part of Budget 2018, the Government announced an increase in DOC’s budget to provide ongoing resources to support predator-control programmes required to respond to masting events.

The significant beech mast event of the summer of 2016/17 saw heavy seeding of beech trees, providing the food source for rapid increases in populations of mice and rats, which are then eaten by mustelids. These pests will prey on our native species.

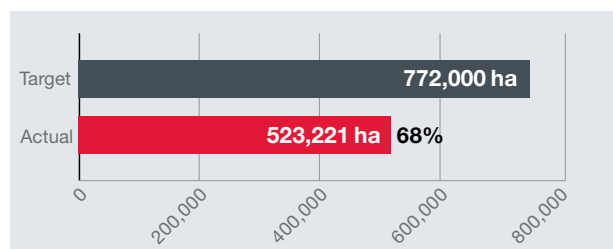


Figure 4: Beech mast response – hectares under restoration.



This brought DOC into action once more with large-scale pest control operations through 2017 and into 2018, contributing to the reporting of rats and mustelids and possum treatment (see the next section). The operations that proceeded were determined by the extent of beech mast and rodent number indicators. Some operations did not proceed in 2017/18 because DOC had not completed the process of public and iwi engagement in time.



Photo: Shannan Mortimer

### Predator Free 2050

There has been progress in establishing several programmes that support Predator Free 2050, including investment in the development of new tools for predator control, developing good information tools, allocating funding to community-based projects, and being ready to scale-up predator control as partner and community interest and contribution grows.

One of the most important ways to increase predator control is to get communities involved. DOC has developed an on-line community toolkit for communities interested in undertaking predator control to provide information on the Predator Free 2050 goal, setting up a trapping network for rats, stoats, and possums, and the main players in achieving a predator free New Zealand.<sup>6</sup>

DOC has also developed two community training courses – a practical course that teaches community members how to trap, and a 2-day predator control design workshop that makes DOC’s design systems available for community use.

<sup>6</sup> Predator Free 2050 toolkit on the DOC website at [www.doc.govt.nz/pf2050toolkit](http://www.doc.govt.nz/pf2050toolkit).

50%

of New Zealand’s natural ecosystems are benefiting from pest management



Without predator control:

Only 5%

of kiwi chicks hatched in the wild will make it until they are old enough to breed – their 4th birthday.



With predator control:

Up to 60%

of kiwi chicks hatched in the wild will survive to breeding age.



### Sustained control of pests and weeds

The ongoing surveillance and treatment of introduced pests and weeds that are threats to New Zealand’s native biodiversity is referred to as ‘sustained control’. Annual treatment programmes for pest and weed control outputs proceed within this context. Research using data from DOC’s large-scale biodiversity monitoring programme confirms this approach is

providing positive results. Sites subject to aerial 1080 pest control either once or more than once in the previous 7 years had possum abundances 64 percent and 74 percent lower, respectively, than sites without control.<sup>7</sup>

The following table reports the status of the sustained control programmes for key pests and weeds.

Table 4: Sustained control performance measures targets and year-end confirmation.

Sustained control performance measures targets and year-end confirmation	Target 2017/18 (ha)	Year-end performance 2017/18 (ha)
<b>Pest control: Rats and mustelids</b>		
Hectares of land under sustained control for rats	No target set	1,179,000
Hectares of land under sustained control for mustelids	No target set	1,221,000
<b>Pest control: Possums</b>		
Hectares of land under sustained control for possums	1,394,000	1,508,000
<b>Pest control: Deer</b>		
Hectares of land under sustained control for deer	603,500	980,000
<b>Pest control: Goats</b>		
Hectares of land under sustained control for goats	2,201,000	2,180,000
<b>Weed control: Weeds (including aquatic weeds)</b>		
Hectares of land under sustained weed control using a site-led approach	954,000	928,000
<b>Weed control: Wilding conifers</b>		
Hectares of land under sustained wilding conifer control	1,377,000	1,800,000

### Rats and mustelids – hectares treated

Rat and mustelid control was delivered across 763,514 hectares, exceeding the target by 188,514 hectares. Additional hectares were treated as part of DOC’s Battle for our Birds response (in the western and southern South Island and in the Ruahine Range).

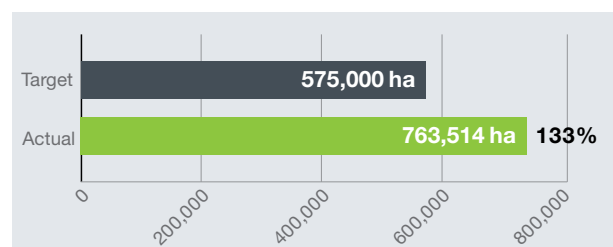


Figure 5: Rats and mustelids – hectares treated.

<sup>7</sup> Forsyth, D.M.; Ramsey, D.S.L.; Perry, M.; McKay, M.; Wright, E.F. 2018: Control history, longitude and multiple abiotic and biotic variables predict the abundances of invasive brushtail possums in New Zealand forests. *Biological Invasions* 20 (8): 2209-2225.

An additional 106,710 hectares of rat and mustelid treatment was achieved through the contribution of partners and community groups (not reported as part of the total above).

The 763,514 hectares of treatment for rats and mustelids in 2017/18 represents 9 percent of all public conservation land that is occupied by rats and/or mustelids (rats and mustelids have established populations across most of the 8.6 million hectares of public conservation lands).<sup>8</sup> The sustained control programme for rats (1,179,000 hectares) and mustelids (1,221,000 hectares) represents ongoing management for rats for 14 percent of all public conservation lands and 14 percent of all public conservation lands occupied by mustelids. The management activity for rats and for mustelids is often at the same locations. Rats and mustelids will also be controlled in areas receiving aerial pest control targeting possums.

### Partners helping rid islands of predators

Resolution Island, between Dusky and Breaksea Sounds, is New Zealand’s fifth largest island at 21,000 ha. It is a strategic site for landscape-scale biodiversity conservation as its size and remoteness make it an ideal breeding sanctuary for a variety of endangered native species.

Resolution Island has no rats or possums, and stoats are kept to very low numbers with the ongoing and extensive trapping programme.

We want to make sure no stoats breed on Resolution Island. We are now in a better position to achieve this through a partnership with Peregrine Wines, which is supporting the intensification of the predator control programme. This will improve conditions for the reintroduction of threatened species such as tīeke/saddleback and kākāpō, and allow existing populations of mohua/yellowhead, kea, kiwi and rock wren to flourish.

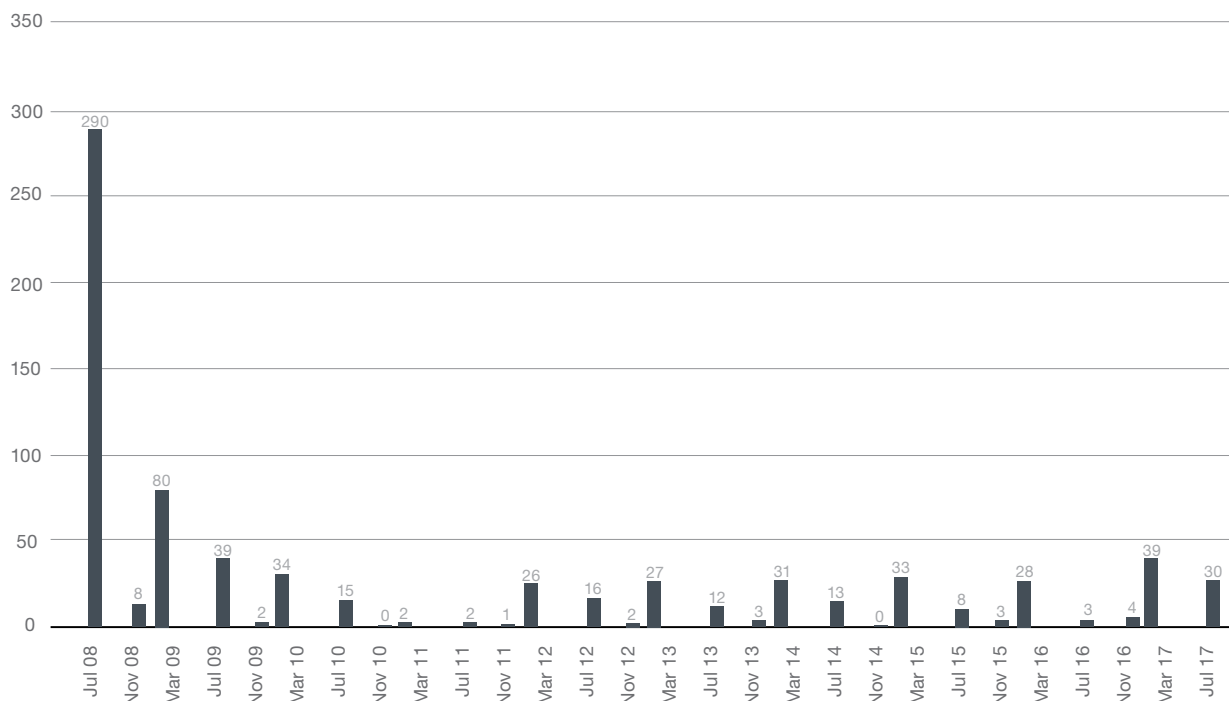


Figure 6: Stoat recaptures on Resolution Island.

<sup>8</sup> See interactive webmap: Distribution maps of mammalian pressures, 2017–2018 National status and trend reports.

### Pest control does not unduly affect people’s access to public conservation land

Although visitors to public conservation land often walk past bait stations that protect our native inhabitants from invasive pests, aerial pest control operations are uncommon. Where they do occur, DOC uses a variety of media, including signs, to alert people.

DOC works with local public health advisers to design approaches that remove or mitigate risks. Most large-scale operations also incorporate informative signage and factsheets as part of the approach to ensuring people know why the operations are being conducted. Areas such as Egmont National Park have remained open to the public throughout aerial 1080

treatments that have included the entire vegetated area of the park.

People planning to go into public conservation land who want to know about recent and upcoming use of pesticides in the area should read the pesticide summary information at [www.doc.govt.nz/pesticide-summaries](http://www.doc.govt.nz/pesticide-summaries). There are interactive maps for each region to show pest-control operations carried out by DOC to protect threatened species and operations carried out by OSPRI, who are managing possums because they are vectors for bovine TB that infects domestic cattle.

### Possums

The introduced Australian brushtail possum (*Trichosurus vulpecula*) is considered a major forest pest in New Zealand. Possums are widespread, can attain high densities and browse on some canopy and sub-canopy trees. Browsing by possums on the canopies of preferred tree species (eg rātā and kāmahī) can increase tree mortality.<sup>9</sup> Possums are also significant predators of some indigenous birds and invertebrates (such as native snails). Recent analyses of data collected between three time periods from 2002 to 2016 indicate that species unpalatable to possums are increasing in abundance relative to species palatable to possums, on public conservation lands. In 2017 possums occupied 66 percent of public conservation lands (although average abundance was higher in woody ecosystems outside national parks).<sup>10</sup>

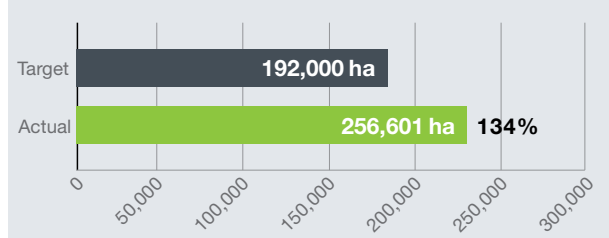


Figure 7: Possums – hectares treated.

Possum treatment was completed for 256,601 hectares, which was more than anticipated. In addition, a national total of 17,483 hectares of possum control was achieved through the contribution of others.

The 256,601 hectares of treatment for possums in 2017/18 represents 4.5 percent of all public conservation land that is occupied by possums (5.7 million hectares).<sup>11</sup> The sustained control programme for possums of 1,508,000 hectares represents ongoing management for 27 percent of all public conservation land occupied by possums. Possums will also be controlled in areas receiving aerial pest control that targets rats and mustelids.

<sup>9</sup> Holland, E.P.; Gormley, A.M.; Pech, R.P. 2016: Species- and site-specific impacts of an invasive herbivore on tree survival in mixed forests. *Ecology and Evolution* 6 (7): 1954–1966.

<sup>10</sup> See Factsheet 12: Abundance and distribution of possums (*Trichosurus vulpecula*), 2016–2017 National status and trend reports.

<sup>11</sup> See Factsheet 1: Abundance and distribution of possums (*Trichosurus vulpecula*), 2017–2018 National status and trend reports.

### Ungulates in New Zealand

Many species of ungulate (animals with hooves) have established wild populations in New Zealand, for example feral goats, red deer, wapiti, white-tailed deer, sambar deer, sika deer, rusa deer, fallow deer, Himalayan tahr and alpine chamois.

These ungulates can alter the growth and survival rates of plants by browsing and trampling, which leads to the replacement of preferred, browse-intolerant plant species by less preferred or avoided species. Recent analyses of data collected between three time periods from 2002 to 2016 indicate that deer are causing increased mortality in preferred trees relative to avoided trees on public conservation lands. Similarly, for goats, a small increase in goat-avoided tree species compared with preferred tree species was found on public conservation lands across the measurement period.

In 2017 ungulates occupied 70 percent of public conservation lands. The percentage of sites where ungulates are present has increased in the past 4 years (notably from 60 percent to 75 percent in woody ecosystems in national parks).<sup>12</sup> Occupancy and abundance information is not available by individual ungulate species, because the survey method for determining occupancy through the presence of animal droppings cannot easily differentiate between ungulate species.

#### Goats

Goat treatment being reported is 157,552 hectares fewer than planned. Of this, 49,000 hectares under sustained control for goats is maintained through annual treatment that removes goats from Te Urewera and adjoining public conservation lands. Annual treatment has now been reduced and refocused on buffer areas, using dogs to check high-risk sites within Te Urewera. In 2017/18 this treatment was concentrated around the Ruakituri Wilderness Area within Te Urewera. Total treatment as a result was 28,000 hectares. Adverse field conditions in Kahurangi National Park and eastern Kaikoura Range reduced the control activity there by 41,048 hectares, and unexpected goat distributions meant southern South Island saw 22,502 fewer hectares

controlled than planned. Other reasons for not meeting the target were a re-assessment of the achievable control area in New Plymouth and Whakatane districts, and final reports on treatment activity not yet completed in Waikato district.

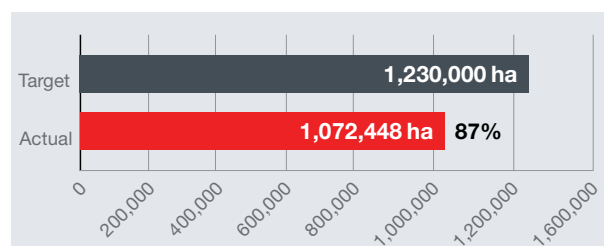


Figure 8: Goats – hectares treated.

The 1,072,448 hectares of treatment for goats in 2017/18 represents 17 percent of all public conservation land that is occupied by ungulates (6.1 million hectares). The sustained control programme for goats of 2,180,000 hectares represents ongoing management for goats for 35 percent of all public conservation land that is occupied by ungulates.

#### Deer

Deer treatment was 53,647 hectares fewer than planned, mainly because the target set for the northern North Island (64,332 hectares) included all areas benefiting from the deer control activity, but the actual surveillance only covered 2,912 hectares.

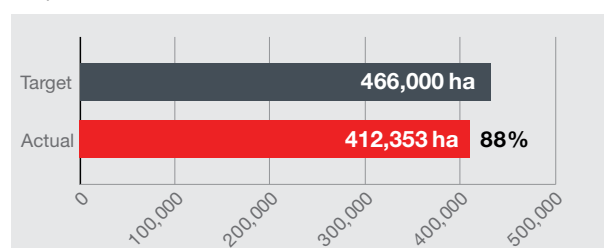


Figure 9: Deer – hectares treated.

<sup>12</sup> See Factsheet 2: Abundance and distribution of ungulates, 2017–2018 National status and trend reports.

The 412,353 hectares of treatment for deer in 2017/18 represents 7 percent of all public conservation land that is occupied by ungulates (6.1 million hectares). The sustained control programme for deer of 980,000 hectares represents ongoing management for deer for 16 percent of all public conservation land that is occupied by ungulates.

**Weeds**

Weed control was 78,058 hectares fewer than planned due to a range of factors. These included unfilled staff vacancies and a shortage of contractors in Coromandel and the western South Island operations region, redirection of effort to Battle for our Birds beech mast response in the western South Island, and more intensive treatment across smaller areas in southern South Island.

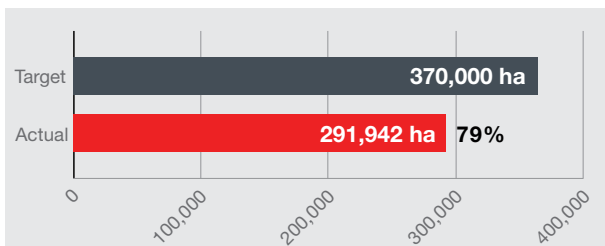


Figure 10: Weed control – hectares treated.

**Wilding conifers**

The DOC wilding conifer control programme has benefited from being included in the National Wilding Conifer Control Programme led by the Ministry of Primary Industries (MPI), with the participation of DOC and regional authorities, which includes land managed by DOC and Land Information New Zealand (LINZ).

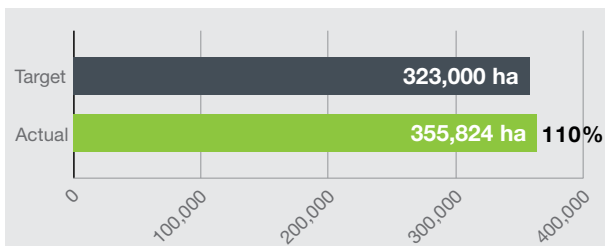


Figure 11: Wilding conifers – hectares treated.

In year 1 of the National Wilding Conifer Control Programme, 1.2 million hectares of mainly lightly infested land were searched and had wilding conifers removed. This exceeded the target of 1.0 million hectares. The 4-year programme has therefore been accelerated and will now be completed within a 3-year period. In year 2 (2017/18), 323,000 hectares were planned for control. Although this is less than the first year, the areas covered are more densely infested costing more per hectare to treat – meaning less area in total can be treated with the available budget.

**Aquatic pests**

No aquatic pest eradication operations were planned for this year, and none proceeded.

**Island biosecurity programmes**

Islands are some of our most important sites for biodiversity protection, as many species now confined to islands cannot survive on the mainland. Invasive pests threaten many of the vulnerable native species on our islands. Island biosecurity programmes, a last line of defence, aim to keep the islands free of predators. When pests infiltrate an island, the programmes enable us to respond rapidly to locate and eradicate pests that have arrived.

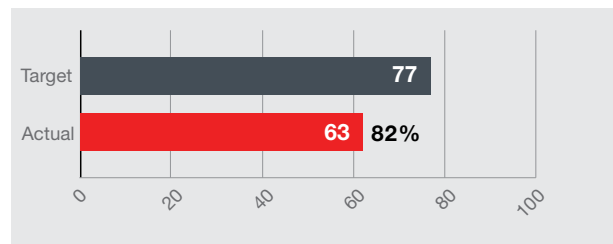


Figure 12: Island biosecurity programmes – number of pest-free island programmes.

The islands in the Hauraki Gulf/Tīkapa Moana have six programmes on islands currently not confirmed to be pest free:

- one from an incursion on Rangitoto-Motutapu islands
- one possible incursion at an island off Great Barrier Island/Aotea
- four awaiting confirmation of surveillance activity undertaken by supporting community groups.

There have also been mouse incursions at the Marotere Islands near Whangarei and Adele Island in the Abel Tasman National Park (post-eradication project). Two other islands in the Abel Tasman National Park have received mouse eradication work and are yet to be declared pest free. Blumine Island is yet to be declared pest free, following a previous incursion.

Surveillance has not proceeded for three programmes: one being in-between years, one due to prioritising Marotere incursion instead, and one where the surveillance programme approach is being reconsidered.

### Eradicating mice from the subantarctic Antipodes Islands

Introduced mice are responsible for the relatively poor representation of native invertebrates on the main Antipodes Island. Mice competed for food with the island's unique land bird species: pipit, parakeet and snipe. Mice also eat the seabird eggs and chicks and are implicated in the deaths of albatross chicks on other subantarctic islands, like Gough Island. Research on Antipodes Island has shown that mice eat huge numbers of invertebrates and seeds of plants that are critical to the health of the islands.

DOC travelled to Antipodes Island in winter 2016 to run the Million Dollar Mouse campaign with support from our partners the Morgan Foundation, World Wildlife Fund-New Zealand (WWF), Island Conservation, and the New Zealand public. The operation was completed to plan and monitoring in 2018 confirmed the campaign successfully eradicated mice from the island.

## Successful mouse eradication

from Antipodes Islands



### Mice competed for food

with the island's unique land bird species:  
pipit, parakeet and snipe



PERFORMANCE INDICATOR

### Species occupancy – the species present are the ones you would expect naturally

Current state: performance maintained ➔

DOC and our partners in conservation run work programmes dedicated to protecting and enhancing the populations of our most vulnerable and threatened species. These species are those that are the most vulnerable to pests, weeds and habitat loss, and the most likely to become extinct.

The status of the populations of our more common native species is also important, because all native species (threatened and not threatened) contribute to the integrity of our native ecosystems. Also, a decline in common species signals danger for more threatened species.

Unfortunately, there is indeed evidence of significant declines in what were previously considered common and widespread native bird species. More effort is needed to reverse this trend. Programmes such as Predator Free 2050 have this goal in mind.

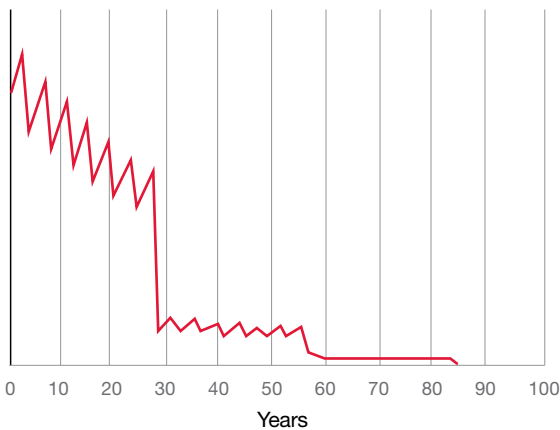


Figure 13: Predicted mohua population trends without management – sawtooth decline.

The good news is that ongoing predator control can make a difference. DOC monitoring in Landsborough valley found increasing numbers of mohua/yellowhead, tūi, korimako/bellbird, pīpī/brown creeper, tītītipounamu/rifleman, riroriro/grey warbler and kākārīki/yellow-crowned parakeet over the past 20 years, due to a sustained programme to suppress rats, stoats and possums.

Other species populations – kākā, pīwakawaka/fantail, ngrirungiru/tomtit and kererū/wood pigeon – have remained stable.

A now completed 5-yearly review of the conservation status of New Zealand indigenous vascular plants reveals that, since 2012, more species have had a decline in their classification status than have improved.<sup>13</sup> For example, the total number of threatened vascular plant species had increased from 289 in 2012 to 402 in the 2017 assessment. The 2017 assessment takes account of the new threat to the species in the myrtle family, and other adjustments.

A notable characteristic of New Zealand’s biodiversity is that, because of the modification of lowland and hill country for farming and agriculture, many native species with ranges restricted to these landscapes are likely to be found only in these remnant and relatively rare ecosystems.

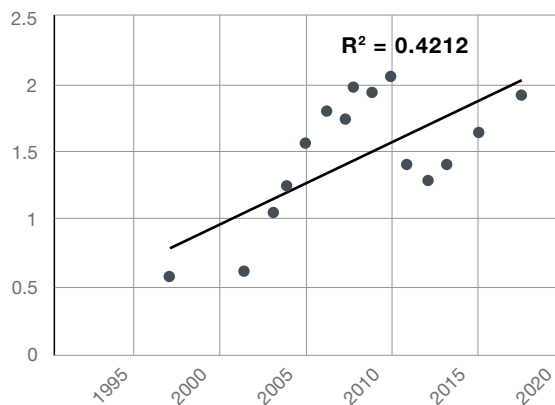


Figure 14: Mohua population trends with management since 1998.



**STRETCH GOAL**

## 90% of our threatened species across New Zealand’s ecosystems are managed to enhance their populations

### Threatened species management

The vulnerability of New Zealand’s native species can be understood through two characteristics: endemism, and human-induced pressure on species.

New Zealand has a high proportion of endemic native species, and many are classified as threatened. DOC’s current approach is to ensure threatened species are managed at enough sites to ensure they ‘persist’ into the future.

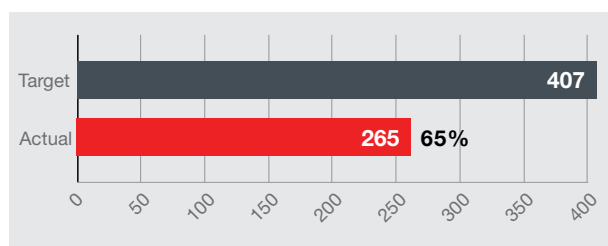


Figure 15: Threatened species managed for national persistence.

DOC is receiving advice from species experts about the management standards and distribution of sites required to ensure the long-term persistence of approximately 700 taxa identified as requiring conservation management. The supporting Factsheet 3: *Security of threatened and at risk taxa – managed species* uses that advice to evaluate which species are likely to persist given the management planned in 2017/2018.<sup>14</sup> It includes information about management at sites that meets the minimum management standards prescribed by species experts. The number of threatened species managed for persistence was determined to be 265 in 2017/18. This is 73 fewer than reported in 2016/17. This analysis highlights the need for threatened species management to be active across more populations and to provide more comprehensive local protection.

<sup>13</sup> Conservation status of New Zealand indigenous vascular plants, 2017 at [www.doc.govt.nz/nztcs22](http://www.doc.govt.nz/nztcs22).

<sup>14</sup> See Factsheet 3: Security of threatened and at risk taxa – managed species, 2017–2018 National status and trend reports.

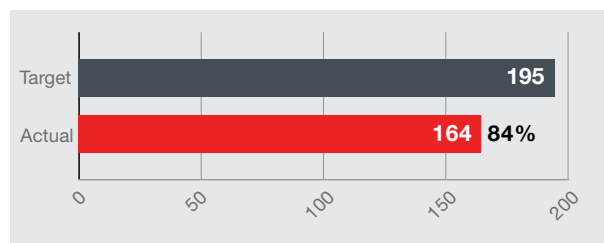


Figure 16: Threatened species managed to improve understanding.

Where threatened species are being managed to improve understanding, the result achieved was 31 species short of the target. Other priorities, which included myrtle rust response, whale strandings, grand skink and Otago skink work, other threatened freshwater fish, and the illegal sika deer release in Egmont National Park, took precedence for twelve of these. Other issues included a shortage of technical expertise, access issues (such as the Cobb valley road closure and bad weather conditions), and work programmes being re-evaluated.

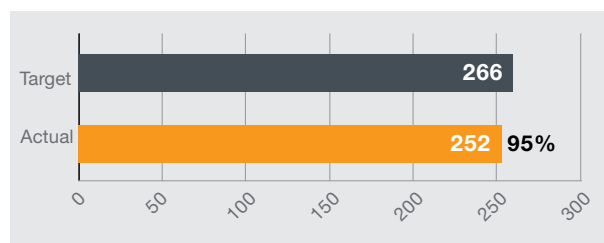


Figure 17: Threatened species managed to ensure local security.

Our goal:  
**90%**

of our threatened species across  
New Zealand's ecosystems are managed  
to enhance their populations



**30**  
takahē released  
into Goulund Downs



the first ever  
wild population  
of takahē outside Fiordland

### Takahē Recovery – a blueprint for collaboration

It has been 70 years since takahē were ‘rediscovered’ in Fiordland. Its fight against extinction has relied on the dedication and innovation of DOC’s Takahē Recovery Programme, and on individuals, agencies and partnerships over many decades. The takahē is currently classified as Threatened – Nationally Vulnerable.

Until now takahē have been confined to the remote Murchison Mountains or to secure island and mainland sanctuaries. This year, 30 takahē were released into Goulund Downs, off the Heaphy Track Great Walk, creating the first ever wild population of takahē outside Fiordland.

The release of takahē into Kahurangi National Park has created history and a glimpse into how world-class conservation can be achieved through the combined efforts of New Zealanders.

The effort to establish a new wild population of takahē builds on this collaborative foundation. Sandra Cook, Ōraka-Aparima Rūnaka Kaiwhakahaere, says Ngāi Tahu has been closely involved in the Takahē Recovery Programme for more than 20 years. “It has long been our ambition to see more populations of takahē in the wild and so this is a huge day for our people and for our taonga species.” Manawhenua ki Mohua, representing iwi of Kahurangi National Park, are also central to this work and welcome the birds into their rohe.



Photo: Danillo Hegg

Fulton Hogan, national partner for the Takahē Recovery Programme, gives valuable support to the work by sharing their technical expertise. Air New Zealand, Mitre 10 and the New Zealand National Parks and Conservation Foundation are also involved, enabling additional predator control and contributing materials and financial management.

This blueprint for how iwi, community, business, volunteers and Government can work together for impact is directly linked to our goal to galvanise an all-of New Zealand response to our conservation challenges.

### Management of threatened marine species

We have made significant progress towards understanding population trends and mitigating threats to a range of marine species including Gibson’s, whitecapped, northern Buller’s and northern royal albatrosses, yellow-eyed penguin/hoiho, flesh-footed shearwaters, northern giant petrels, Hector’s and Māui dolphins, New Zealand sea lions and fur seals.

For its work with New Zealand sea lions, yellow-eyed penguin/hoiho and Hector’s and Maui dolphins, DOC partners with the Royal New Zealand Navy, Fulton Hogan, Deepwater Group, NIWA, Otago University and the WWF.

### New Zealand sea lions – 20 years of consistent data collection

The New Zealand sea lion is an endemic species classified as Nationally Critical. Under the New Zealand Sea Lion Threat Management Plan of July 2017, DOC is undertaking research and engagement actions to halt its decline and to transition the New Zealand sea lion to ‘Not Threatened’ status. Pup numbers have been increasing since 2009, when the lowest number of births was recorded. In 2017/2018, the number of pups estimated at the main breeding colony, Auckland Islands, was 1,792.

New Zealand sea lions were once widespread around the country, but 19th century sealers dramatically reduced their population and distribution. For the first time since 2015, pup counts were undertaken in all known breeding locations, including Campbell Island, the South Island and Stewart Island/Rakiura. Higher pup numbers were recorded in these areas than in the previous count. Pup production is still around 40 percent lower than the maximum recorded in 1998. To allow the species to recover to a not-threatened status, the number of pups needs to keep growing.

Stewart Island/Rakiura has now reached the status of breeding colony – at least 35 pups have been born in this area for 5 years in a row. It is the first time

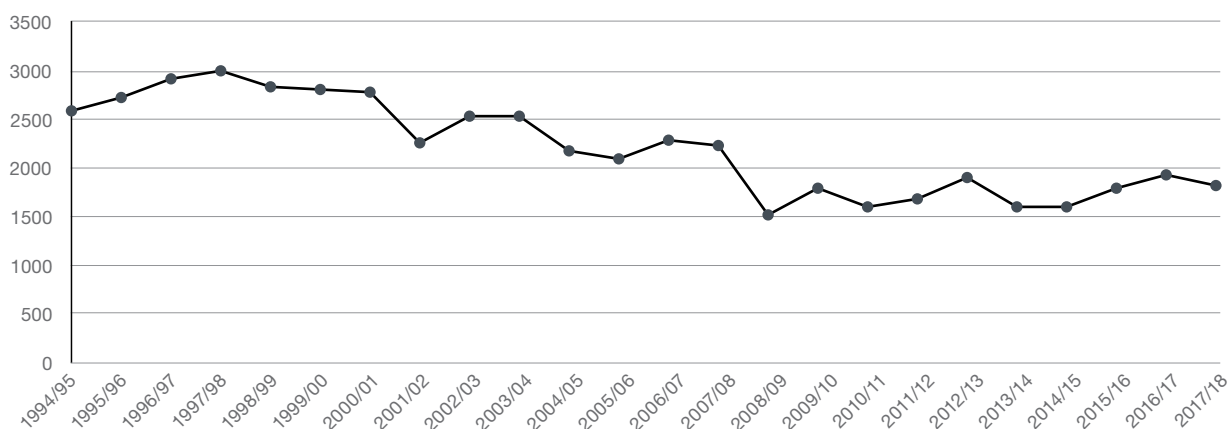


Figure 18: New Zealand sea lion pup counts in the Auckland Islands, 1998-2018.<sup>15</sup>

<sup>15</sup> See [www.doc.govt.nz/auckland-islands-sealion-research-2017-18](http://www.doc.govt.nz/auckland-islands-sealion-research-2017-18).

in 150 years that a New Zealand sea lion breeding colony has been established outside the subantarctic islands. This makes community engagement crucial to understanding the significance of this animal on mainland New Zealand.

Research projects are under way regarding pup mortality, disease and pups being unable to get out of deep muddy holes. Solutions will be tested in following seasons.

### Māui and Hector's dolphin populations

Māui dolphins are an endemic subspecies of Hector's dolphin and are classified as 'Nationally Critical'. Every 5 years a population estimate is undertaken (using the genetic mark-recapture technique). The most recent estimate was published in 2016, showing between 57 and 75 Māui dolphins aged 1 year and over. Although this range is greater than the 2011 estimate (48–69 dolphins aged 1 year and over), it is not possible to be statistically confident about whether the population has increased, decreased or has stabilised. The next population estimate surveys will start in 2020 and are likely to be published in late 2021.

DOC carries out dedicated photo ID surveys, which allow more accurate population estimates to be made.

In 2018 DOC partnered with the Harbers Foundation, Oregon State University and the University of Auckland to undertake 11 photo ID surveys of Māui dolphins in January and February 2018. The surveys were conducted between Raglan Harbour and Muriwai, with most of the survey effort between Manukau Heads and Port Waikato.

In 2018, DOC is partnering with Fisheries New Zealand to review the Hector's and Māui Dolphin Threat Management Plan. The review is expected to be complete by 2019. As part of the review, a multi-threat geographically focused risk assessment was undertaken to help understand the overlap between the distribution of dolphins and the locations of human-induced threats to the dolphins. The risk assessment was followed by an expert workshop in July 2018.

### Marine mammal strandings

There were 91 marine mammal strandings in the past year, which were responded to by DOC, iwi, conservation groups and volunteers.

### Cold-water corals

Deep-sea corals provide an important habitat for many deep-sea invertebrates and fish. In recent years our knowledge of the diverse cold-water corals of the New Zealand region has increased, and further research is being funded through a range of sources. However, the high cost of at-sea activities and the prioritisation given to the research into other marine species has hampered progress towards a more complete understanding of species biology and human impacts on the structure and function of coral communities.

DOC has been developing a plan to increase our understanding and improve conservation of New Zealand's cold-water corals using a collaborative approach. Following workshops on research needs, there will be an extensive literature review on New Zealand corals. The aim is to clarify the management challenges and priorities, and provide important information to support marine spatial planning, ecosystem-based management and other management tools.

### Conservation Services Programme – working with the fishing industry to protect our marine species

The work delivered by the Conservation Services Programme included a wide range of interaction, population and mitigation projects. This programme of work represents an investment of \$2.17 million in understanding and mitigating the effects of commercial fisheries. Some of these projects are still underway.

Interaction projects involve examining the interactions between protected species and commercial fisheries. The largest of these is the Observer Programme, organised jointly with MPI. Observer coverage is still underway for 2017/18, and observers are continuing to monitor

protected species interactions in both inshore and offshore fisheries. In 2016/17, 9,950 days of observer coverage was achieved across a range of fisheries, and 9,454 days in 2015/16.<sup>16</sup>

Population projects in 2017/18 examined the population dynamics of protected species such as cold-water corals, yellow-eyed penguins/hoiho, New Zealand sea lions and various seabird species. Such projects monitor the trends and demographics of key species, and undertake tracking work to understand species distribution and foraging ranges to inform where they may be at risk from fisheries within our Exclusive Economic Zone and overseas.

Mitigation projects this year have focused on inshore and offshore bottom longline and surface longline fisheries, as well as offal management and other mitigation techniques in inshore trawl fisheries. Protected species liaison roles continued and expanded to help fishers reduce their risk of bycatch.

Final reports on these projects will be available to the public on the DOC website at [www.doc.govt.nz/csp](http://www.doc.govt.nz/csp).

<sup>16</sup> The reporting of the collated observer coverage is available each year after the annual report is published, so reporting is for the previous year's results.

### Conservation Services Programme

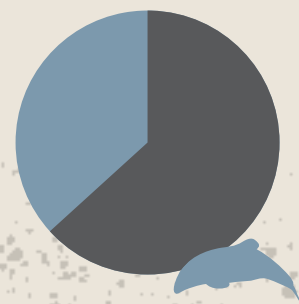
working with the fishing industry to protect our marine species



### Monitoring at marine reserves

During 2017/2018 DOC conducted, funded, or supported monitoring activities in

16 of the 44 marine reserves



PERFORMANCE INDICATOR

### Ecosystem representation – the full range of ecosystems is protected somewhere

Current state – terrestrial: performance maintained ➔

Current state – freshwater: performance declining ⬇

Current state – marine: performance declining ⬇

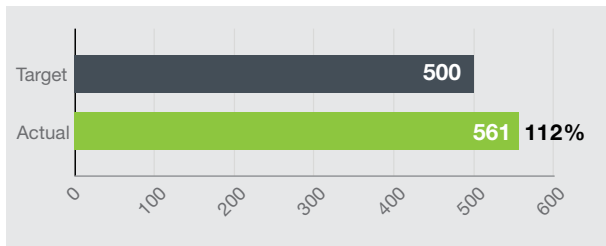


Figure 19: Ecosystems under active management through optimised ecosystem prescriptions.

DOC manages a network of Ecosystem Management Units (EMUs), which are prioritised to ensure that the best possible representation of the full range of

ecosystems is protected in a healthy and functioning state. However, the management currently being implemented (in around 500 locations) is often only partial and does not fully represent this range, resulting in a lower ecological integrity (EI) than may be expected.<sup>17</sup>

So far, 71 different types of naturally uncommon ecosystems have been described for New Zealand. These ecosystems range from small (100 m<sup>2</sup> to a few hundreds of hectares) but geographically widespread, to those larger (eg tens of thousands of hectares) but geographically restricted. As each ecosystem has distinct environmental conditions and supports unique communities of plants and animals, including rare and threatened species, they make significant contributions to our national biodiversity. Figure 20 shows the range of threat statuses assigned to New Zealand’s naturally uncommon ecosystems, illustrating the challenge ahead to secure these ecosystems for future generations.<sup>18</sup>

To help focus further work towards the Stretch Goal: 50 freshwater ecosystems are restored from ‘mountains to the sea’, DOC has been working to identify and prioritise freshwater protection through the ecosystem

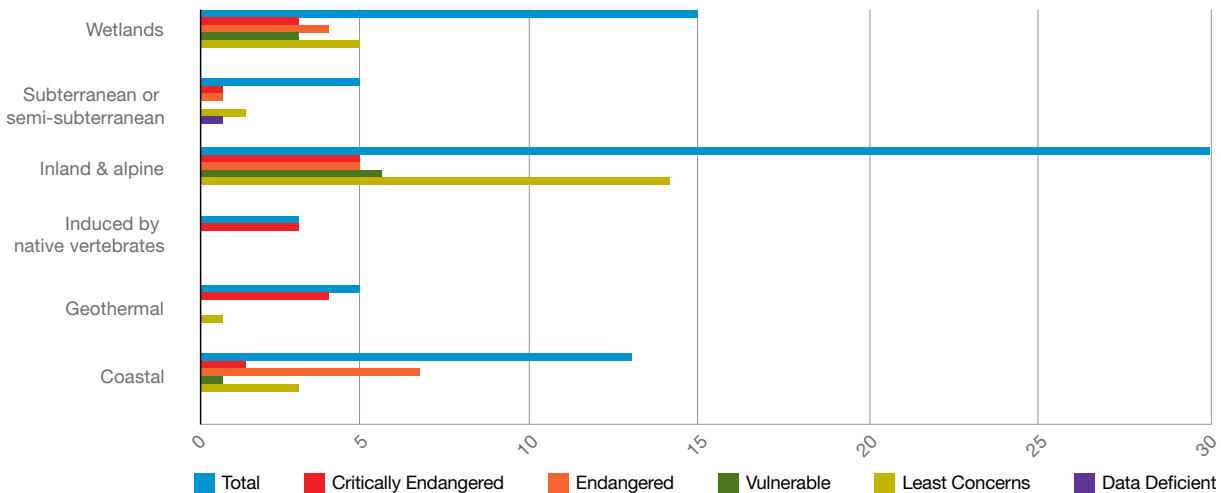


Figure 20: Threat statuses of naturally uncommon ecosystems using the IUCN classification system.

<sup>17</sup> See Factsheet 4: Ecosystem representation of managed ecosystems, 2017–2018 National status and trend reports.

<sup>18</sup> See Factsheet 5: Ecosystem representation and protection status, 2017–2018 National status and trend reports.

<sup>19</sup> See Factsheet 6: Ecosystem representation and protection status – marine, 2017–2018 National status and trend reports.

management units that contain priority freshwater ecosystems. Because many river catchments cross public conservation land and water boundaries, this information will also help us prioritise the locations where we can work with landowners to improve the integrity of freshwater ecosystems, protect the species within them and improve water quality.

### Further legal protection activity

Legal protection of New Zealand's ecosystems continues as opportunities arise. Most of the additional land protected for conservation purposes during 2017/18 was through the Crown Pastoral Lease Tenure Review programme led by LINZ. In 2017/18, 24,438 hectares of terrestrial environment was legally protected.

DOC and LINZ have recently implemented several major changes to operating behaviours that are driving more joined-up decision making on providing protection. These changes include:

- establishing Crown strategy meetings for many discretionary consent decisions and tenure review
- undertaking joint inspections
- updating DOC's internal guidelines and supporting materials to ensure we give the right advice to LINZ, and that the advice is scientifically robust.

DOC has begun work with LINZ to embed these improved ways of working within LINZ operating guidelines and standards. This work is being implemented as part of the Mackenzie basin work programme.

The legal framework for natural heritage management includes the status of DOC-managed land. DOC worked with the New Zealand Conservation Authority to progress reclassification of stewardship land adjoining the Mokihinui River on the West Coast to a status that better reflects and protects the high conservation values of this land. DOC is also progressing the reclassification of the 111,828-hectare St James – Poplars stewardship land to a more appropriate level of protection, including by commissioning a Ngāi Tahu Cultural Values report.

### STRETCH GOAL

## A nationwide network of marine protected areas is in place, representing New Zealand's marine ecosystems

New Zealand has 44 marine reserves covering 17,697 km<sup>2</sup>. Around 3.5 percent are situated around the mainland coasts. Most of the area protected within marine reserves (96.5 percent) lies within the ecologically important offshore island marine areas of the Kermadec and subantarctic islands groups. Although this area provides protection for some species and habitats, many of New Zealand's coastal regions are under-represented or have no marine protected areas (MPAs). New Zealand also has eight marine mammal sanctuaries (see Appendix 4: Marine protection).<sup>19</sup>

No new marine reserves or marine mammal sanctuary areas were established in the 2017/18 year. Completion of MPA planning processes for all regions of New Zealand remains a priority.

### South-East Marine Protection Forum

After a four-year process the South-East Marine Protection Forum provided its final report on marine protection on the South Island's south-east coast to the Ministers of Conservation and Fisheries in March 2018.

The forum's recommendations draw from wide-ranging community views, received through the formal submissions process and face-to-face meetings with interested and affected people. The two proposed alternative protection networks mirror the significant differences in views between groups and sectors.

Before any of the report's recommendations are implemented, they will go through the appropriate statutory processes for further public consultation.

### Monitoring at marine reserves

Ongoing management of established marine reserves is essential to their protection. DOC monitors marine species and habitats to inform its management actions and to assess the health of a marine reserve. During the 2017/18 year, DOC conducted, funded or supported monitoring activities in 16 of the 44 marine

reserves (see Table 5). These surveys were often undertaken in partnership with universities (Auckland, Canterbury, Massey, Otago and Victoria), regional councils, community trusts, and independent scientists. Examples are:

- lobster and fish surveys in Long Island – Kokomohua Marine Reserve as part of long-term monitoring to assess changes in species abundance with marine reserve protection

- side-scan sonar surveys of the two marine reserves at Banks Peninsula to map the habitats found within the reserves
- baited underwater video fish surveys in Fiordland marine reserves to characterise and measure abundance of fish species throughout Fiordland.

**Table 5: Monitoring activities conducted or supported by DOC in marine reserves during 2017/18.**

Marine reserve	Type of monitoring	Partners
Akaroa Marine Reserve	Side-scan sonar benthic mapping; first time	Otago University, Regional Council
Cape Rodney-Okakari Point Marine Reserve	Lobster and finfish survey; baited underwater videos methodology	Auckland University Massey University
Hautai Marine Reserve	Intertidal survey; first time	
Horoirangi Marine Reserve	Lobster, fish counts	
Long Bay-Okura Marine Reserve	Cockle dieback; first time	
Long Island – Kokomohua Marine Reserve	Lobster and fish counts; annually since 1992	Independent scientist
Moana Uta (West Jacket Arm) Marine Reserve	Fish and rock wall assemblage surveys; repeat from 2009	Victoria University of Wellington
Motu Manawa-Pollen Island Marine Reserve	Quadrat sampling – Marine metre squared; first time	Community Trust
Pohatu Marine Reserve	Side-scan sonar benthic mapping; first time	Otago University, Regional Council
Punakaiki Marine Reserve	Intertidal surveys; done first time in 2007	Canterbury University
Taipari Roa (Elizabeth Island) Marine Reserve	Fish and rock wall assemblage surveys; repeat from 2009	Victoria University
Taputeranga Marine Reserve	Finfish monitoring; annually since 2010	Victoria University
Tāwharanui Marine Reserve	Lobster and finfish surveys	Auckland University
Te Tapuwāe o Rongokako Marine Reserve	Lobster surveys	Auckland University
Tonga Island Marine Reserve	Invertebrates; ongoing since 1992/93	Independent scientist
Whanganui A Hei (Cathedral Cove) Marine Reserve	Fish surveys	

<sup>20</sup> The Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR). The Commission is made up 25 members – 24 States and the European Union. See [www.ccamlr.org/en/organisation/camlr-convention](http://www.ccamlr.org/en/organisation/camlr-convention).



### Research at marine reserves

A central function of marine reserves, as established under the Marine Reserves Act 1971, is to preserve areas for the scientific study of marine life. Studies conducted within marine reserves require a permit if they include any activity that would otherwise be an offence under the Act (for example, taking samples, disturbing marine life). In the 2017/18 year, DOC issued 22 permits to external agencies or individuals requesting to conduct scientific research in a marine reserve. Table A4.4 in Appendix 4: Marine protection provides details of research permits and their focus.

### Compliance activity at marine reserves

Marine reserves protect marine ecosystems and the species within them. There are strict rules governing the removal or disturbance of marine habitats and life within the boundaries of a marine reserve. Fishing is not permitted within New Zealand marine reserves without a permit. It is inevitable that, with so many people out around the New Zealand coast, there are occasional deliberate and accidental breaches of these regulations. DOC and MPI regularly visit marine reserves to ensure compliance with the rules. DOC undertook 7,204 hours of surveillance at marine reserves in 2017/18.

### Ross Sea region Marine Protected Area

On 1 December 2017, the world's largest MPA was established in the Ross Sea region of Antarctica. This was the result of a joint proposal by New Zealand and

the United States to the international commission responsible for the conservation of Antarctic marine living resources.<sup>20</sup>

This collaborative achievement took 5 years of consultation and negotiation. DOC worked closely with the Ministry of Foreign Affairs and Trade and MPI to develop the scientific rationale and to negotiate the policy and management regime that was central to this internationally recognised success. The New Zealand science community, and environmental and fishing industry stakeholders, made significant contributions. Scientific research is central to the implementation of this MPA and the research represents ongoing opportunities for continued domestic and international collaboration.

The Ross Sea region MPA covers 1.55 million km<sup>2</sup>, of which 1.12 million km<sup>2</sup>, or 72 percent, is fully protected. The agreement balances marine protection, sustainable fishing and science interests. It protects important habitats and foraging areas for marine mammals, birds, fish and invertebrates, including iconic species such as Weddell seals, killer whales and emperor penguins. Rare and vulnerable benthic species protected by this MPA include unique sponges that live for up to 500 years. Important life-cycle areas for the commercially harvested Antarctic toothfish are also protected, as well as areas that are important to maintaining ecosystem integrity.

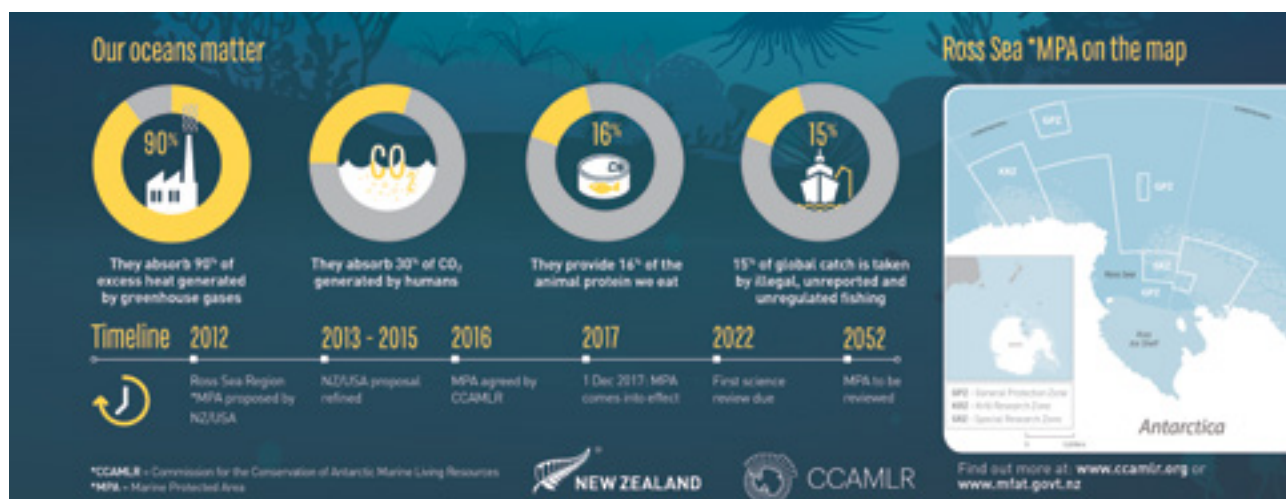


Figure 21: Ross Sea Marine Protected Area on the map.

Output class operating statement 2017/18: Management of natural heritage.

	Actual 30/06/17 \$000	Budget 30/06/18 \$000	Revised budget 30/06/18 \$000	Actual 30/06/18 \$000
<b>Revenue</b>				
Crown	169,511	152,016	157,169	157,169
Other	22,345	21,251	22,762	18,861
<b>Total revenue</b>	<b>191,856</b>	<b>173,267</b>	<b>179,931</b>	<b>176,030</b>
Expenses	194,190	173,267	179,931	178,130
<b>Surplus/(deficit)</b>	<b>(2,334)</b>	<b>0</b>	<b>0</b>	<b>(2,100)</b>

Statement of service performance 2017/18: Regional pest management strategies.

2017/18 Performance measures and targets

National commentary

**Crown pest/weed exacerbator costs**

13 regional pest management strategies with completed Crown exacerbator weed and pest programmes.

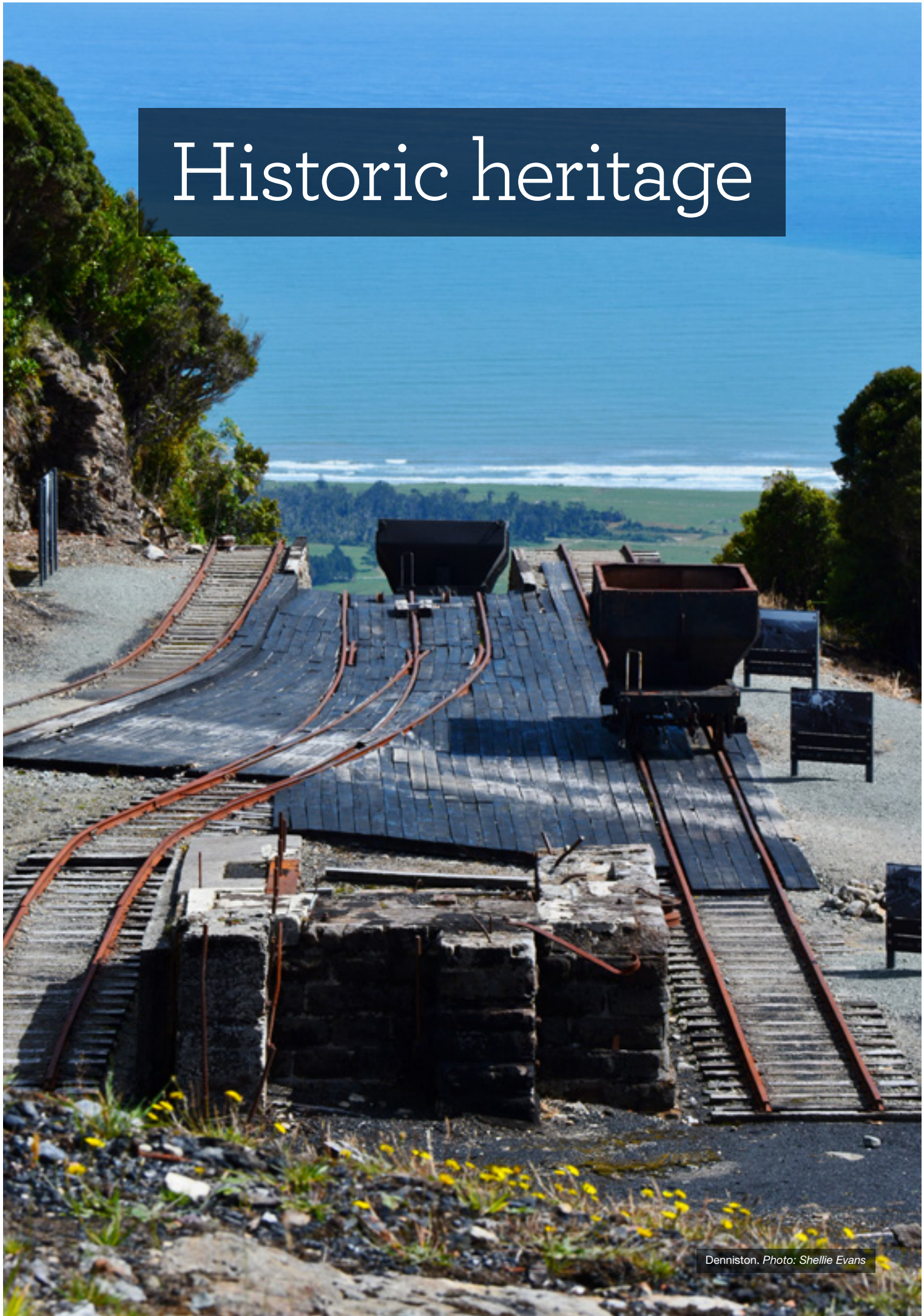
The Department continued exacerbator weed and pest programmes for 15 regional councils and unitary authorities.

**Achieved**

Output class operating statement 2017/18: Regional pest management.

	Actual 30/06/17 \$000	Budget 30/06/18 \$000	Revised budget 30/06/18 \$000	Actual 30/06/18 \$000
<b>Revenue</b>				
Crown	3,191	3,191	2,991	2,991
Other	4	100	100	12
<b>Total revenue</b>	<b>3,195</b>	<b>3,291</b>	<b>3,091</b>	<b>3,003</b>
Expenses	2,887	3,291	3,091	3,054
<b>Surplus/(deficit)</b>	<b>308</b>	<b>0</b>	<b>0</b>	<b>(51)</b>

# Historic heritage



# Our history is brought to life and protected

## LONG-TERM OUTCOME GOAL

**Our history is brought to life and protected**

## PERFORMANCE INDICATORS

- The condition of actively conserved historic places (seeking a stable and not deteriorating condition)
- The trend in New Zealanders' awareness of the Department as a manager of historic places
- The trend in visitor participation at historic sites
- The trend in visitor satisfaction with the quality of the experience provided at historic places

## STRETCH GOAL

→ The stories of 50 Historic Icon sites are told and protected

DOC manages the single largest portfolio of historic places in New Zealand. When visitors experience these places, they connect more deeply with New Zealand's stories, life and culture. Our aim is to help our visitors enjoy, share and care for the places that tell New Zealand's stories. By creating engaging experiences at these sites, we will help secure New Zealand's heritage.

To do this, we focus our management of heritage on:

- providing top-quality visitor experiences at 24 Historic Icon destinations by telling engaging and memorable stories about New Zealand's identity
- ensuring a representative sample of heritage is conserved and the visitor experience is improved at 590 actively conserved historic places
- safeguarding heritage from avoidable harm at more than 13,000 protected historic places.

## STRETCH GOAL

**The stories of 50 Historic Icon sites are told and protected**

This Stretch Goal is helping DOC share our most exceptional heritage with visitors. DOC manages some of New Zealand's top heritage sites that play a central role in our national identity and add context and meaning for visitors, including tourists. These sites offer the opportunity to bring New Zealand's history to life and provide visitors with a powerful connection to our national identity, life and culture.

## Historic Icons


To progress this Stretch Goal, DOC has identified 24 exceptional heritage sites it manages across the country, eight of which have been included in the national Landmarks programme in the past 2 years. Over the next 4 years we will prepare other Historic Icons for inclusion in the Landmarks programme to showcase our country's most significant heritage places to visitors.

## Landmarks programme

Landmarks was launched in 2016 to bring history to life by connecting more New Zealanders and visitors to the engaging stories that define us as a nation. Landmarks is a joint initiative by DOC, Heritage New Zealand Pouhere Taonga, and the Ministry for Culture and Heritage. Following the success of the Northland pilot, Landmarks was extended to the Otago region in 2017. Four of DOC's Historic Icons (the Kawarau Suspension Bridge, the Otago Rail Trail, Bannockburn Sluicings, and Arrowtown's Chinese Settlement) were included in the Otago Landmarks programme and are among the 12 heritage sites chosen as Landmarks.

**PERFORMANCE INDICATOR**

**The condition of actively conserved historic places (seeking a stable and not deteriorating condition)**

Current state: performance maintained 

DOC aims to maintain the heritage places it cares for. Most (78 percent) of the actively conserved historic places are being maintained and are not deteriorating. This is achieved through a programme of regular maintenance to ensure that these important places and their stories are enjoyed by visitors.

**Table 6: The number of heritage sites categorised as stable or deteriorating.**

	2013 /14	2014 /15	2015 /16	2016 /17	2017 /18
Stable	293	432	445	436	462
Deteriorating	311	163	148	153	128

A remedial programme carries out work to bring a deteriorating heritage site back to a stable and routinely maintained condition. The amount of remedial work is expected to be small. Remedial work is only undertaken at places when unexpected natural or human-induced events (storms, earthquakes or vandalism, for example) occur. The maintenance programme requires more resources than usual to restore a site back to a state where it can be routinely maintained, or alternative approaches are required to stabilise a site's condition. This year the remedial work programme resulted in seven projects being completed, two more than planned.

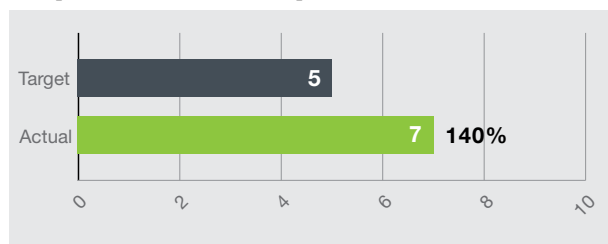


Figure 23: Historic assets – remedial work to standard.

**Landmarks and Historic Icon sites managed by DOC**

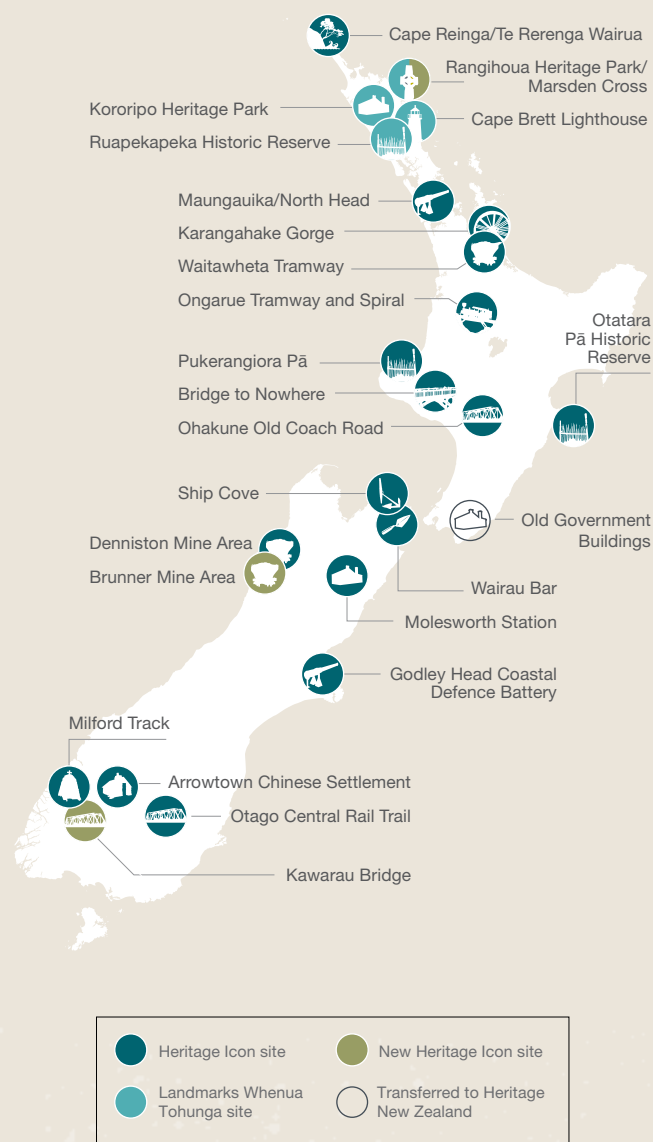


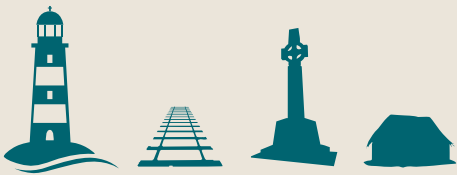
Figure 22: Landmarks and Historic Icon sites managed by DOC.

78%

of the actively conserved historic places being managed have their condition

**maintained**

and are not deteriorating



40%

of visitors learnt about our historic heritage through

**word of mouth**

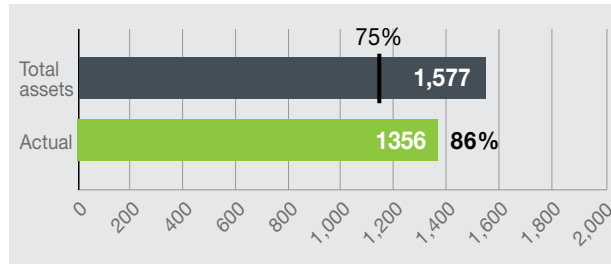


Figure 24: Historic assets – maintenance work to standard.

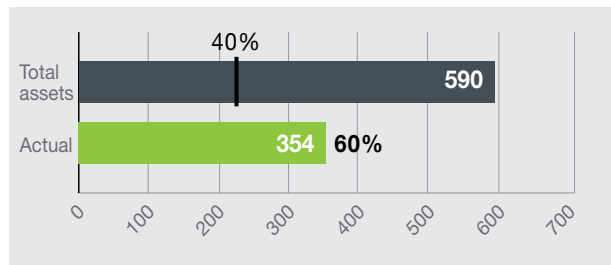


Figure 25: Historic assets – heritage assessment reports completed to standard.

Heritage assessment reports have now been completed for 354 of the 590 actively conserved historic places managed by DOC, exceeding the target of 237 for 2017/18. Heritage assessment reports have been completed for 1,153 individual assets (there are often multiple assets with each actively conserved historic place).



Photo: Claudia Babirat

### The story of Bannockburn Sluicings

The vanished landscape of the Bannockburn Sluicings is New Zealand's own Wild West. More than 150 years ago, goldminers scarred the landscape in their search for gold. This year, DOC strengthened relationships with community stakeholders to prepare Bannockburn Sluicings for inclusion in the Landmarks programme. Working with the Otago Goldfields Heritage Trust and other members of the community, we developed the story of the Bannockburn Sluicings to bring this significant heritage site to life for visitors.



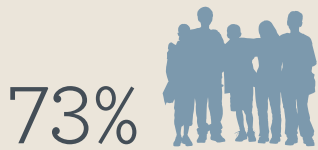
Photo: Shellie Evans | Creative Commons

### Understanding how visitors experience Waiuta

Visitor research was undertaken at Waiuta on the West Coast, once a bustling gold-mining settlement with a population of around 600 people, to understand how visitors currently experience the site, its stories, and how they would like to experience it in the future. Through using research methods such as visual prompt card interviews and on-site movement tracking, valuable insights were gathered from a diverse range of tourists, local businesses and the community. DOC identified what visitors value and can gain from visiting this heritage site. This research will inform how DOC might develop this site to provide a better visitor and storytelling experience.



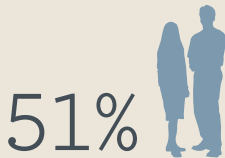
### What do we know about visitors to our historic heritage places?



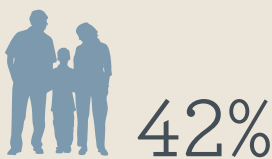
of visitors are **under 50** years old



of visitors love the history **stories** at these places




of visitors like spending time at our historic heritage places with their **partners**



of visitors like spending time at our historic heritage places with their **family**

#### PERFORMANCE INDICATOR

### The trend in New Zealanders' awareness of the Department as a manager of historic places

Current state: between surveys 

Public awareness of DOC's role in managing heritage and archaeological sites is a measure of our success in promoting and making accessible New Zealand's cultural heritage.


DOC is between reporting cycles for this indicator in 2017/18.

How do visitors know to visit our historic heritage places?

- 40 percent of visitors learnt about our historic heritage places through word of mouth.

#### PERFORMANCE INDICATOR

### The trend in visitor participation at historic sites

Current state: between surveys 

Trend information from the activity monitors located at selected historic sites will be analysed and presented in the next Annual Report.

What do we know about visitors to our historic heritage places?

- 73 percent of visitors are under 50 years old.
- 60 percent of visitors love the history stories at these places.
- 51 percent of visitors like spending time at our historic heritage places with their partners, and 42 percent with their family.





Photo: Andrew Blanshard DOC

### Bringing our history to life: Newly discovered burial site at Ruapekapeka Pā

Working with Te Ruapekapeka Trust, DOC is advising on how to best preserve and acknowledge the newly discovered burial site at Ruapekapeka Pā. After almost 172 years, the grave site of 12 British soldiers, killed in the final assault on this historic battleground, has been confirmed. Over 2 weeks in December a group of archaeologists from DOC, Heritage New Zealand Pouhere Taonga and representatives from Te Ruapekapeka Trust, worked with archaeologist Jonathan Carpenter as part of his investigation to find the grave. After careful excavation the remains of two men were uncovered and personal effects found, confirming that this was indeed the soldiers' grave.



Photo: Neville Ritchie

### Arrowtown celebrates new Landmarks status

Arrowtown was launched this year as a new Landmark site in Otago. This golden village tells two tales of the mid-1800s gold rush: from Buckingham Street where wealthy banks and merchants once traded, to the DOC-managed Arrowtown Chinese Settlement where visitors can step back into the gold-rush era and see up-close the modest living conditions of the Chinese miners. DOC hosted a successful launch event, attended by the community and dignitaries, including a Ngāi Tahu representative, the Mayor of Queenstown Lakes District Council and the Chinese Consul General. It was a special event to celebrate the stories DOC helps bring to life at the Chinese Settlement.

Each time I visit, I reflect on the hardships endured by those who came. I reflect on my own time here in New Zealand and appreciate how lucky I am ... I think the Chinese who lived at the Arrowtown settlement would be pleased and proud to see this today. Thank you to DOC for preserving and looking after this taonga for all of us. And making it open to all, now and in future. No doubt it will touch a piece of some of those who visit, just like it has to me.

(Teresa Chan, Chair of the Otago and Southland Chinese Association)

PERFORMANCE INDICATOR

## The trend in visitor satisfaction with the quality of the experience provided at historic places

Current state: between surveys ●

Having positive experiences at heritage sites is a crucial step in engaging people in New Zealand’s history.

Visitor satisfaction with their experiences at DOC heritage sites has been relatively high in the past, but the Department is between reporting cycles for this indicator in 2017/18. Through research DOC continued to explore what visitors enjoy about our heritage

sites and how we can tell our heritage stories in ways that connect with them. By better understanding the effectiveness of promotion, storytelling and the appeal of these sites, DOC can attract visitors to a wider range of sites and use evidence-based decision-making to promote, care for and enhance New Zealand’s heritage.

What do our visitors think of DOC-managed heritage sites? The findings show that:

- visitors enjoy interactive, immersive experiences and stories about people
- they love visiting heritage sites and are intrigued by the stories they discover
- visitors want DOC to make it easier to hear about, find and experience these heritage sites.

### Output class operating statement 2017/18: Management of historic heritage.

	Actual 30/06/17 \$000	Budget 30/06/18 \$000	Revised budget 30/06/18 \$000	Actual 30/06/18 \$000
<b>Revenue</b>				
Crown	5,805	6,145	6,075	6,075
Other	53	475	475	40
<b>Total revenue</b>	<b>5,858</b>	<b>6,620</b>	<b>6,550</b>	<b>6,115</b>
Expenses	5,458	6,620	6,550	5,472
<b>Surplus/(deficit)</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>643</b>

# Recreation



# New Zealanders and our visitors are enriched by outdoor experiences

## LONG-TERM OUTCOME GOAL

**New Zealanders and our visitors are enriched by outdoor experiences**

## PERFORMANCE INDICATORS

- The trend over time in New Zealanders' awareness of DOC as a recreation provider
- The trend in participation in recreation on public conservation lands and waters
- The trend in visitor satisfaction with the quality of the experience and opportunities provided

## STRETCH GOALS

- 90% of New Zealanders' lives are enriched through their connection to our nature
- 50% of international holiday visitors come to New Zealand to connect with our natural places

## STRETCH GOAL

### 90% of New Zealanders' lives are enriched through connection to our nature

Everyone is enriched by outdoor experiences. DOC provides for and manages New Zealand's largest recreation network of over 14,800 km of walking and biking tracks, 330 campsites and 967 backcountry huts. DOC plays a major role in helping people enjoy the outdoors by attracting international visitors to New Zealand to connect with our nature, and by providing memorable outdoor experiences to enrich the lives of New Zealanders and international visitors.

#### Responding to visitor growth

In 2017/18 New Zealand's population reached 4.8 million, and it is projected to grow by 1 million more in the next 20 years. New Zealand is also becoming more culturally diverse and the proportion of older people in the population is growing. New Zealand is experiencing significant growth in international tourism, a trend that is expected to continue, with visitor arrivals set to reach 5.1 million each year by 2024. This signals that more people with more varied expectations will be seeking recreation opportunities. DOC needs to adapt its approach so that conservation values are protected and the quality of experiences is maintained.

This growth also presents DOC with a great opportunity to provide high quality visitor experiences that showcase our unique natural environment. These experiences have the potential to connect visitors to

conservation in a way that encourages them to make their own contribution, and also to create economic benefits that will benefit conservation in the long run.

Growing visitor numbers can also put pressure on the environment, communities and infrastructure, and on the experiences of traditional users of some places, unless they are well managed. DOC's approach will be to establish better ways of managing popular destinations, and to relieve pressure on these 'hot spots' by a) focusing on locations that could support more visitors, and b) spreading the regional economic benefits of tourism more widely.

Work this year to embed this approach includes developing a draft Visitor Strategy to set the strategic direction for the management of DOC's tourism and recreation activities. The strategy describes DOC's role in protecting and enhancing the values of natural and historic heritage by managing visitors in a sustainable way. This hinges on balancing three inter-related outcomes:

- New Zealand's natural and historic heritage is protected
- people are enriched and better connected with nature and history
- tangata whenua, regions and communities benefit.

The Visitor Strategy will be finalised in 2018/19, after engagement with partners and stakeholders.

In 2017/18 the Government invested \$76 million over 4 years to help manage the short-term impact of forecasted growth in visitor numbers with increased

servicing of sites, and upgraded visitor infrastructure on public conservation lands. In the first year, \$2 million was spent to relieve immediate tourism pressures by improving maintenance of facilities and providing interpretation and compliance rangers at key locations, including the Milford Road, Haast Highway, Punakaiki, Franz Josef and the Tongariro Alpine Crossing. DOC has also encouraged visitors to the Tongariro Alpine Crossing to park at nearby towns and use shuttle transport. These measures have had positive effects on the visitors' experiences at these popular sites this year.

Planning and feasibility studies are also under way for infrastructure upgrades at Punakaiki, Whakapapa, Milford Sound and Waipoua Forest. The studies will enable DOC to take different approaches to managing visitor pressure. Other work is designed to attract more visitors to places with underused capacity and where communities would benefit from increased visitors, such as promoting Short Walks and Day Hikes and developing a new Day Hike in Mount Egmont National Park (the Pouakai Crossing). A public process is being used to help choose new Great Walks.

In 2017/2018 New Zealand's population reached

▲ 4.8 million

and it is projected to grow by 1 million more in the next 20 years



New Zealand is experiencing significant growth in international tourism, with visitor arrivals set to reach

5.1 million

each year by 2024



### Role of statutory plans to support visitor management

Conservation management strategies (CMSs) and plans support DOC's visitor management and ensure protection of biodiversity values. Their objectives support outcome-based management on the ground including good visitor experiences and appropriate recreation concession activity. DOC is strengthening the links between statutory plans and DOC's daily management by linking SMART (Specific, Measurable, Attainable, Realistic/Relevant and Time Bound) milestones in the plans to the annual planning of work and reporting on the results of that work.

### Growing community involvement in outdoor recreation

Time spent in the outdoors has many benefits for health and well-being. Research also shows outdoor recreation experiences in childhood, particularly within families, is a strong influence on participation in recreation and conservation in later life. The active support and participation of communities is crucial to the successful conservation of the full range of New Zealand's natural, cultural and historic resources, and to the sustainable and appropriate management of the full range of recreation opportunities.

To give families easy ways to explore the outdoors and engage with nature and conservation, DOC launched the Kiwi Guardians programme in 2016 in partnership with Toyota New Zealand.

In its first 2 years, more than 12,700 kids have taken part, collecting around 19,000 adventure medals, 4,000 action medals, and 900 event medals. In the past year 37 new adventure locations were launched to strengthen the network across New Zealand. About a third of children who take part have redeemed more than one medal; future development of the programme will include a focus on boosting ongoing participation and a review of the rewards system.

### Managing aircraft landings

DOC has worked closely with aircraft concessionaires to support scenic flights and glacier landings in national parks. This is an increasingly popular visitor activity, especially for overseas visitors. Solutions lie with more sophisticated concessions management (such as reallocation of unused landing quotas), and with appropriate opportunities and controls in national park management plans to reflect national park values.



Photo: DOC



Photo: Shaun Barnett

### Backcountry users help manage facilities

The Backcountry Trust is an umbrella organisation that aims to support backcountry groups keen to help with hut and track maintenance through funding and mentoring. The Trust has received and distributed DOC Community Funds to 192 projects in the last 4 years, of which 140 have been completed. Volunteers have carried out maintenance on 94 public huts and 750 km of tramping and mountain bike tracks, along with smaller projects to establish trail-head facilities and support a range of activities. In 2017/18, despite difficult weather in the mountains, many significant projects were completed. These included a full rebuild of Newton Creek Hut for under \$12,000, the reinstatement of Veil Biv, and the full restoration of huts including Sir Robert, Mackenzie Biv, Top Gorge Hut, Frisco Hut, Top Crooked Hut and Pool Hut on the St James Cycle Trail.

For more information visit [www.backcountrytrust.org.nz](http://www.backcountrytrust.org.nz).

### Growing community involvement in outdoor recreation



In its first 2 years, more than

# 12,700

kids have taken part, collecting around:



In the past year

# 37

new adventure locations

were launched to **strengthen the network** across New Zealand



**PERFORMANCE INDICATOR**

## The trend over time in New Zealanders' awareness of DOC as a recreation provider

Current state: between surveys ●

A good awareness of outdoor recreation opportunities makes it easier for New Zealanders to venture into nature and from doing this gain the associated health and well-being benefits. The DOC website is a gateway for a wide range of people to access news, information and tools, including recreation opportunities. Use of the website has grown 15-20 percent year-on-year with the increasing uptake of digital media. Most people who access the DOC website visit the Parks and Recreation section. In 2017 there were over 13 million page views in the Parks and Recreation section, and over 70 percent of those were from within New Zealand. To inspire people to connect with and care for New Zealand's nature we have, in the past 3 years, refreshed the website and increased our presence across a wider range of social media tools. Printed publications continue to have an important role in engaging and informing the public, alongside these newer forms of communication.

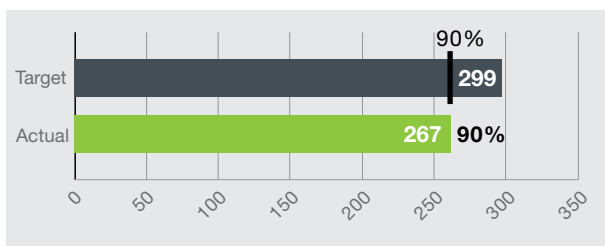


Figure 26: Recreation and interpretation publications meeting publication standards (target 90 percent to standard).

### Making DOC-managed destinations more accessible

DOC is currently partnered with the Halberg Disability Sport Foundation and Be.Accessible to provide more detailed information on accessibility of locations for the disabled community. To do so, an app is being

developed that will host a selection of locations (walkways, cycleways and waterways) across New Zealand, containing information and photographs of challenges and points of interest at selected locations. To capture this information, volunteer 'explorers' will photograph the challenges and points of interest at all the selected locations. This information will be uploaded into the app along with text explaining more about the challenges to be aware of. This level of detail is not yet found anywhere online and will provide the less-abled community with information that will empower them to make informed decisions about locations they wish to enjoy. The app will be trialled first in Dunedin. The outcomes will help us to achieve our Stretch Goal: '90 percent of New Zealanders' lives are enriched through their connection with nature'.

**PERFORMANCE INDICATOR**

## The trend in participation in recreation on public conservation lands and waters

Current state: between surveys ●

Individual visitor destinations can grow and decline in popularity over the long term and usage patterns shift for several reasons, including fluctuating tourism patterns, competition from new attractions and changes in society.

Analysis of DOC's track counter data shows that more than 60 percent of visitor destinations on public conservation lands across New Zealand are experiencing growth in annual use over time.<sup>21</sup> Most of DOC's busiest sites had more visitors, although Punakaiki had 18 percent less visitors this year. Numbers to Franz Josef Glacier grew only modestly compared to other busy sites around New Zealand. This may be an effect of the newly re-opened east coast route to Kaikoura diverting visitors away from the West Coast.

<sup>21</sup> See Factsheet 7: Utilisation of recreation facilities and services – DOC assets, 2017-2018 National status and trend reports.



Recreation trends among New Zealanders are also diversifying. Although more New Zealanders walk than cycle (60 percent versus 25 percent), participation in cycling grew by 3 percent between 2007/08 and 2013/14, whereas walking declined by 5 percent. Growing interest in mountain biking, cycling and e-biking has influenced amendments to the Tongariro National Park Management Plan and the design of the new Paparoa Great Walk to allow for bikes, including e-bikes.

There is also more interest in experiences that reduce barriers for new participants and families, such as bookable huts and campsites. The ability to book a space gives these visitors greater confidence to take overnight trips. In 2017/18 there were 265,951 bookings for Great Walks, 24,725 for backcountry huts and associated campsites, 123,908 for conservation campsites, and 16,621 for sole occupancy lodges and cabins.

**PERFORMANCE INDICATOR**

**The trend in visitor satisfaction with the quality of the experience and opportunities provided**

Current state: between surveys

**Facilities to standard**

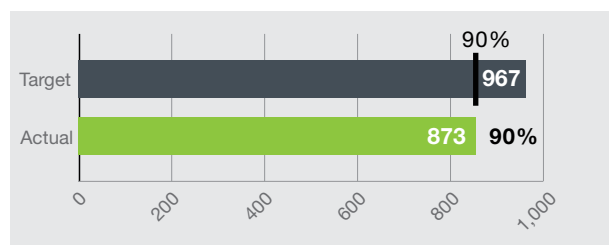
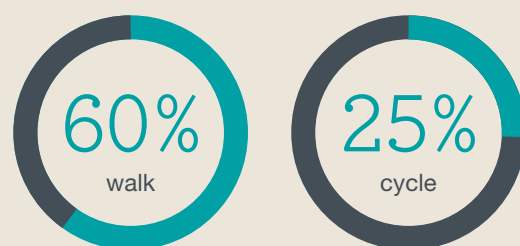


Figure 27: Number of huts to standard (target 90 percent to standard).

**Recreation on public conservation lands and waters**



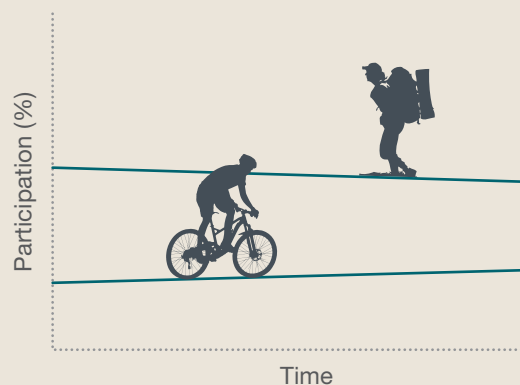
**Between 2007/2008 and 2013/2014:**

participation in cycling

▲ 3%

participation in walking

▼ 5%





In 2017 and 2018 there were:

265,951

bookings for Great Walks

123,908

bookings for conservation campsites

24,725

bookings for backcountry huts and associated campsites

16,621

bookings for sole occupancy lodges and cabins



### Responding to growth – Paparoa Great Walk

Construction of the Paparoa Great Walk began early in 2017/18. So far, 15 km of track has been constructed of the 55 km total length, along with three new suspension bridges and seven timber bridges in the Pororari valley and on the Pike29 Memorial Track. The Pororari Hut is complete, and the Moonlight Tops Hut is due to be finished in 2018/19. The Paparoa Great Walk is expected to be open to the public in 2019.

Planning for a memorial site and interpretation centre at the Pike River Mine site is under way with the Pike River Families and Ngāti Waewae, using a co-design process. DOC has worked with the community to support Grey District Council in seeking funding for car parking and toilet facilities in Blackball to service visitors to the track. A further bid is under way to upgrade the council-managed road to the start of the track.

<sup>22</sup> See Factsheet 8: Visitor experience: Satisfaction with DOC’s ‘Great Walks’ 2017/18, 2017–2018 National status and trend reports.

<sup>23</sup> See Factsheet 16: International visitors’ trends in national parks, 2016–2017 National status and trend reports.

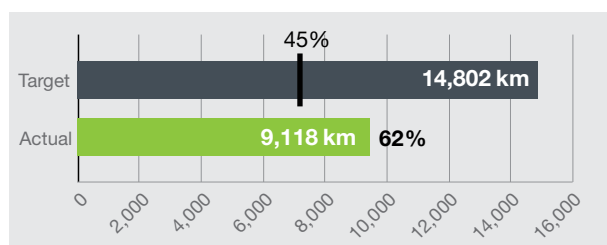


Figure 28: Kilometres of track to standard (target 45 percent to standard).

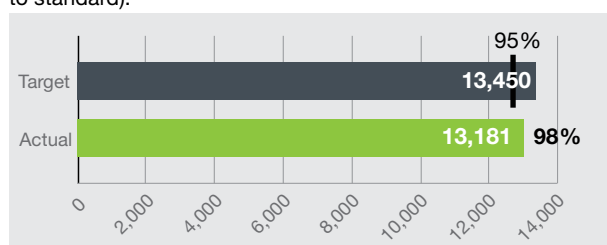


Figure 29: Number of structures to standard (target 95 percent to standard).

Visitor satisfaction is a measure of success in providing enriching experiences for people. Increasing numbers of visitors to public conservation lands and waters raises the potential for congestion, negative interactions between people, and impacts on the natural environment and facilities. All these things can affect visitor satisfaction.

Targeted research on DOC's Great Walks (building on the previous years' results) shows high levels of satisfaction reported. Ninety percent of survey respondents were very or extremely satisfied with their overall Great Walk experience. Both the condition of huts, shelters and campsites, and the tranquillity and natural soundscapes, contributed to their satisfaction.<sup>22</sup>

Visitor satisfaction is influenced by the condition of facilities and the experience of landscape and nature. Management planning is using cutting-edge technology to map and better understand soundscapes and natural tranquillity in South Island national parks. This work helps each management plan reflect and manage a range of visitor experiences in national parks, from scenic flights to peaceful wilderness, through provisions in the management plans.

Of the \$18.2 million additional funding over 5 years DOC has received from Government to ease pressures

from increased visitors, \$2 million was allocated in the 2017/18 peak season. At sites with increasing visitor numbers, DOC was able to engage with more visitors, purchase more supplies and contract external companies for support in facilities maintenance.

The use of interpretation rangers, staff solely focused on engaging with the public, has been particularly successful in the regions. Our managers in these locations have reported that this new initiative has been invaluable. Extra rangers were placed at sites under pressure across New Zealand. We have learned from the public that this interaction with DOC staff, who discuss conservation issues, has added to their experience and understanding of DOC's work.

Interpretation rangers were also employed to travel to numerous sites around Te Wahipounamu World Heritage Area to engage with visitors. The rangers visited 14 sites in the region over a total of 30 visits. They walked the tracks at Blue Pools, provided talks on conservation at the Rob Roy Track, and held events for children at the campsite at Kidds Bush. The interaction with the public was very positive. Some rangers reported that their presence encouraged the public to ask questions and learn more about the conservation and history of the area. These rangers have also been able to connect people with conservation groups and programmes operating elsewhere.

#### STRETCH GOAL

### 50% of international holiday visitors come to New Zealand to connect with our natural places

Last year 52 percent (approximately 1.7 million) of all international visitors to New Zealand visited one or more national parks,<sup>23</sup> showing that the Stretch Goal has already been reached. This could be the result of strong promotion by DOC and Tourism New Zealand, and the growing use of social media in promoting New Zealand destinations. We are now looking at setting new Stretch Goals to refocus DOC's recreation and tourism management.

### Great Walks survey

91% of survey respondents rated their Great Walk experience as 'very' or 'extremely' satisfying



Both the  
**condition**  
of huts, shelters and campsites and the  
**tranquillity**  
and  
**natural soundscapes**  
contributed to their satisfaction



Photo: Sophie Briggs

### Using interpretation rangers to manage visitor pressures

Visitor numbers to Urupukapuka Island in Northland's Bay of Islands have grown from 100,000 to 150,000 over the past 5 years. Urupukapuka is pest free, which has allowed threatened species to be translocated there to establish new breeding populations. The Tourism Pressure funding enabled a ranger to be stationed full-time on the island from December 2017 to February 2018.

The ranger walked the tracks and interacted with the public along the way, answering questions about the birds, trees and insects as well as the history of the island. This was an opportunity to educate people and tell the greater conservation story while immersed in the environment.

The initiative was considered a great success over the peak summer period, receiving great feedback from visitors and campers on the value the ranger added. The increased engagement with concessionaires on the island has also improved these relationships.

### Improved infrastructure for visitors

DOC is responding to the continued increase in tourist numbers to New Zealand by looking at different approaches to management and starting to plan for the long term.

DOC's response is focused on providing quality and compelling visitor experiences that connect visitors to nature and better support local communities, while protecting conservation values. There are complex issues to manage in doing this while managing growing visitor numbers, with Milford Sound and the Tongariro Alpine Crossing being good examples. Managing these places requires collaborative planning across multiple interests, and within a wide spatial context. This work will consider the options and approaches that will be most successful in a regional context in 20–30 years time.

Aligned to the West Coast Growth Study, DOC is working with multiple stakeholders at Punakaiki to develop safe access to Pancake Rocks, a larger car park, and a new retail and cultural centre. For Whakapapa Village, DOC has been developing the resource consent application for upgrades to the wastewater and sewerage systems in consultation with iwi and stakeholders, and is exploring several options. In Northland, DOC is working with te iwi o Te Roroa to

develop an integrated visitor experience, including an interpretation centre at Waipoua Forest, and has similar initiatives under way in Taranaki, the central North Island, Northland, Southland and Otago.

DOC is also continuing its relationships with the wider tourism industry. A range of work with MBIE, Tourism Industry Aotearoa, Tourism New Zealand and others has included a Memorandum of Understanding for the management of the New Zealand Great Rides, formation of a panel supporting the selection of new Great Walks, and comments on the draft Visitor Strategy.

Freedom camping has been a flashpoint for community concern about the effects of poorly managed visitor growth. Approximately 11 percent of New Zealanders stay in a DOC campsite at least once a year, and 5 percent international visitors do so on their visits to New Zealand, which stretches supply at peak times. DOC manages over 200 vehicle-accessible campsites and is a major provider of freedom camping opportunities in New Zealand. In 2017/18 DOC collaborated with MBIE, the Department of Internal Affairs, local authorities and commercial operators to initiate the Responsible Camping Working Group. The group plans to look at short-term outcomes for summer 2018/19 and longer-term solutions for New Zealand.

### Output class operating statement 2017/18: Management of recreational opportunities.

	Actual 30/06/17 \$000	Budget 30/06/18 \$000	Revised budget 30/06/18 \$000	Actual 30/06/18 \$000
<b>Revenue</b>				
Crown	121,653	118,843	123,959	123,959
Other	29,137	26,416	37,905	33,656
<b>Total revenue</b>	<b>150,790</b>	<b>145,259</b>	<b>161,864</b>	<b>157,615</b>
Expenses	148,410	147,259	163,864	155,529
<b>Surplus/(deficit)</b>	<b>2,380</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>2,086</b>

# Engagement



DOC staff Milford Track. Photo: Graham Dainty

# New Zealanders connect and contribute to conservation

## LONG-TERM OUTCOME GOAL

**New Zealanders connect and contribute to conservation**

## PERFORMANCE INDICATORS

- Change in the importance of conservation to New Zealanders
- Change in the quality of the Department's engagement with key associates
- Change in the satisfaction of tangata whenua with the Department's activities to help them maintain their cultural relationships with taonga
- ↑ Increase in engagement of the commercial sector in conservation partnerships
- ➡ Change in the level of investment in conservation from the commercial sector
- ↑ Improvement in level of return on investment for key DOC products and services

## STRETCH GOALS

- 90% of New Zealanders' lives are enriched through connection to our nature
- Whānau, hapū and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters

DOC's engagement and partnerships model is strongly focused on achieving two interrelated outcomes:

- connecting New Zealanders to conservation and its social, cultural, economic and environmental values and benefits
- shifting our society towards taking personal responsibility for conservation and contributing towards it.

## PERFORMANCE INDICATOR

### Change in the importance of conservation to New Zealanders

Current state: between surveys



DOC works hard to ensure that New Zealanders can access and enjoy conservation experiences that enrich their lives and well-being, and can contribute to the protection and restoration of the country's natural, historical and cultural heritage. When people see our nature as being an integral part of their lives, and experience its benefits in a range of ways, they will be more driven to contribute to its conservation. This is as much the case for the commercial sector as it is for individuals and organisations with an environmental

focus. DOC is looking for ways to remove barriers to participation, such as raising awareness about practical conservation actions that suit people's lifestyles and skills.

DOC has increased its use of interactive processes to collaborate with interest groups and local communities and to identify issues and solutions for conservation management strategies and plans. Statutory planning is undertaken by a national shared-service unit to enable learning and improvement to be applied nationally to its work. DOC has also sought early collaboration with iwi in statutory planning processes, to ensure iwi values are reflected in conservation management strategies and plans.

### Kids Greening New Zealand

Quality education experiences are vital in broadening support for conservation while bringing education, health and well-being benefits back to young people and communities. Young New Zealanders are taking the lead in significant restoration programmes in their local communities through a collaborative approach to conservation education that is gaining momentum.

Kids Greening Taupō has piloted a 'collaborative community education model' that enables teachers, children, young people and families to connect with their community and local nature in a meaningful way.

**To date Kids Greening Taupō has contributed**

over  
**2,000**  
hours

of student, teacher and parent involvement to three restoration projects



Based on the success of the Kids Restore Kepler project – where Fiordland’s young people are creating a haven for wildlife in 3,000 hectares around the Kepler Track Great Walk – the Taupō project has just completed a 3-year pilot with five schools, from preschool to secondary. The schools partner with each other and with their community, iwi, councils, agencies and businesses on real conservation projects. Students are the main decision-makers on their contribution to the projects, supported by a team of representatives from partnering organisations.

To date, Kids Greening Taupō has contributed over 2,000 hours of student, teacher and parent involvement to three restoration projects, planting 3,000 natives and growing 450 seedlings. Nineteen teachers have integrated the ‘Greening Taupō’ context into their curriculums and students have led youth planting days, a promotional video and blog series, and hosted Predator Free Taupō learning seminars through Victoria University’s Lab in the Box.


The momentum of the project is growing; more than 13 educational organisations in Taupō are now involved. Another pilot is under way in Dunedin where eight schools will work with community stakeholders to use the Town Belt as an outdoor classroom. DOC is looking at how to inspire other communities to apply this approach.





## PERFORMANCE INDICATOR

## Change in the quality of the Department's engagement with key associates


Current state: between surveys 

DOC is busy implementing a new relationship management system, with a focus on its strategic relationships. For 2018, a small sample of four government agency and NGO stakeholders were surveyed about the evolution of their relationships with DOC over the past 2 years. Two stakeholders identified their relationships with DOC's senior team as 'slightly better' or 'evolving'. Two other stakeholders described their relationships with DOC teams as 'patchy', 'getting worse' or 'more frustrating'. Each stakeholder had one project, relationship or initiative with DOC that they saw as positive or potentially significant, and spoke positively of the quality and highly-valued relationships they have with DOC individuals.

Overall, stakeholders are welcoming DOC's shift in focus from transactional to strategic relationships but are not yet experiencing a systematic, fully joined-up approach across the organisation.

## PERFORMANCE INDICATOR

## Change in the satisfaction of tangata whenua with the Department's activities to help them maintain their cultural relationships with taonga

Current state: between surveys 

We acknowledge that we need to do more to allow DOC and our Treaty partners to achieve positive conservation outcomes as well as positive outcomes for whānau, hapū and iwi. The central issue DOC and

iwi face is how to establish a sustainable approach to engagement that does not rely solely on the goodwill and understanding of individuals, but operates to agreed protocols and expectations. DOC needs to improve the capability of its staff and managers to actively engage with our Treaty partners, and DOC's engagement approach needs to take account of iwi aspirations and capability needs.

DOC is taking the approach of inviting iwi to join in co-designing a system for engagement. Iwi from the top of the South Island, and from Wairarapa and Hawke's Bay are ready to begin this task. There are existing commitments between the Crown and post-Treaty settlement iwi that require the parties to engage in order to meet these commitments. DOC intends to use this approach to engagement, once developed, to guide the building of all DOC-iwi relationships.

Initial work shows that there are multiple channels of engagement operating with Māori across New Zealand. The first steps will be to hold co-design discussions, then pilot co-design engagement channels with iwi. The results of this work will be to co-design the Treaty partner engagement system for use 'at place' across New Zealand. It is expected there will be changes and improvements to this system over time as we all learn more about working together.

Seven Treaty settlement statutory planning processes with strong iwi involvement have been progressed; two have been completed. Statutory plan redress provides iwi with co-authorship and/or co-approval with conservation boards, enabling iwi to participate in strategic decision-making on conservation management. See Appendix 6: Management Planning for details of who DOC has worked with.

Improved access to cultural materials in the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 has been implemented. DOC is progressing implementation of similar settlement redress with six other iwi.



Photo: Rodney Allen



Photo: Rodney Allen

## Taranaki Mounga Landscape Restoration Programme

Taranaki Mounga is one of a suite of landscape restoration programmes under way across New Zealand, creating impact for conservation at a landscape scale.

These programmes bring conservation work and recreation opportunities into one regional programme. An alliance of partners works towards shared goals on a landscape scale, achieving more than working alone. They provide a significant contribution to all of DOC's Stretch Goals and DOC's purpose of working with others to increase the value of conservation for New Zealanders.

Taranaki Mounga has a 'whole of ecosystem' approach to conservation, working across Egmont National Park and extending to the protected Ngā Motu/Sugar Loaf Islands near New Plymouth. In collaboration with iwi, agencies and community it aims to:

- secure the mounga against animal and plant pests
- restore and strengthen populations of threatened species
- sustain the work through community support
- protect places of cultural significance
- provide opportunities for health and education initiatives.<sup>24</sup>

Taranaki Mounga is already beginning to realise its vision 'He Kawa Ora – Back to Life'. Toutouwai/North Island robins have been returned to the mounga after an absence of more than a century, and are now successfully breeding. Programme Director Jan Hania says that collaboration between community conservation groups, local and regional bodies, DOC and iwi has been the key to early success. "Taranaki Mounga was honoured to win the Philanthropy and Partnership category in the 2017 Green Ribbon Environmental Awards, in recognition of this collaborative approach."

Founding partners are NEXT, Taranaki Iwi Chairs Forum and DOC. Activities are supported by Shell New Zealand, TSB Community Trust, Jasmine Social Investments, Landcare Research, universities and communities. Taranaki Mounga is 2 years into a 10-year programme, with a phased investment of \$24 million. A second phase will follow (over years 11–20) to realise full ecological, social and cultural change.



<sup>24</sup> See Taranaki Mounga website <http://taranakimounga.nz/the-project/objectives-and-timeframe>.

The completed Paparoa National Park Management Plan review reflects the Treaty partnership with the Ngāti Waewae rūnaka of Ngāi Tahu, providing a new approach to the look and content of a national park management plan.

#### PERFORMANCE INDICATOR

### Increase in engagement of the commercial sector in conservation partnerships

Current state: performance improving



#### The value of commercial partnerships

DOC wants to work with New Zealanders to create a future in which our natural environment is purposefully positioned and restored as the foundation for our economic, cultural and social success. Building strong and enduring partnerships is at the heart of our strategy to restore New Zealand's unique and threatened nature. DOC is committed to a future in which every business restores our nature as a core part of operating sustainably.

DOC's work with business partners is focused on outcomes that include:

- inspiring and engaging every New Zealand business to operate sustainably, and in doing so to contribute to ecological restoration in a large-scale, considered and planned way
- using our collective channels to tell the conservation and business win/win story, together with the urgency of the issues we face
- acknowledging and celebrating those businesses already doing 'above and beyond' conservation work
- steering businesses towards conservation priorities, such as Predator Free 2050 and War on Weeds
- reaching and influencing audiences (through marketing and other means) beyond DOC's normal channels, including other business leaders

- increasing income from concessionaires to spend on conservation
- increasing the number of people taking part in recreation, as our partners promote and support the public engaging in outdoor activity
- significantly increasing biodiversity outcomes across New Zealand.

#### PERFORMANCE INDICATOR

### Change in the level of investment in conservation from the commercial sector

Current state: performance maintained



Commercial activity on public conservation lands and waters reflects businesses benefiting from this direct association, and New Zealanders benefiting from concession fees and the associated conservation initiatives that concessionaires are involved with.

Because demand for concessions varies each year (and is largely outside DOC's control), the results reported for these associated measures vary between years.

Also affecting results are changes in the way we manage concessions, which has revealed that many activities previously managed as one-off concessions are now managed as longer-term concessions.

#### Concessions

A concession is an authorisation, usually with operating conditions and charges, to conduct private or commercial activity on conservation lands. The Department allows commercial activities that are compatible with the natural, historic and cultural values present, the social setting and the facilities. These business opportunities in conservation areas are broadly classified as recreational (for example, guiding or transport services for visitors) or resource use (for example, grazing, telecommunications or commercial filming).

*Recreation concessions*

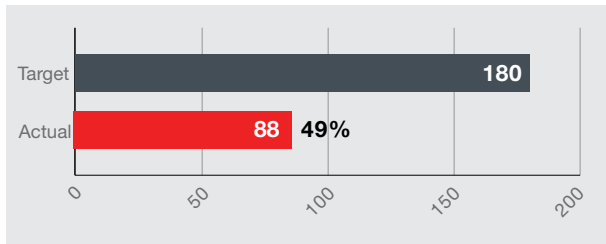


Figure 30: Active one-off recreation concessions managed.

The number of active longer-term recreation concessions was 164 fewer than planned.

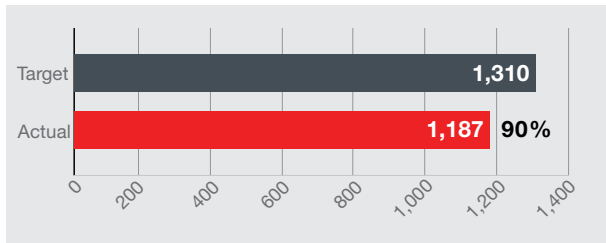


Figure 31: Active longer-term recreation concessions managed.

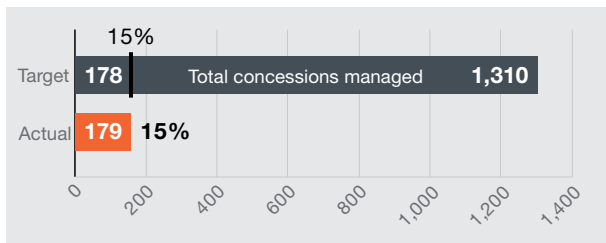


Figure 32: Active longer-term recreation concessions monitored (target 15 percent).

*Other resource-use concessions*

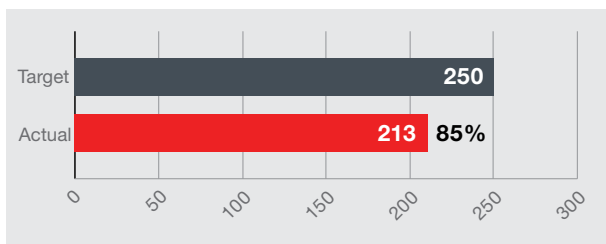


Figure 33: Active one-off other resource-use concessions managed.

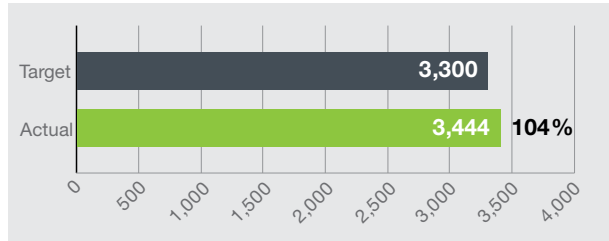


Figure 34: Active longer-term other resource use concessions managed.

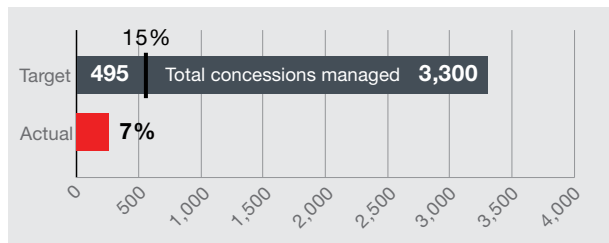


Figure 35: Active longer-term other resource use concessions monitored (target 15 percent).

This year, the number of concessions selected for monitoring was insufficient to meet the 15 percent target. Other priorities competed with this work, including land access issues for the Department to manage, and staff required to support the expedition to eradicate mice from the Antipodes Islands.

Investment in conservation through commercial use of public conservation lands and waters continues to grow, with a 23 percent increase in concession fees. There was no significant change in the financial contribution from commercial partnerships compared with 2016/17. This reflects our change in emphasis from seeking new corporate partnerships, to mainstreaming ecological restoration with our existing national partners and the business sector towards our vision of ‘every business restoring nature by 2050’.

Table 7: Department of Conservation concession and partnership revenue.

Source of financial contribution	2013/14 Actual (\$000)	2014/15 Actual (\$000)	2015/16 Actual (\$000)	2016/17 Actual (\$000)	2017/18 Actual (\$000)	Change from 2016/17 (%)
Concessions, leases and licences	13,777	15,262	16,951	19,874	24,406	22.8
Sponsorship/partnership revenue	6,473	7,088	9,303	12,380	12,437	0.5

## PERFORMANCE INDICATOR

## Improvement in the level of return on investment for key DOC products and services

Current state: performance improving



Participation in conservation and enjoying our natural and historic heritage brings many benefits to people, the economy and nature.

Domestic marketing focuses on encouraging New Zealanders to experience our nature across the range of experiences available. This year we have encouraged the use of Short Walks and Day Hikes.

Revenue from DOC products and services continues to grow, although backcountry huts saw a slight decline in revenue from 2016/17.

### DOC Community Fund – enriching community contributions

The DOC Community Fund continues to support community contributions to conservation. The 2017 funding round allocated another \$4.2 million to support 112 community groups in a range of conservation efforts. More information about the fund and this funding round's successful applications can be found on the DOC website at [www.doc.govt.nz/doc-community-fund](http://www.doc.govt.nz/doc-community-fund).

Table 8: Revenue from key DOC products and services.

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	Change from 2016/17 (%)
Revenue received	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(%)
Backcountry huts	1,606	1,751	2,025	2,095	2,062	-1.6
Conservation campsites	4,738	5,201	5,910	6,931	7,543	8.8
Great Walks	5,293	5,605	6,261	6,481	7,320	12.9
Visitor Centre network – gross retail	2,213	2,367	2,624	2,900	3,198	10.3

**STRETCH GOAL**

90% of New Zealanders’ lives are enriched through connection to our nature

Growing conservation skills – enabling a richer conservation experience

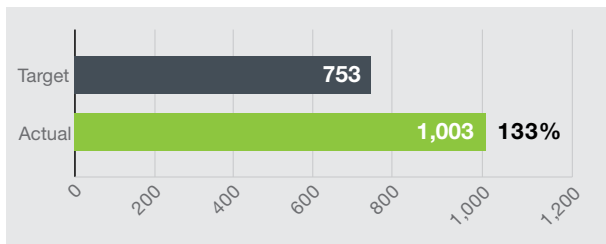


Figure 36: Knowledge and skill-sharing initiatives.

A selection of 1,547 participants in various knowledge and skill-sharing initiatives were surveyed about how effective these exercises were in meeting their objectives. With a target of 70 percent, 92 percent of respondents rated these as effective.

Volunteering – people connecting with our nature in a practical way

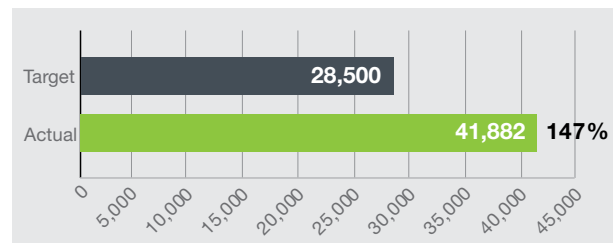


Figure 37: Engagement – volunteer workday equivalents.

Partnering with DOC to connect with our nature

DOC seeks to deliver more conservation through partnering with others. A partnership represents DOC and the partner’s joint commitment towards a common conservation goal.

DOC has been shifting to align reporting with the Working with Communities standard procedures, and to better manage documentation related to partnerships. While this is happening the number of partnerships being reported is 450, which is considerably below the target of 785. It is expected that as DOC reconfirms its existing relationships through formal agreements, this number will increase again.

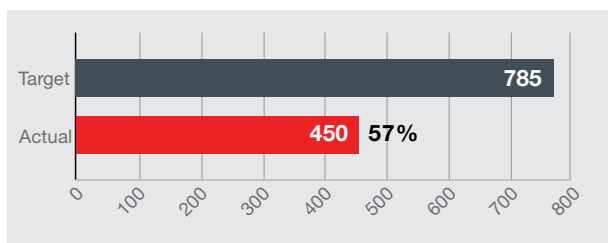


Figure 38: Engagement – number of partnerships.

The partnerships established between DOC and others involved in conservation help demonstrate the Department’s living Treaty partnership outcome – where partnerships involve iwi, hapū and whānau groups in some way. The target is to have at least 30 percent of partnerships that involve tangata whenua. As a consequence of shifting to align with the Working with Communities procedures, only 32 partnerships met this criterion this year.

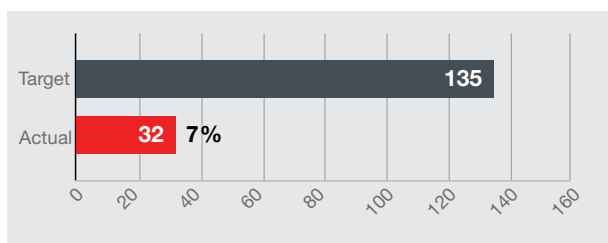
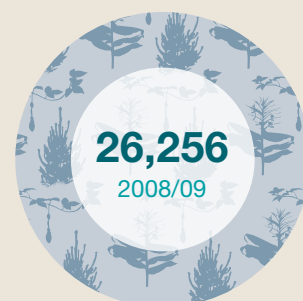


Figure 39: Engagement – number of partnerships involving tangata whenua.

Partners are surveyed to gain an understanding of their views on contributing to conservation. Of the 761 partners, 201 were invited to respond to a standard survey, and 177 (88 percent) of them rated their contribution to conservation as moderate or significant. The target for a moderate or significant rating is 80 percent. The rating is higher than achieved in the past 2 years.

Number of  
**Volunteer workday equivalents**  
 contributed to support conservation  
 on public conservation lands



**STRETCH GOAL**

## Whānau, hapū and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters

DOC recognises tangata whenua's special relationship with the environment, and will therefore continue to develop protocols that reflect this ongoing relationship. New commitments are being established with completion of Treaty settlements, and DOC is actively seeking to establish meaningful working partnerships and co-management approaches.

The pilot of a new approach called Cultural Resources/ Ngā Aitanga ā Nuku has continued for a second year. This approach is within existing legislation and enables

authorised representatives of whānau, hapū and iwi to make decisions on access to cultural materials. This would be for non-commercial purposes, and from public conservation lands and dead protected wildlife (such as feathers for korowai/cloaks), consistent with a cultural materials plan.

Under the pilot, Waikato Tainui and the then Minister of Conservation (the Hon. Maggie Barry) co-signed a cultural materials plan in August 2017 that implements the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010, and extends the decision-making across the whole Waikato Tainui area of interest. The associated DOC authorisation has been issued.

To develop this approach, DOC is in discussions with 23 iwi and hapū about developing cultural materials plans.

### Output class operating statement 2017/18: Conservation with the community (engagement).

	Actual 30/06/17 \$000	Budget 30/06/18 \$000	Revised Budget 30/06/18 \$000	Actual 30/06/18 \$000
<b>Revenue</b>				
Crown	28,732	29,692	37,293	37,293
Other	1,345	4,024	2,739	789
<b>Total revenue</b>	<b>30,077</b>	<b>33,716</b>	<b>40,032</b>	<b>38,082</b>
Expenses	29,016	33,716	40,032	33,630
<b>Surplus/(deficit)</b>	<b>1,061</b>	<b>0</b>	<b>0</b>	<b>4,452</b>



# Well-served government and citizens



# Well-served government and citizens

## DOC is a public service in a changing context

Serving government and citizens well reflects our foundational role as public servants. We work with a 'spirit of service', we serve the public and we serve those the public elects – the Government, and the Minister of Conservation appointed by that Government.

Ultimately, our performance as a public service is central to how we can increase the value of conservation for New Zealanders.

DOC is the primary advisor to Government on conservation. We support our Ministers with high quality, free and frank advice so they can make sound decisions for conservation. We assist the Government to implement its policies, in compliance with the law, while being politically neutral.

That role doesn't change – but the context in which we exercise our public service responsibilities is continuing to change.

- Pressures on the environment are increasing, as are public and political interest in conservation. Healthy ecosystems are widely recognised as important to New Zealand's success.
- Scrutiny of DOC's performance as a public service department is increasing. The State Services Commissioner holds high expectations of the public service. He advocates a 'trusted, respected, high integrity public service'. The Chief Ombudsman is active in encouraging good public administration. He has recently investigated the Official Information Act 1982 practices of DOC and other environment-related government agencies.

## Key components of the government services function

We support the Minister of Conservation in their accountabilities to Parliament for conservation.

We give the Minister advice and regular updates on conservation issues and on DOC's activities. We support the Minister to respond to questions in Parliament and from Select Committees. We assist the Minister in meetings and in correspondence with the public.

Twice a year, DOC provides support to Select Committee reviews of the Estimates and the Annual Report. We also support Select Committees as they consider Bills and carry out investigations.

We meet our obligations to New Zealand citizens under the Official Information Act and Privacy Act 1993. Our aim is to respond to all requests under these Acts on time and in a manner that supports open and accountable government.

## Investment in government services to lift performance

DOC has recently invested in the government services function. We recognise that building organisational maturity in this regard will help DOC meet its obligations to the public and to conservation.

DOC's Government Services team is leading a shift across DOC – raising awareness and visibility of what it means to be a public servant and where we want to be as a high-performing public service. Directors and their teams can access more support so DOC can produce higher quality work for the Minister, select committees, and for the public (including through the Official Information Act and Privacy Act).

## Policy advice

DOC's policy function provides advice and analysis that supports conservation outcomes and wider Government priorities. This is a key element of the support it provides to Ministers. The policy function also contributes to the development of DOC's strategic frameworks.

It often does this by working with other agencies, in the Natural Resources Sector (NRS) and beyond. Conservation initiatives often affect and are affected by other government initiatives. A key role for DOC's policy function is to recognise and address these overlaps.

DOC has invested significantly in its policy function over the past 12 months, increasing its number of policy staff and expanding its policy capability.

Major policy initiatives led by this increased capacity and capability, that have contributed to DOC's outcomes, include:

- refining DOC's high-level strategy and articulating it through DOC's Briefing to Incoming Ministers
- developing a Visitor Strategy, to set DOC's priorities and high-level approach to the management of visitors
- coordinating DOC's input to Budget 2018
- contributing to the development of a Biodiversity National Policy Statement and beginning work on a refresh of the New Zealand Biodiversity Strategy
- completing a review of the New Zealand Coastal Policy Statement (NZCPS)
- beginning work on a first principles review of DOC's visitor-related pricing and charging.

## Management planning

Conservation management planning is governed by a hierarchy of planning documents established by the Conservation Act 1987, the National Parks Act 1980, and various Treaty of Waitangi Settlement Acts.

The requirement and process for preparing 10-year conservation management strategies (CMSs), national park management plans (NPMPs) and conservation management plans (CMPs) follows a public process set out in the relevant legislation.

During the 2017/18 financial year the Wellington CMS was approved. Also during the 2017/18 financial year a partial review of the Tongariro National Park Management Plan was approved by the New Zealand Conservation Authority.

The reviews of the following NPMPs were also begun during this period:

- Aoraki/Mt Cook
- Westland/Tai Poutini
- Mt Aspiring
- Fiordland

### Outputs that contribute to this output class

Policy and government/ministerial services outputs contribute to all four intermediate outcomes as set out in Appendix 2: Departmental outputs. These are reported on below.

Table 9: Policy advice and services performance.

2017/18 performance measures and targets	National commentary
<b>Policy advice</b>	
The satisfaction of the Minister of Conservation with the policy advice, as per common satisfaction survey (target at least 80 percent).	The Minister rated her satisfaction with the policy advice at 88 percent.
Technical quality of policy advice papers, assessed by a survey and robustness assessment.	Technical quality score 6.78 on a scale of 0–10.
The total cost per hour of producing outputs will be at most \$95/hour.	Total cost per output hour \$61.91.
<b>Ministerial servicing</b>	
It is expected that DOC will send 800–900 ministerial briefings to the Minister.	DOC sent 996 ministerial briefings to the Minister.
Number of Official Information Act requests received and actioned within statutory requirements, both ministerial and departmental.	DOC completed 629 Official Information Act (OIA) requests; 592 were actioned within the statutory deadline (94 percent of all actioned OIAs).
It is expected that DOC will receive 150–200 Parliamentary Questions with 100 percent meeting the ministerial deadline.	DOC received 549 Parliamentary Questions. The number meeting the deadline was not assessed this year.

### Output class operating statement 2017/18: Policy advice and services.

	Actual 30/06/17 \$000	Budget 30/06/18 \$000	Revised budget 30/06/18 \$000	Actual 30/06/18 \$000
<b>Revenue</b>				
Crown	11,010	11,730	8,330	8,330
Other	115	566	566	0
<b>Total revenue</b>	<b>11,125</b>	<b>12,296</b>	<b>8,896</b>	<b>8,330</b>
Expenses	7,970	12,296	8,896	8,013
<b>Surplus/(deficit)</b>	<b>3,155</b>	<b>0</b>	<b>0</b>	<b>317</b>

# Capability



# Our business is supported by a capable workforce and sound systems

## Overview

Building DOC's capability as a safe and effective public service department is critical to achieving our Stretch Goals and priorities in the short, medium and long terms. In building our organisational maturity, we seek a culture based on the 'spirit of service' as articulated by the State Services Commissioner.

This year we have continued the work on the key levers in our Conservation Outcomes Model: leadership, our core management disciplines, working with Māori, partnering and collaborating with others, and safety and well-being.

### Capability development programmes

Programme	Number participating
Te Pukenga Atawhai	237
Team Process	2,000
Core People Management	430
Natural Resources Sector Aspiring Leaders	15
Conservation Field (Technical) Skills	50 courses

## Leadership

This year, we have continued to build capability in timely, good-quality decision-making through our training in the Team Process (our step-by-step decision-making and task assignment methodology) and Task Assignment models. By the end of this financial year, we will have trained approximately 2,000 staff members since the programme began in December 2014.

As the training concepts have become second-nature across DOC, they have provided a common language for working at DOC, encouraged new staff to take a performance-oriented attitude, and enhanced processes in other organisational systems. They have also provided a framework for staff in non-leadership roles to increase their influence and contribution. This training will continue into the next financial year and beyond, to refresh, further embed and integrate these processes and tools across DOC.

This year we also progressed the work on our Talent Management and Succession Planning strategy and framework, aligning our work with the broader public-sector approach guided by the State Services Commission (SSC). In line with this, we have further integrated leadership success profiles (LSP) into role descriptions and have updated and extended our organisational talent map to include all staff across the top four management tiers.

In parallel, all critical roles in DOC have been identified, along with a list of potential successors. This work, along with the continuation of 360-degree feedback mechanisms and associated development plans, creates a more structured approach to succession planning clarifies how we develop our people.

We are committed to a holistic approach to talent management that ensures DOC has the people and capability it needs to grow conservation through others. To develop this approach, DOC plans to broaden and leverage our connections with other organisations in the sector. This year, 12 staff members participated in the NRS Aspiring Leaders programme and three directors participated in the NRS Directors Programme. A number of these people are also being included in the SSC Career Boards programme.

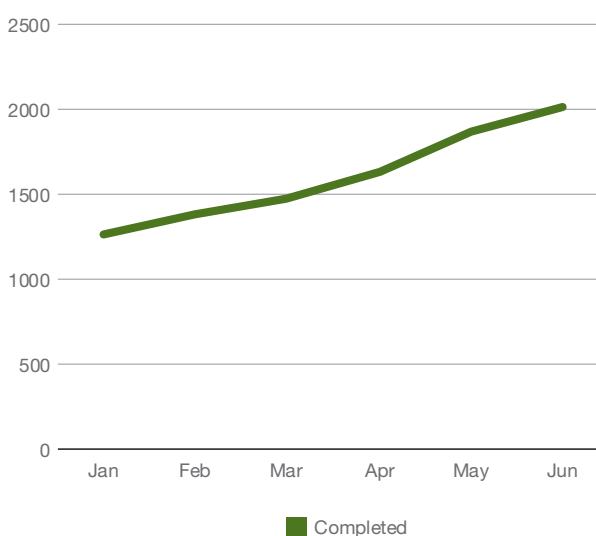


Figure 40: Team Process training trend for all DOC staff.



Photo: Lisa Whittle

### Core management disciplines

Our work to embed and integrate core management disciplines continued this year, with 430 DOC leaders undergoing DOC’s bespoke Core People Management programme. Firmly anchored to DOC’s operating context, the programme boosts leaders’ capability and confidence in activities central to management roles, like giving feedback, having performance-related discussions, on-the-spot coaching, and setting and monitoring expectations. The core principles of this programme are increasingly affecting the way we work together, and form part of our common language and approach to managing people.

This work is at the heart of our strategy for developing our leaders. In 2018/19, we will further embed these disciplines and introduce new management concepts.

“There is so much value in ensuring managers and supervisors are skilled for their roles. Managers are in a position to change the organisation for the better” according to one participant.



Photo: Natalie Bowie

### Inducting new whānau

This year we piloted our first national induction process at Conservation House, for approximately 30 new staff from around the country. Over 2 days, our new whānau

learned about the business of conservation, where they fit into the conservation ‘picture’, and why their role is so important to the work we do. We also piloted an ‘induction app’ to describe the work of different units at DOC. A highlight was the second day of the induction process, where field staff went to the Minister’s office and office staff went to the field. It gave our inductees a greater appreciation of the full scope of DOC’s work, particularly in the field.

“The experience left me feeling as though I was part of something special. I felt informed and invested in”, said another induction participant.

### Working with Māori

Te Pūkenga Atawhai is our cultural awareness and capability wānanga programme, developed to enable DOC staff to build and nurture strong and inclusive relationships with whānau, hapū and iwi. The programme, now 23 years old, is integral to our strategic context. It recognises that having effective Treaty relationships ‘at place’ is critical to our work.

Te Pūkenga Atawhai provides our staff with:

- insight and understanding of the Māori world view
- awareness of the structures that exist within whānau, hapū and iwi
- the capability and capacity to work alongside whānau, hapū and iwi
- a broadened personal perspective of our work, particularly on the critical parts of The Treaty of Waitangi and New Zealand’s history and culture.

This year 237 staff participated in nine Pūkenga on marae held across regional New Zealand. The marae environment provides an opportunity for staff to build their understanding of what it takes to live on, and run, a marae – an experience that cannot be replicated elsewhere. Staff stay on the marae for the full period of the course, and get involved in all aspects of marae life.

## Partnering and collaborating

### High Performance Engagement

Back in 2015, DOC and the New Zealand Public Services Association (PSA) started working together to improve our conservation outcomes by building a high-performing organisation. A big part of this is creating an environment where our staff feel safe, their well-being is looked after, and their job satisfaction is high. This year, DOC and the PSA have created a well-being assessment, rejuvenated the Local Engagement Forums and supported the embedding process of core management disciplines, such as monthly operating reviews. The PSA has also provided important input and representation on project and governance groups throughout DOC - for example the National Health and Safety Committee, leader-led communications systems design and remuneration review.

### Technical field skills training for staff and our partners

The demand for technical field-skills training remains high, both for DOC staff and for our partner organisations. This year a total of 50 courses in animal pest control, weed management, plant identification and flora/fauna monitoring techniques were delivered within DOC, through our partnership with Nelson Marlborough Institute of Technology.

Councils, contractors and community groups continue to be interested in our technical field skills training. The Plant Identification and 5-Minute Bird Count courses are the most popular. Next year we will be developing and piloting an Introduction to Predator Trapping Methods course. Councils and community groups indicated a strong interest in this.

## Safety and well-being

Building a strong safety and well-being culture continues to be the highest priority for DOC. Strategic governance of health, safety and well-being (and visitor safety) occurs through the Director-General's Safety Task Force, and related work programmes and risk areas are monitored through this forum. We are also incorporating new strategies that help us meet our obligations to manage risks to mental health and well-being.

We have worked hard this year on preventing workplace injury, building capability in situational awareness, risk assessment and analysis, and developing our decision-making skills in high-pressure environments. This is underpinned by Team Process.

We have identified eight fatal risks to focus on. Fatal risks are low-frequency high-consequence incidents, such as on-road driving and working with helicopters. We have focused this year on carrying out risk assessments and identifying mitigation measures for each fatal risk. This year the Bow-Tie Risk Assessment Methodology has been introduced to better manage risks by looking at them in a visual form.

Also this year we have refreshed and re-designed our Worker Engagement System; a DOC/PSA, High Performance Engagement initiative to provide clarity and a consistent approach to safety and well-being committees in all of DOC's offices. We will establish new Regional Safe Home Committees. These steps will enable an improved flow of safety and well-being information.

We also began incorporating the Mental Health Foundation's 'Five ways to wellbeing' strategies into our well-being plan. This will help our staff find balance, build resilience, and boost mental health and well-being. The strategies also help us meet our health and safety obligations to manage risks to mental health and well-being. See [www.mentalhealth.org.nz](http://www.mentalhealth.org.nz).



We have developed the following specific measures of safety and well-being performance at DOC.

**Table 11: Overdue investigations and corrective actions**

	Overdue as at 2018	Overdue as at 2017
Investigations	3	5
Corrective actions	33	81

**Table 12: Number of serious incidents requiring full investigations**

	2016/17	2017/18
Full investigations	43	52

**Table 13: Number of health safety and well-being training courses delivered**

	2016/17	2017/18
Safety and well-being in DOC	7	8
Health and safety short course	49	52
Health and safety contractor management	2	5

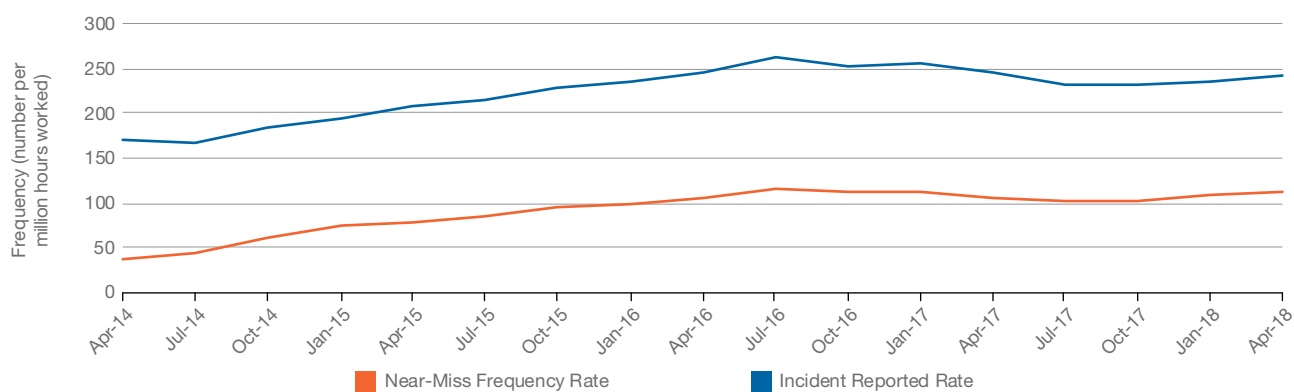


Figure 42: Unsafe act/near-miss reporting (trend over time).

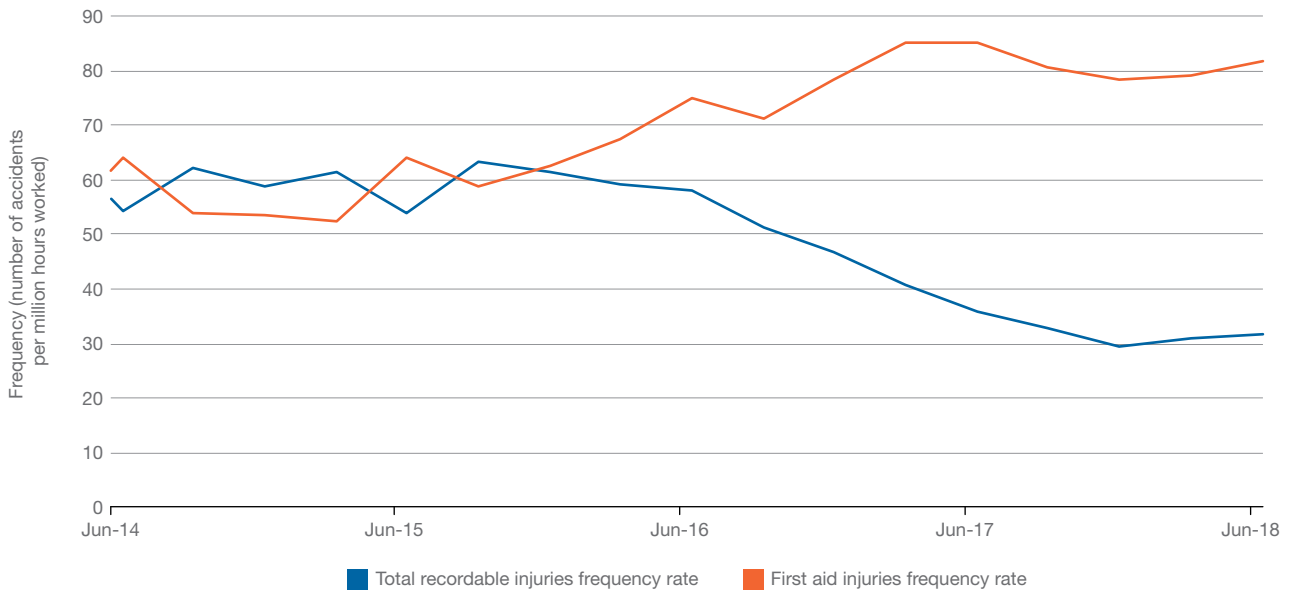


Figure 43: Total recordable injuries frequency rate trend multi-year.

## Diversity

A diverse and inclusive workplace is our aspiration at DOC. This is reflected in the series of actions undertaken this year, including appointing a new Principal Organisational Development Advisor to drive our Diversity Plan and the key measures we have set around gender ratio, gender pay gap and regional ethnicity mix. We have made good progress on some of these measures in a short period, such as the proportion of DOC’s leadership roles occupied by women has increased from 37 percent to 42 percent since the beginning of this financial year. We have also rolled out Unconscious Bias training to all our managers this year, enabling us to develop strategies tailored to each region.

This focus on diversity will continue into the new financial year, with plans to extend the Unconscious Bias training to our supervisors.

## Information and communications technology (ICT)

DOC has continued to move from IT infrastructure ownership to consume IT in an as-a-Service model. In 2016, all staff moved to mobile phones and an enterprise mobile data plan. Our network was upgraded that year and WiFi was implemented across all offices. In 2017, our payroll and recruitment applications moved to Software as a Service and the Office 365 Microsoft Office Licencing Framework Agreement G2015 was implemented. Also in 2017, we migrated our data centre to Amazon Web Services (the Government AWS Cloud Framework Agreement), with our data centre and applications now delivered through public-cloud services.

Using the ‘All of Government IT Managed Service’ and ‘Desktop as a Service’ capabilities, DOC has begun moving from leased desktop hardware to providing end-user computing as a service. For example, in June 2018 we moved from the old bespoke Booking System for Great Walks to a private cloud-based system delivered as Software as a Service.

## Departmental capital and asset management

### Asset management and profile

DOC manages \$6 billion in capital assets. Over 91 percent of this value is in Crown-owned assets (predominately public conservation lands) which classifies DOC as a ‘Tier 1 – Capital Intensive’ agency. The remaining 9 percent of asset value is owned by DOC (predominantly visitor assets, such as tracks, huts and structures).

Strong capital asset management and investment management practices are crucial to DOC’s long-term success. They ensure best value for money from the assets needed to deliver the Government’s conservation services.

### Land assets

DOC is responsible for managing about one-third of New Zealand’s land surface. The profile of that land is more mountainous than lands elsewhere in New Zealand and reflects the historical difficulty of developing lands at higher altitudes for agriculture. This provided the opportunity to establish protection for the land that remained in its natural state. The early development of agriculture at lower altitudes created the challenge of finding adequate lowland ecosystems in their natural state to fully represent New Zealand’s biodiversity. Further work is needed to quantify the value of natural capital for consideration in decision-making.

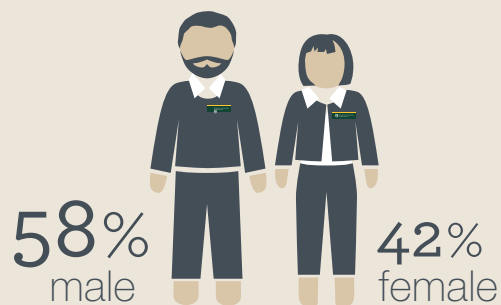
### Performance of physical assets

We are beginning to report on the performance of natural assets through the Natural Heritage section of the Annual Report, drawing on status and trend information from the Tier 1 Regional and National level monitoring programme. For recreation assets (huts, tracks and structures), condition reporting is carried out through output reporting. Track-counter reporting will be used to measure utilisation of major walking and tramping tracks, and to inform decision-making on managing these assets.

### Gender in DOC’s workforce at March 2018

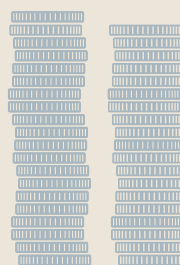


### Gender ration in leadership roles at March 2018



### Gender pay gap at March 2018

On average, women in the public service are paid 12.5% less than their male colleagues.



At DOC, the average salary for women is

**4.7%** less than it is for men

### Asset profile

The asset profile information in Table 10 is for Crown and departmental assets, and is combined and presented by asset group. Similar asset classes are grouped together and managed by an asset group owner. Asset group owners develop an asset management plan (AMP) to communicate the planned management and performance of assets, and to make decisions for replacement and divestment.

### Improving asset management

DOC has implemented an improvement programme to increase its asset management maturity and capability, as part of the Government's Investor Confidence Rating framework. We have focused on improving AMP and asset performance and benefit reporting, and on developing DOC's Project Management Framework.

Table 10: Department of Conservation asset profile 2017/18 (Crown and departmental assets combined).

Asset group	Asset class	Carrying amount* (\$m)	Depreciation (\$m)	Capital expenditure† (\$m)
<b>Information and Communications Technology</b>	Computer software	5.3	2.5	1.7
<b>Fleet</b>	Vessels	2.0	0.4	0.3
	Motor vehicles	11.7	1.1	3.6
<b>Property</b>	Furniture and fittings	5.4	1.2	2.2
	Buildings	62.9	2.2	1.2
	Infrastructure assets	35.9	1.0	0.5
	Plant and equipment	6.8	2.5	2.0
<b>Visitor and Historic assets</b>	Visitor and Historic assets	377.4	17.5	16.4
<b>Land (Crown and Dept)</b>	Land (Crown and Dept)	6,248.0	0.0	7.3
<b>Fencing</b>	Fencing	40.3	5.9	1.1

\* Excludes assets under construction.

† Excludes transfers between departments.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF THE DEPARTMENT OF CONSERVATION'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

The Auditor-General is the auditor of The Department of Conservation (the Department). The Auditor-General has appointed me, Brent Manning, using the staff and resources of KPMG, to carry out, on his behalf, the audit of:

- the financial statements of the Department on pages 87 to 114, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Department for the year ended 30 June 2018 on pages 10 to 72;
- the statements of expenses and capital expenditure incurred against appropriations of the Department for the year ended 30 June 2018 on pages 125 to 127; and
- The schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 94, and 115 to 124 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2018;
  - the schedules of expenses; and revenue for the year ended 30 June 2018;
  - the statement of trust monies for the year ended 30 June 2018; and
  - the notes to the schedules that include accounting policies and other explanatory information.

#### Opinion

In our opinion:

- the financial statements of the Department on pages 87 to 114:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2018; and
    - its financial performance and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Department on pages 10 to 72:
  - presents fairly, in all material respects, for the year ended 30 June 2018:



- what has been achieved with the appropriation; and
- the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- o complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Department on pages 125 to 127 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 94 and 115 to 124 present fairly, in all material respects, in accordance with the Treasury Instructions:
  - o the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2018;
  - o expenses; and revenue for the year ended 30 June 2018; and
  - o the statement of trust monies for the year ended 30 June 2018.

Our audit was completed on 27 September 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Director General and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of the Director General for the information to be audited**

The Director General is responsible on behalf of the Department for preparing:

- financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Department, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Department on behalf of the Crown.



The Director General is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Director General is responsible on behalf of the Department for assessing the Department's ability to continue as a going concern. The Director General is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

The Director General's responsibilities arise from the Public Finance Act 1989.

### **Responsibilities of the auditor for the information to be audited**

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Department's statement of intent.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director General.
- We evaluate the appropriateness of the reported performance information within the Department's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Director General and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in



the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Department to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Director General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Director General is responsible for the other information. The other information comprises the information included on pages 3 to 80 and 130 to 143, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the Department in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Department.

A handwritten signature in blue ink, appearing to be 'Brent Manning', written over a light blue circular stamp or watermark.

Brent Manning  
KPMG  
On behalf of the Auditor-General  
Wellington, New Zealand



# Financial statements



# Statement of responsibility

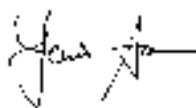
In accordance with the terms of section 45C of the Public Finance Act 1989, I am responsible, as Director-General of the Department of Conservation, for the preparation of the Department's financial statements, statements of expenses and capital expenditure, and for the judgements made in the process of producing those statements.

I have the responsibility for establishing and maintaining, and I have established and maintained, a system of internal control procedures that provide reasonable assurances as to the integrity and reliability of financial reporting.

I have the responsibility for ensuring that end-of-year performance information on each appropriation administered by the Department is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report.

I am responsible for the accuracy of any end-of-year performance information prepared by the Department, whether or not that information is included in the Annual Report.

In my opinion, these financial statements fairly reflect the financial position and operations of the Department for the year ended 30 June 2018 and the forecast financial statements fairly reflect the forecast financial position and operations of the Department for the year ended 30 June 2019.



**Lou Sanson**

Director-General  
Department of Conservation  
27 September 2018

# Departmental financial statements

## Statement of comprehensive revenue and expense for the year ended 30 June 2018

	Notes	30/06/17 Actual \$000	30/06/18 Budget* \$000	30/06/18 Revised Budget* \$000	30/06/18 Actual \$000	30/06/19 Forecast* \$000
<b>Revenue</b>						
Revenue Crown	2	339,902	321,617	335,817	335,817	321,105
Other revenue	2	52,999	52,832	64,547	55,594	56,189
<b>Total revenue</b>	<b>2</b>	<b>392,901</b>	<b>374,449</b>	<b>400,364</b>	<b>391,411</b>	<b>377,294</b>
<b>Expenses</b>						
Personnel costs	3	166,615	165,200	165,200	172,064	165,200
Operating costs	4	146,954	140,431	164,326	141,019	141,927
Depreciation, amortisation and impairment expense	9, 10	33,990	31,567	33,587	34,151	31,196
Capital charge	5	39,268	39,251	39,251	37,190	40,971
Finance costs		91	-	-	64	-
Loss on disposal of property, plant and equipment		560	-	-	220	-
<b>Total expenses</b>		<b>387,478</b>	<b>376,449</b>	<b>402,364</b>	<b>384,708</b>	<b>379,294</b>
<b>Net surplus/(deficit)</b>		<b>5,423</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>6,703</b>	<b>(2,000)</b>
<b>Other comprehensive revenue and expense</b>						
Gain on property revaluations		20,058	-	-	11,514	-
<b>Total comprehensive revenue and expense</b>		<b>25,481</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>18,217</b>	<b>(2,000)</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.  
Refer to Note 1 for an explanation of major variances.

## Statement of financial position

as at 30 June 2018

	Notes	30/06/17 Actual \$000	30/06/18 Budget* \$000	30/06/18 Revised Budget* \$000	30/06/18 Actual \$000	30/06/19 Forecast* \$000
<b>Taxpayers' funds</b>						
General funds	13	461,412	493,740	464,412	461,425	507,855
Property, plant and equipment revaluation reserves	13	162,342	142,554	162,342	172,745	162,342
<b>Total taxpayers' funds</b>		<b>623,754</b>	<b>636,294</b>	<b>626,754</b>	<b>634,170</b>	<b>670,197</b>
Represented by:						
<b>Current assets</b>						
Cash		22,099	21,709	6,739	28,416	21,895
Prepayments		2,090	2,000	2,000	1,760	2,000
Inventories		670	1,000	1,000	2,140	1,000
Trade and other receivables	7	14,355	6,000	12,772	10,490	13,728
Non-current assets held for sale		3,371	-	-	3,371	-
Debtor Crown	8	133,376	130,000	100,000	130,565	130,000
<b>Total current assets</b>		<b>175,961</b>	<b>160,709</b>	<b>122,511</b>	<b>176,742</b>	<b>168,623</b>
<b>Non-current assets</b>						
Property, plant and equipment	9	542,902	538,144	549,146	548,333	546,978
Intangible assets	10	7,147	4,671	3,697	6,336	3,278
<b>Total non-current assets</b>		<b>550,049</b>	<b>542,815</b>	<b>552,843</b>	<b>554,669</b>	<b>550,256</b>
<b>Total assets</b>		<b>726,010</b>	<b>703,524</b>	<b>675,354</b>	<b>731,411</b>	<b>718,879</b>
<b>Current liabilities</b>						
Trade and other payables		17,361	28,630	10,000	17,422	10,082
GST payable		4,321	5,000	5,000	3,262	5,000
Employee entitlements	11	21,673	12,500	12,500	22,335	12,500
Finance leases		354	600	600	332	600
Provisions	12	24,466	-	-	16,184	-
Return of operating surplus to the Crown	6	6,970	-	-	8,269	-
Revenue in advance		10,339	5,000	5,000	12,322	5,000
<b>Total current liabilities</b>		<b>85,484</b>	<b>51,730</b>	<b>33,100</b>	<b>80,126</b>	<b>33,182</b>
<b>Non-current liabilities</b>						
Employee entitlements	11	15,348	15,000	15,000	15,657	15,000
Finance leases		758	500	500	425	500
Provisions	12	666	-	-	1,033	-
<b>Total non-current liabilities</b>		<b>16,772</b>	<b>15,500</b>	<b>15,500</b>	<b>17,115</b>	<b>15,500</b>
<b>Total liabilities</b>		<b>102,256</b>	<b>67,230</b>	<b>48,600</b>	<b>97,241</b>	<b>48,682</b>
<b>Net assets</b>		<b>623,754</b>	<b>636,294</b>	<b>626,754</b>	<b>634,170</b>	<b>670,197</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited. Refer to Note 1 for an explanation of major variances.

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

Statement of changes in taxpayers' funds  
for the year ended 30 June 2018

	Note	30/06/17 Actual \$000	30/06/18 Budget* \$000	30/06/18 Revised Budget* \$000	30/06/18 Actual \$000	30/06/19 Forecast* \$000
<b>Balance at 1 July</b>		<b>603,461</b>	<b>599,215</b>	<b>623,754</b>	<b>623,754</b>	<b>626,754</b>
<b>Total comprehensive revenue and expense</b>		<b>25,481</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>18,217</b>	<b>(2,000)</b>
<b>Distributions to Crown</b>						
Asset transfers		(98)	-	-	(17)	-
Capital repayments		(170)	-	-	-	-
Return of operating surplus	6	(6,970)	-	-	(8,269)	-
<b>Contributions from Crown</b>						
Asset transfers		2,050	-	-	485	-
Capital contributions		-	39,079	5,000	-	45,443
<b>Balance at 30 June</b>		<b>623,754</b>	<b>636,294</b>	<b>626,754</b>	<b>634,170</b>	<b>670,197</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited. Refer to Note 1 for an explanation of major variances.

## Statement of cash flows

for the year ended 30 June 2018

	30/06/17 Actual	30/06/18 Budget*	30/06/18 Revised Budget*	30/06/18 Actual	30/06/19 Forecast*
	\$000	\$000	\$000	\$000	\$000
<b>Cash flows – operating activities</b>					
Receipts from Revenue Crown	323,015	287,701	365,817	338,628	291,105
Receipts from other revenue	51,324	52,832	70,932	61,438	56,189
Payments to employees	(160,540)	(162,700)	(165,971)	(170,995)	(162,700)
Payments to suppliers	(145,060)	(135,581)	(209,261)	(151,838)	(145,346)
Payments for capital charge	(39,268)	(39,251)	(39,251)	(37,190)	(40,971)
<b>Net cash flow from operating activities</b>	<b>29,471</b>	<b>3,001</b>	<b>22,266</b>	<b>40,043</b>	<b>(1,723)</b>
<b>Cash flows – investing activities</b>					
Receipts from sale of property, plant and equipment	110	-	-	1,415	-
Purchase of property, plant and equipment	(15,638)	(34,644)	(34,644)	(26,134)	(32,964)
Purchase of intangibles	(2,279)	(1,000)	(1,000)	(1,682)	(1,000)
<b>Net cash flow from investing activities</b>	<b>(17,807)</b>	<b>(35,644)</b>	<b>(35,644)</b>	<b>(26,401)</b>	<b>(33,964)</b>
<b>Cash flows – financing activities</b>					
Capital contributions	-	39,079	5,000	-	45,443
Finance lease payments	(476)	-	(12)	(355)	-
Capital withdrawals	(170)	-	-	-	-
Return of operating surplus to the Crown	(7,544)	-	(6,970)	(6,970)	-
<b>Net cash flow from financing activities</b>	<b>(8,190)</b>	<b>39,079</b>	<b>(1,982)</b>	<b>(7,325)</b>	<b>45,443</b>
Net increase/(decrease) in cash	3,474	6,436	(15,360)	6,317	9,756
Opening cash balance	18,625	15,273	22,099	22,099	12,139
<b>Closing cash balance</b>	<b>22,099</b>	<b>21,709</b>	<b>6,739</b>	<b>28,416</b>	<b>21,895</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

The Goods and Services tax (net) component of operating activities has been included under supplier payments and reflects the net GST paid to and received from Inland Revenue. The GST components have been presented on a net basis as the gross amounts do not provide meaningful information for financial statement purposes.

Refer to Note 1 for an explanation of major variances.

Reconciliation of net surplus to net cash flow from operating activities  
for the year ended 30 June 2018

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>Net surplus</b>	<b>5,423</b>	<b>6,703</b>
<b>Add non-cash items</b>		
<b>Depreciation, amortisation and impairment expense</b>	<b>33,990</b>	<b>34,151</b>
<b>Add items classified as investing or financing activities</b>		
<b>Net loss on disposal of property, plant and equipment</b>	<b>560</b>	<b>220</b>
<b>Add/(Less) working capital movements</b>		
(Inc)/Dec in prepayments	93	330
(Inc)/Dec in inventories	261	(1,470)
(Inc)/Dec in trade and other receivables	(2,016)	3,865
(Inc)/Dec in debtor Crown	(16,888)	2,811
Inc/(Dec) in trade and other payables	4,397	(550)
Inc/(Dec) in GST payable	(1,477)	(1,056)
Inc/(Dec) in employee entitlements	6,526	971
Inc/(Dec) in other provisions	(1,739)	(7,915)
Inc/(Dec) in revenue in advance	341	1,983
<b>Net movement in working capital</b>	<b>(10,502)</b>	<b>(1,031)</b>
<b>Net cash flow from operating activities</b>	<b>29,471</b>	<b>40,043</b>

## Statement of commitments

as at 30 June 2018

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>Commitments by category</b>		
<i>Capital commitments</i>		
Property, plant and equipment	3,512	7,412
<b>Total capital commitments</b>	<b>3,512</b>	<b>7,412</b>
<i>Operating commitments</i>		
Non-cancellable accommodation leases	63,394	77,509
Other non-cancellable leases	1,695	1,817
<b>Total operating commitments</b>	<b>65,089</b>	<b>79,326</b>
<b>Total commitments</b>	<b>68,601</b>	<b>86,738</b>
<b>Commitments by term</b>		
Less than 1 year	10,855	16,263
1–2 years	6,353	8,606
2–5 years	15,633	20,347
Greater than 5 years	35,760	41,522
<b>Total commitments</b>	<b>68,601</b>	<b>86,738</b>

### Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at the balance sheet date.

### Non-cancellable operating lease commitments (accommodation and other)

The Department leases property, plant and equipment in the normal course of its business. The majority of these leases are for premises, motor vehicles and computer hardware and have non-cancellable leasing periods ranging from 3 to 15 years.

The Department's non-cancellable operating leases have varying terms, escalation clauses and renewal rights. There are no restrictions placed on the Department by any of its leasing arrangements.



## Statement of contingent liabilities

as at 30 June 2018

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>Public liability claims</b>	<b>1,197</b>	<b>5,007</b>
<b>Total contingent liabilities</b>	<b>1,197</b>	<b>5,007</b>

The public liability claims relate to claims against the Department and are disclosed without prejudice. As at 30 June 2018 there are 55 proceedings and potential claims, of which 13 are quantifiable. The remaining 42

claims cannot be quantified (2017: 38 proceedings and potential claims, of which 6 were quantifiable). The Department's quantifiable contingent liabilities are broken down as follows:

	30/06/17 Maximum exposure \$000	30/06/18 Maximum exposure \$000
<b>Court and tribunal proceedings and other potential claims</b>		
Claims for damage caused by events originating from DOC land	873	1,290
Earthquake strengthening of DOC buildings	-	1,750
Other quantifiable proceedings and potential claims	324	1,967
<b>Total court and tribunal proceedings and other potential claims</b>	<b>1,197</b>	<b>5,007</b>

The Department is aware that further sites requiring remediation (due to mining, asbestos, pollution or other means) may exist throughout New Zealand and could require remediation at some point. As these potential sites are unknown, the Department does not currently have a commitment to restore the sites, thus no provision or contingent liabilities are recognised in their regard as at 30 June 2018.

### Contingent assets

The Department has no contingent assets (2017: nil).

### Indemnities

The Director-General of Conservation has a delegation from the Minister of Finance under the Public Finance Act 1989 to agree to indemnities in access agreements over private land. This provides the public and the staff of the Department with access to land managed by the Department.

No new indemnities were granted in 2017/18 for staff access to public conservation land (2016/17: one).

## Statement of trust monies for the year ended 30 June 2018

	As at 30/06/17 \$000	Contributions \$000	Distributions \$000	Net interest \$000	As at 30/06/18 \$000
Bonds/Deposits Trust	6,738	213	(112)	186	7,025
Conservation Project Trust	1,327	1,695	(600)	23	2,445
National Parks Trust	176	43	(40)	3	182
NZ Walkway Trust	11	-	-	1	12
<b>Total</b>	<b>8,252</b>	<b>1,951</b>	<b>(752)</b>	<b>213</b>	<b>9,664</b>

The Department has delegated authority to operate these trust accounts under sections 66 and 67 of the Public Finance Act 1989.

Trust accounts are mainly used to hold bonds and deposits from operators working on public conservation land, including those contracted by the Department. These are repaid when the operators have been cleared of all obligations.

The Conservation Project Trust includes a \$0.9 million contribution from the Royal Forest & Bird Protection Society of New Zealand Inc for threatened bird species including kākāpō and kōkako.

# Statement of accounting policies

## Reporting entity

The Department of Conservation (the Department) is a government department as defined by section 2 of the Public Finance Act 1989. The relevant legislation governing the Department's operations includes the Public Finance Act and the Conservation Act 1987. The primary objective of the Department is to provide services to the public rather than making a financial return. For financial reporting purposes, the Department is a public benefit entity (PBE).

## Reporting period

The reporting period for these financial statements is for the year ended 30 June 2018. The forecast financial statements are for the year ending 30 June 2019.

The financial statements were authorised for issue by the Director-General of the Department on 27 September 2018.

## Basis of preparation

The financial statements have been prepared on an ongoing basis, and in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and the Treasury instructions. The Department has applied the suite of *Tier 1 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS)* in preparing the 30 June 2018 financial statements.

The statements have been prepared on a historical cost basis, modified by the revaluation of certain items of property, plant and equipment. The accounting policies have been applied consistently to all periods presented in these financial statements.

These financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Department is New Zealand dollars.

## Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note and which materially affect the measurement of financial results, the financial position and output statements are outlined below.

## Budget and forecast figures

The budget, revised budget and forecast figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial schedules. They have also been prepared in accordance with *PBE Financial Reporting Standard 42: Prospective Financial Statements*. The budget, revised budget and forecast financial schedules are not subject to audit.

The budget figures for 2017/18 are those included in *The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2018*. The revised budget figures for 2017/18 are those included in *The Supplementary Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2018*.

The forecast figures for 2018/19 are those included in *The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2019*. The forecasts have been prepared in accordance with the Public Finance Act and reflect the existing government and ministerial policies at that time, in addition to the Department's purpose, strategic intentions and activities based on the estimates and assumptions that might occur in the 2018/19 year.

## Cost allocation

The Department has determined the cost of outputs using the following cost allocation methodology.

Direct costs are charged directly to outputs.

Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred.

Indirect costs are assigned to outputs based on the proportion of direct staff hours for each output.

For the year ended 30 June 2018, direct costs were 58 percent of the Department's costs and indirect costs were 42 percent of the Department's costs (2017: direct 60 percent and indirect 40 percent).

## Cash on hand

Cash on hand includes petty cash and the amount in the current account bank balance.

## Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

## Trade and other payables

Short-term trade and other payables are recorded at their face value.

## Goods and services tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

## Income tax

Government departments are exempt from income tax as public authorities. Accordingly, no charge for income tax has been provided for.

## Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the specific note.

# Notes to the financial statements for the year ended 30 June 2018

## Note 1: Significant variances between Actual and Revised Budget

### Statement of comprehensive revenue and expense

Revenue was \$9.0 million less than the Revised Budget, mainly due to contingent revenue budgets not being achieved, with operating cost savings to match.

Actual expenses for the year were \$17.7 million less than the Revised Budget, mainly due to a deferral of field operations costs to the 2018/19 year and the operating cost savings resulting from contingent revenue budgets not being achieved. Consultation delays with communities and iwi prior to commencing a number of biodiversity programmes, as well as unfavourable weather conditions, were the main reasons for the deferral of these costs.

### Statement of financial position

Current assets were \$54.2 million higher than the Revised Budget, mainly due to unspent Crown funding being held as a Debtor Crown receivable and higher than planned cash reserves due to delayed payments for deferred field operations. Current liabilities were \$47.0 million more than the Revised Budget, mainly due to provisions for the Battle for our Birds beech mast programme and employee leave entitlements and the return of operating surplus.

### Statement of cash flows

Net cash flow from operating activities was \$17.8 million more than the Revised Budget, due to lower payments to suppliers as a result of the deferral of field operations partially offset by lower than anticipated Crown cash funding. Consultation delays with communities and iwi prior to commencing a number of biodiversity programmes, as well as unfavourable weather conditions, were the main reasons for the deferral of these costs.

The portion of Crown funding not drawn down in cash is held as a Debtor Crown receivable at year end (see Note 8 for details).

Net cash flow from investing activities was \$9.2 million less than the Revised Budget, due to lower than planned levels of capital investment as a result of a review of the long-term capital programme.

## Note 2: Total revenue

The Department derives revenue through the provision of outputs to the Crown, for services to third parties, and from sponsorships, donations, bequests and grants. Revenue is recognised when earned, reported in the current financial period and measured at the fair value of the consideration received. With the exception of revenue received in the form of donations and bequests, all revenue from other income has been classified and treated as exchange revenue. The nature of exchange revenue streams is that approximate equivalent value is given in exchange.

### Revenue Crown

Revenue from the Crown is measured based on the Department's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Department can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

## Note 2: Total revenue (continued)

### Other revenue

	30/06/17 Actual \$000	30/06/18 Actual \$000
Recreational and tourism charges	17,863	19,478
Donations and sponsorships	13,375	13,952
Administration cost recoveries	13,591	11,152
Leases and rents	2,024	3,689
Retail sales	3,191	3,536
Permissions cost recoveries	2,364	2,456
Resource sales	591	1,331
<b>Total other revenue</b>	<b>52,999</b>	<b>55,594</b>

Revenue from sponsorships is initially recorded as revenue in advance and subsequently recognised as revenue when the conditions of the sponsorship are satisfied.

Certain operations of the Department are reliant on services provided by volunteers. Volunteer services are not recognised as revenue or expenditure by the Department.

## Note 3: Personnel costs

	30/06/17 Actual \$000	30/06/18 Actual \$000
Salaries and wages	155,625	157,664
Superannuation subsidies	4,856	5,160
Annual, long service and retiring leave provisioning	707	2,053
ACC Partnership Programme	417	609
Uniforms	312	549
Termination entitlements	449	441
Recruitment	373	417
Other	3,876	5,171
<b>Total personnel costs</b>	<b>166,615</b>	<b>172,064</b>

## Note 4: Operating costs

Operating expenses are recognised in the period to which they relate.

	30/06/17 Actual \$000	30/06/18 Actual \$000
Contractors	56,923	43,959
Professional fees	12,240	18,230
Communications and computer expenses	12,247	16,140
Field supplies	17,696	11,961
Lease expenses	10,876	10,568
Travel	7,186	8,248
Grants	7,133	7,828
Accommodation	5,247	5,839
Motor vehicle and vessel expenses	4,811	5,032
Office supplies	1,809	1,967
Purchase of goods for retail sale	1,478	1,558
Printing	1,494	1,478
Insurance	816	898
Fees paid to auditors:		
Fees for financial statement audit	293	273
Other	6,705	7,040
<b>Total operating costs</b>	<b>146,954</b>	<b>141,019</b>

### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. The Department leases vehicles, office premises and office equipment. As all the risks and benefits are retained by the lessor, these leases are classified as operating leases and are expensed in the period in which the costs are incurred.

## Note 5: Capital charge

The Department pays a capital charge to the Crown twice a year on the balance of taxpayers' funds, including revaluation reserve, as at 1 July and 1 January. The capital charge rate for the six-month periods ending 31 December 2017 and 30 June 2018 was 6.0% (2017: 6.0%).

## Note 6: Return of operating surplus to the Crown

	30/06/17 Actual \$000	30/06/18 Actual \$000
Net surplus for the year	5,423	6,703
Add/(less)		
Remeasurement (gains)/losses on long service and retirement leave	(453)	756
Third party contribution towards construction of assets	-	(1,190)
Other expenses	2,000	2,000
<b>Total return of operating surplus to the Crown</b>	<b>6,970</b>	<b>8,269</b>

The repayment of surplus is required to be paid by 31 October each year.

## Note 7: Trade and other receivables

Short-term trade and other receivables are recorded at face value, less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the Department will not be able to collect amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the amount expected to be received on settlement. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

	30/06/17 Actual \$000	30/06/18 Actual \$000
Trade receivables	8,457	8,011
Less provision for impairment	(99)	(106)
<b>Net trade receivables</b>	<b>8,358</b>	<b>7,905</b>
Accrued revenue	5,997	2,585
<b>Total trade and other receivables</b>	<b>14,355</b>	<b>10,490</b>

## Note 8: Debtor Crown

The Debtor Crown balance of \$130.6 million (2017: \$133.4 million) consists of \$24.8 million (2017: \$24.8 million) of visitor asset accumulated depreciation funding and \$105.8 million (2017: \$108.6 million) of operating funding (GST inclusive) not drawn down as a result of the timing of cash requirements.



## Note 9: Property, plant and equipment

	Land	Buildings	Plant and equipment	Infrastructure	Fencing	Vessels	Motor vehicles	Furniture and fittings	Visitor and cultural assets	Land formation	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cost or valuation</b>											
Balance at 1 July 2016	13,056	152,224	35,773	36,572	87,319	8,662	24,737	16,092	695,942	115,562	1,185,939
Additions	-	541	1,919	572	2,730	220	480	1,383	8,858	1,039	17,742
Revaluation movement	15	13,515	-	3,853	7,569	-	-	-	25,152	-	50,104
Disposals	-	(161)	(1,282)	-	(272)	(100)	(649)	-	(3,004)	-	(5,468)
<b>Balance at 30 June 2017</b>	<b>13,071</b>	<b>166,119</b>	<b>36,410</b>	<b>40,997</b>	<b>97,346</b>	<b>8,782</b>	<b>24,568</b>	<b>17,475</b>	<b>726,948</b>	<b>116,601</b>	<b>1,248,317</b>
Balance at 1 July 2017	13,071	166,119	36,410	40,997	97,346	8,782	24,568	17,475	726,948	116,601	1,248,317
Additions	-	1,193	2,013	471	1,101	280	3,592	2,175	15,600	803	27,228
Revaluation movement	1,363	-	-	-	-	-	-	-	34,592	-	35,955
Disposals	(290)	(846)	(1,804)	-	(50)	(803)	(2,367)	-	(2,622)	-	(8,782)
<b>Balance at 30 June 2018</b>	<b>14,144</b>	<b>166,466</b>	<b>36,619</b>	<b>41,468</b>	<b>98,397</b>	<b>8,259</b>	<b>25,793</b>	<b>19,650</b>	<b>774,518</b>	<b>117,404</b>	<b>1,302,718</b>
<b>Accumulated depreciation and impairment losses</b>											
Balance at 1 July 2016	-	91,812	27,626	15,716	42,119	6,119	12,947	11,415	441,108	-	648,862
Depreciation expense	-	2,002	2,268	779	5,350	385	1,607	1,382	17,434	-	31,207
Revaluation movement	-	8,439	-	1,822	4,240	-	-	-	15,545	-	30,046
Disposals	-	(155)	(1,270)	-	(204)	(75)	(541)	-	(2,455)	-	(4,700)
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>102,098</b>	<b>28,624</b>	<b>18,317</b>	<b>51,505</b>	<b>6,429</b>	<b>14,013</b>	<b>12,797</b>	<b>471,632</b>	<b>-</b>	<b>705,415</b>
Balance at 1 July 2017	-	102,098	28,624	18,317	51,505	6,429	14,013	12,797	471,632	-	705,415
Depreciation expense	-	2,184	2,519	880	5,854	375	1,134	1,245	17,466	-	31,657
Revaluation movement	-	-	-	-	-	-	-	-	24,441	-	24,441
Disposals	-	(676)	(1,777)	-	(33)	(751)	(1,854)	-	(2,037)	-	(7,128)
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>103,606</b>	<b>29,366</b>	<b>19,197</b>	<b>57,326</b>	<b>6,053</b>	<b>13,293</b>	<b>14,042</b>	<b>511,502</b>	<b>-</b>	<b>754,385</b>
<b>Carrying amounts</b>											
At 30 June 2016	13,056	60,412	8,147	20,856	45,200	2,543	11,790	4,677	254,834	115,562	537,077
At 30 June 2017	13,071	64,021	7,786	22,680	45,841	2,353	10,555	4,678	255,316	116,601	542,902
At 30 June 2018	14,144	62,860	7,253	22,271	41,071	2,206	12,500	5,608	263,016	117,404	548,333

## Note 9: Property, plant and equipment (continued)

Property, plant and equipment consists of land, buildings, plant and equipment, infrastructure, fencing assets, vessels, motor vehicles, furniture and fittings, visitor assets and cultural assets. Land, buildings, infrastructure, fencing and visitor assets are measured at fair value, with all other assets measured at cost less accumulated depreciation and impairment losses.

Assets under construction are recognised at cost and are not depreciated. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in surplus or deficit. When a revalued asset is sold, the amount included in the property, plant and equipment revaluation reserve in respect of the disposed asset is transferred to general taxpayer funds.

Depreciation is provided on a straight-line basis on all property, plant and equipment – other than land, formation assets, cultural assets and assets under construction – at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

## Note 9: Property, plant and equipment (continued)

The useful lives of property, plant and equipment have been estimated as follows:

Asset class	Estimated Useful Life in years
<b>Buildings</b>	
Administrative buildings	20–40
<b>Plant and equipment</b>	
Plant and field equipment	10
Radio equipment	5–10
<b>Infrastructure</b>	
Industrial fire equipment	45
Landscaping	44
Roads	10–100
Sewerage	64
Stream control	98
Water supply	60
<b>Fencing</b>	
	25–40
<b>Vessels</b>	
Engines	10
Hulls	15
<b>Motor vehicles</b>	
Passenger (30% residual applied)	4
Utilities (40% residual applied)	5
<b>Furniture and fittings</b>	
Furniture, computers and other office equipment	5
<b>Visitor and cultural assets</b>	
Buildings/huts	35–65
Campsite and amenity areas	10–50
Roads (surface only)	25
Signs	10
Structures	25–100
Tracks	8

In accordance with *PBE IPSAS 17 Property, plant and equipment*, the useful lives of property, plant and equipment are assessed annually to determine whether they are appropriate, and the future depreciation charge adjusted accordingly. In some circumstances, and particularly for the revalued assets, this may lead to instances where the estimated useful lives vary, but not materially, from the standard policy presented above.

## Note 9: Property, plant and equipment (continued)

### Revaluations

The carrying values of revalued assets are assessed annually to ensure that this amount does not differ materially (a threshold of 7.5 percent is used) from their fair value, and they are revalued at least every 5 years. If there is a material difference between carrying value and fair value, the off-cycle asset classes (or sub-classes in the case of visitor assets) are revalued. Additions between valuations are recorded at cost. Aside from land, the Depreciation Replacement Cost method and indexation model are used to measure assets at fair value.

The indexation model uses the appropriate capital goods index published by Statistics New Zealand to determine the movement in asset values over the intervening period. Where an asset class is revalued, the application of the indexation model and the values produced are reviewed and approved by an independent valuer. Land is valued using assessments conducted in accordance with the Rating Valuation Act 1998.

The net revaluation results are charged to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### Basis of valuations

Valuations for assets other than land within asset classes valued at fair value effective as at 30 June 2018 have been determined using the Depreciation Replacement Cost method and an indexation model. When applying the indexation model the appropriate capital goods index as published by Statistics New Zealand has been used.

Due to the nature, location and purpose of the Department's assets, fair value is determined using depreciated replacement cost because no reliable market data is available.

Significant assumptions applied in deriving depreciated replacement cost include:

- historical cost adjusted by movements in the appropriate capital goods price index reflects the present replacement cost
- the remaining useful life of assets is estimated
- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

The asset values determined using this methodology were certified as fair value by an independent registered valuer.

## Note 9: Property, plant and equipment (continued)

### *Land and buildings*

Land is initially recognised at cost and is revalued at least every 3 years, based on assessments as provided by Quotable Value Limited. Land not matched to an assessment is valued using an average per hectare rate. These values were certified by an independent registered valuer and are effective as at 30 June 2018.

Land and buildings were valued at fair value, effective as at 30 June 2018, with individual assets revalued at fair value where a change in the use of a building has occurred.

### *Visitor assets*

A number of different asset classes are included under the grouping 'Visitor assets', including tracks, structures, buildings (predominantly huts) and signs. Visitor assets are revalued on a rolling basis with all assets revalued at a minimum every 5 years.

Buildings and tracks were valued at fair value effective as at 30 June 2018. Structures, campgrounds/amenity areas and signs were valued as at 30 June 2017. Road and car-park surfaces were revalued as at 30 June 2016.

### *Other property, plant and equipment*

Fencing and infrastructure assets were valued at fair value effective as at 30 June 2017. The land formation cost of tracks, car parks and roads (\$117.4 million as at 30 June 2018) have been included as a separate class in the financial statements and are not depreciated or revalued.

### Property, plant and equipment under construction

The total amount of property, plant and equipment under construction is \$11.0 million (2017: \$5.8 million).

### Community assets

The nation's land and historic buildings managed by the Department are the nation's natural and historic heritage. As these community assets belong to the Crown, their valuation is reflected in the 'Schedule of assets – Crown as administered by the Department of Conservation'. Typically, this land includes the national, conservation and forest parks as well as Crown reserve land.

## Note 10: Intangible assets

All intangible assets are measured at cost, including those not yet in use, and are reviewed for impairment at balance date. Any impairment in the value of an intangible asset is included in the surplus or deficit.

Costs that are directly associated with the development of software for internal use by the Department are recognised as an intangible asset.

Computer software is the largest category within intangible assets and is amortised on a straight-line basis over a period of 5-7 years.

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>Cost or valuation</b>		
Balance at 1 July	30,552	32,831
Additions	2,279	1,683
<b>Balance at 30 June</b>	<b>32,831</b>	<b>34,514</b>
<b>Accumulated depreciation and impairment losses</b>		
Balance at 1 July	22,901	25,684
Amortisation expense	2,783	2,494
<b>Balance at 30 June</b>	<b>25,684</b>	<b>28,178</b>
<b>Carrying amount as at 30 June</b>	<b>7,147</b>	<b>6,336</b>

There are no restrictions over the title of the Department's intangible assets, and no intangible assets are pledged as security for liabilities.

## Note 11: Employee entitlements

### Short-term employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are measured at nominal values, based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Other employee entitlements include accrued annual leave, time off in lieu, vested long service leave and a provision for sick leave.

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>Current portion</b>		
Accrued salaries and wages	1,465	1,536
Long service and retiring leave	2,074	2,286
Other employee entitlements	18,134	18,513
<b>Total employee entitlements (current portion)</b>	<b>21,673</b>	<b>22,335</b>

### Long-term employee entitlements

Employee entitlements due to be settled beyond 12 months of balance date in which the employee renders the related service, such as long service leave and retiring leave, are calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlements information and the present value of the estimated future cash flows.

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>Non-current portion</b>		
Long service and retiring leave	15,348	15,657
<b>Total employee entitlements (non-current portion)</b>	<b>15,348</b>	<b>15,657</b>

The measurement of the retirement and long service leave obligations depends on factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability are the salary growth factor and the discount rate. Any changes in these assumptions will affect the carrying amount of the liability.

Discount rates and salary growth rates used in the actuarial valuation are as specified by the Treasury for valuations of this type and are effective for valuations as at 30 June 2018. A decrease in the discount rates used in the actuarial valuation has resulted in an increase of \$0.7 million in the value of the retirement and long service leave liability.

## Note 11: Employee entitlements (continued)

The demographic assumptions used are based on New Zealand population mortality and the experience of superannuation arrangements in New Zealand and Australia.

The table below shows the impact that varying the assumed rate of salary growth and discount rates has on the valuation result if all other assumptions are constant.

Increase in surplus/(decrease in deficit) \$000		
<i>Key assumption</i>	<i>1% below assumed</i>	<i>1% above assumed</i>
Salary growth	1,413	(1,631)
Discount rates	(1,625)	1,385

## Note 12: Provisions

The Department recognises a provision for future expenditure of uncertain amounts or timing where there is a present obligation (either legal or constructive) as a result of a past event, and it is probable that expenditure will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.



## Note 12: Provisions (continued)

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>Current portion</b>		
Environmental	23,895	15,811
Onerous contracts	468	270
ACC Partnership Programme	103	103
<b>Total current portion</b>	<b>24,466</b>	<b>16,184</b>
<b>Non-current portion</b>		
Environmental	437	589
Onerous contracts	101	216
ACC Partnership Programme	128	228
<b>Total non-current portion</b>	<b>666</b>	<b>1,033</b>
<b>Total provisions</b>	<b>25,132</b>	<b>17,217</b>
<b>Movements in provisions:</b>		
<b>Environmental</b>		
Balance at 1 July	25,558	24,332
Provision utilised or reversed during the year	(22,929)	(13,260)
Provision made during the year	21,703	5,328
<b>Balance at 30 June</b>	<b>24,332</b>	<b>16,400</b>
<b>Onerous contracts</b>		
Balance at 1 July	623	569
Provision utilised or reversed during the year	(55)	(389)
Provision made during the year	1	306
<b>Balance at 30 June</b>	<b>569</b>	<b>486</b>
<b>ACC Partnership Programme</b>		
Balance at 1 July	690	231
Provision utilised or reversed during the year	(459)	-
Provision made during the year	-	100
<b>Balance at 30 June</b>	<b>231</b>	<b>331</b>
<b>Total provisions</b>	<b>25,132</b>	<b>17,217</b>

## Note 12: Provisions (continued)

Below is a summary of the significant environmental provisions.

### Battle for our Birds

Following the 2016/17 beech mast event, an additional amount of \$4.7 million has been provided for in the financial year ending 30 June 2018 to cover costs to be incurred by the Battle for our Birds predator control programme. Mast events are prolific flowering bursts among forest trees, like beech, over spring and summer. This flowering in turn leads to a bumper seedfall in the following autumn and the widely available seed on the forest floor drives a rapid increase in rat and stoat numbers. Rats and stoats prey on native species and the surge in the predator population puts vulnerable native species under extreme pressure, particularly during the spring when birds are nesting and raising offspring.

To protect our indigenous fauna the Department has implemented the Battle for our Birds programme. The Department will extend the South Island forest areas targeted for aerial protection with biodegradable 1080 pesticide and boost ground-based trapping networks.

### Waikato-Tainui Waikato River Conservation Accord

Provision was made in the 2014/15 financial year for \$0.8 million as the Department's share of the costs associated with the obligations arising under the above accord. To date, net costs of \$0.1 million have been incurred against the provision. This financial year the provision was increased by a further \$0.2 million to \$0.9 million to reflect the work plan over the next 5 years.

### Cleaning up contaminated sites

Provision has been made for remediation work relating to the decontamination of the mine on Rangititoto Island since 2003/04. This financial year the provision was increased by \$0.4 million due to funding assistance obtained from the Ministry for the Environment. The total provision now stands at \$0.8 million to reflect the work plan expected to be completed by 30 June 2019.

Completing the work will exhaust all provision funding and, when completed, the public will regain access to historic areas that are currently off limits for safety reasons.

## Note 13: Taxpayers' funds

Taxpayers' funds represent the Crown's investment in the Department and are measured as the difference between total assets and total liabilities. Taxpayers' funds are disaggregated and classified as general funds and property, plant and equipment revaluation reserves. The latter relate to the revaluation of fixed assets to fair value.

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>General funds</b>		
Balance at 1 July	460,907	461,412
Net surplus for the year	5,423	6,703
Transfers from revaluation reserve on disposal	270	1,111
Capital repayments to the Crown	(170)	-
Return of operating surplus to the Crown	(6,970)	(8,269)
Asset transfers between Department and Crown	1,952	468
<b>Balance at 30 June</b>	<b>461,412</b>	<b>461,425</b>
<b>Property, plant and equipment revaluation reserves</b>		
Balance at 1 July	142,554	162,342
Revaluation gains	20,058	11,514
Transfer to general funds on disposal	(270)	(1,111)
<b>Balance at 30 June</b>	<b>162,342</b>	<b>172,745</b>
<b>Total taxpayers' funds at 30 June</b>	<b>623,754</b>	<b>634,170</b>
<b>Property, plant and equipment revaluation reserves consist of:</b>		
Land revaluation reserve	12,158	13,278
Buildings revaluation reserves	40,623	40,347
Visitor assets revaluation reserves	99,724	109,468
Other revaluation reserves	9,837	9,652
<b>Total property, plant and equipment revaluation reserves</b>	<b>162,342</b>	<b>172,745</b>

## Note 14: Financial instrument risks

Financial assets are initially measured at fair value plus transaction costs.

The Department's activities expose it to a variety of financial instrument risks, including credit risk and liquidity risk. The Department has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to the Department, causing the Department to incur a loss. In the normal course of its business, credit risk arises from debtors and deposits with banks.

The Department is only permitted to deposit funds with Westpac, a registered bank, and enter into foreign exchange forward contracts with the New Zealand Debt Management Office. These entities have high credit ratings. For its other financial instruments, the Department does not have significant concentrations of credit risk.

The Department's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and net receivables. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

### Liquidity risk

Liquidity risk is the risk that the Department will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Department closely monitors its forecast cash requirements with expected cash draw-downs from the New Zealand Debt Management Office. The Department maintains a target level of available cash to meet liquidity requirements.

The following table analyses the Department's financial liabilities that will be settled based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 6 months \$000	Between 6 months and 1 year \$000	Between 1 and 5 years \$000	Over 5 years \$000
<b>Liquidity risks</b>				
<i>2017</i>				
Trade and other payables	17,361	-	-	-
Finance leases	214	203	821	-
<i>2018</i>				
Trade and other payables	17,422	-	-	-
Finance leases	166	166	425	-

## Note 14: Financial instrument risks (continued)

The carrying amount of financial assets is represented by: Cash \$28.4m (2017: \$22.1m), Trade and other receivables \$10.5m (2017: \$14.4m) and Debtor Crown \$130.6m (2017: \$133.4m).

The carrying amount of financial liabilities is represented by: Trade and other payables \$17.4m (2017: \$17.4m) and Finance leases \$0.8m (2017: \$1.1m).

## Note 15: Related party transactions and key management personnel

The Department is a wholly owned entity of the Crown. The Government significantly influences the roles of the Department as well as being its major source of revenue.

The Department enters into transactions with other government departments, Crown entities and state-owned enterprises on an arm's length basis. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Department would have adopted if dealing with that entity at arm's length in the same circumstance are not disclosed as related party transactions.

One employee of the Department is a close family member of the Department's Senior Leadership Team. The terms and conditions of their employment contract is no more favourable than the Department would have adopted if there was no relationship to that staff member. No other transactions were carried out with related parties of the Department's Senior Leadership Team.

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>Key management personnel compensation</b>		
Salaries and other short-term benefits	2,534	3,086
Other long-term benefits	158	164
<b>Total key management personnel compensation</b>	<b>2,692</b>	<b>3,250</b>

Key management personnel compensation includes the Director-General and the eight members of the Senior Leadership Team (2017: seven members). Long-term benefits include long-service leave and retiring leave.

The Director-General of the Department of Conservation is a member of the Kiwi Trust Board (Kiwis for kiwi), Te Urewera Board and the Waikato University Hillary Scholarship Programme. An amount of \$930,802 was paid to Kiwis for kiwi (2017: \$882,676) and there is no balance outstanding at year-end. No payments were made to Te Urewera Board this year (2017: \$224,950). No payments were made to the Waikato University Hillary Scholarship Programme this year (2017: nil).

### Note 16: Capital management

The Department's capital is its equity (or taxpayers' funds), which comprises general funds and revaluation reserves. Equity is represented by net assets. The Department manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Department's equity is largely managed as a by-product of managing income, expenses, assets, liabilities and compliance with the Government Budget processes and with instructions issued by the New Zealand Treasury. The objective of managing the Department's equity is to ensure the Department effectively achieves its goals and objectives for which it has been established, while remaining a going concern.

### Note 17: Events after balance date

No significant events that may impact on the financial statements have occurred between year-end and the signing of these financial statements (2017: none).

# Non-departmental financial schedules

## Schedule of revenue – Crown as administered by the Department of Conservation for the year ended 30 June 2018

	Note	30/06/17 Actual \$000	30/06/18 Budget* \$000	30/06/18 Revised Budget* \$000	30/06/18 Actual \$000	30/06/19 Forecast* \$000
<b>Revenue</b>						
Concessions, leases and licences	1	19,874	17,030	19,830	24,406	19,860
Other operational revenue		3,903	3,785	1,424	2,016	989
Capital receipts		3,448	-	-	522	-
<b>Total revenue</b>	<b>1</b>	<b>27,225</b>	<b>20,815</b>	<b>21,254</b>	<b>26,944</b>	<b>20,849</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

Non-departmental income is administered by the Department of Conservation on behalf of the Crown. As this income is not established by the Department nor earned in the production of the Department's outputs, it is not reported in the departmental financial statements.

## Schedule of expenses – Crown as administered by the Department of Conservation for the year ended 30 June 2018

	30/06/17 Actual \$000	30/06/18 Budget* \$000	30/06/18 Revised Budget* \$000	30/06/18 Actual \$000	30/06/19 Forecast* \$000
<b>Vote Conservation</b>					
Appropriation for non-departmental output classes**	15,198	32,016	16,462	19,915	23,014
Appropriation for non-departmental other expenses	11,381	6,501	8,978	3,560	5,580
GST input on appropriations	1,891	5,976	4,185	2,863	3,432
Bad and doubtful debts credit	-	-	-	(66)	-
<b>Total expenses</b>	<b>28,470</b>	<b>44,493</b>	<b>29,625</b>	<b>26,272</b>	<b>32,026</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

\*\* Includes multi-category expenses.

The Schedule of expenses – Crown as administered by the Department of Conservation summarises non-departmental expenses that the Department administers on behalf of the Crown. Further details are provided in the statement of expenses and capital expenditure incurred against appropriations on pages 125–126.

## Schedule of assets – Crown as administered by the Department of Conservation

as at 30 June 2018

	Notes	30/06/17 Actual \$000	30/06/18 Budget* \$000	30/06/18 Revised Budget* \$000	30/06/18 Actual \$000	30/06/19 Forecast* \$000
<b>Current assets</b>						
Cash		22,801	50,074	22,838	22,752	50,998
Prepayments		118	200	200	1,550	200
Trade and other receivables		6,956	10,634	23,198	9,410	28,998
Non-current assets held for sale	2	10,560	-	-	10,900	-
<b>Total current assets</b>		<b>40,435</b>	<b>60,908</b>	<b>46,236</b>	<b>44,612</b>	<b>80,196</b>
<b>Non-current assets</b>						
Property, plant and equipment	3	5,723,994	5,747,346	5,741,775	6,253,105	5,730,784
<b>Total non-current assets</b>		<b>5,723,994</b>	<b>5,747,346</b>	<b>5,741,775</b>	<b>6,253,105</b>	<b>5,730,784</b>
<b>Total assets</b>		<b>5,764,429</b>	<b>5,808,254</b>	<b>5,788,011</b>	<b>6,297,717</b>	<b>5,810,980</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

## Schedule of liabilities – Crown as administered by the Department of Conservation

as at 30 June 2018

	Note	30/06/17 Actual \$000	30/06/18 Budget* \$000	30/06/18 Revised Budget* \$000	30/06/18 Actual \$000	30/06/19 Forecast* \$000
<b>Current liabilities</b>						
Trade and other payables		1,222	500	500	1,348	500
Revenue in advance		655	-	-	628	-
Provisions	4	2,567	-	-	2,043	-
<b>Total current liabilities</b>		<b>4,444</b>	<b>500</b>	<b>500</b>	<b>4,019</b>	<b>500</b>
<b>Total liabilities</b>		<b>4,444</b>	<b>500</b>	<b>500</b>	<b>4,019</b>	<b>500</b>

\*The statement of accounting policies provides explanations of these figures, which are unaudited.



## Schedule of commitments – Crown as administered by the Department of Conservation

as at 30 June 2018

	30/06/17 Actual \$000	30/06/18 Actual \$000
Other non-cancellable operating leases	600	600
<b>Total commitments</b>	<b>600</b>	<b>600</b>
<b>Commitments by term</b>		
Less than 1 year	-	600
1–2 years	600	-
<b>Total commitments</b>	<b>600</b>	<b>600</b>

Expenses yet to be incurred on non-cancellable contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

## Schedule of contingent liabilities and contingent assets – Crown as administered by the Department of Conservation

as at 30 June 2018

	30/06/17 Actual \$000	30/06/18 Actual \$000
Quantifiable liabilities	227	77
<b>Total contingent liabilities</b>	<b>227</b>	<b>77</b>

As at 30 June 2018 there were 17 claims against the Crown, 16 of which are not currently quantifiable (2017: 13 claims of which 11 were not quantifiable). Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

There were no contingent assets as at 30 June 2018 (2017: nil).

# Statement of accounting policies

## Reporting entity

These non-departmental financial schedules present financial information on public funds managed by the Department of Conservation on behalf of the Crown.

These non-departmental balances are consolidated into the *Financial Statements of the Government of New Zealand for the year ended 30 June 2018*. For a full understanding of the Crown's financial position and the results of its operations and cash flows for the year, refer to the *Financial Statements of the Government of New Zealand for the year ended 30 June 2018*.

## Reporting period

The reporting period for these financial schedules is for the year ended 30 June 2018. The forecast financial statements are for the year ending 30 June 2019.

The financial schedules were authorised for issue by the Director-General of the Department on 27 September 2018.

## Basis of preparation

The financial schedules have been prepared on an ongoing basis, and in accordance with the *Tier 1 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS)*.

The statements have been prepared on a historical basis, unless otherwise stated. The accounting policies have been applied consistently to all periods presented in these financial statements.

These financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Department is New Zealand dollars.

## Budget and forecast figures

The budget, revised budget and forecast figures have been prepared in accordance with NZ GAAP using accounting policies that are consistent with those adopted in preparing these financial schedules. They have also been prepared in accordance with *PBE Financial Reporting Standard 42: Prospective Financial Statements*. The budget, revised budget and forecast financial schedules are not subject to audit.

The budget figures for 2017/18 are those included in *The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2018*. The revised budget figures for 2017/18 are those included in *The Supplementary Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2018*.

The forecast figures for 2018/19 are those included in *The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2019*. The forecasts have been prepared in accordance with the Public Finance Act 1989 and reflect the existing government and ministerial policies at that time, in addition to the Department's purpose, strategic intentions and activities based on the estimates and assumptions that might occur in the 2018/19 year.

## Goods and services tax (GST)

All items in the non-departmental schedules, including appropriation statements, are stated exclusive of GST, except for receivables and payables which are stated on a GST-inclusive basis. In accordance with instructions issued by the Treasury, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Government Financial Statements.

## Trade and other receivables

Short-term trade debtors and other receivables are recorded at their face value, less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the Crown will be unable to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired.

The carrying amount of the asset is reduced through the use of a provision for impairment account and the amount of the loss is recognised in surplus or deficit. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

## Trade and other payables

Short-term trade creditors and other payables are recorded at their face value.

# Notes to the schedules for the year ended 30 June 2018

## Note 1: Revenue

The Department collects revenue on behalf of the Crown. This is mainly from concession fees, rent/ leases and licences from commercial users of Crown-owned land. Revenue is recognised when earned, reported in the current financial period and is treated as exchange transactions.

	30/06/17 Actual \$000	30/06/18 Actual \$000
Tourism occupations	3,535	5,246
Guiding	4,542	4,996
Aircraft landings	2,579	3,741
Telecommunications	1,801	1,807
Other occupations	1,148	1,794
Grazing	1,695	1,675
Ski areas	1,211	1,393
Boating	988	1,097
Residential/recreational	951	942
Vehicle transport	409	598
Easements	498	527
Filming	101	202
Miscellaneous	119	148
Extractions fees	182	123
Sporting and special events	115	117
<b>Total concessions, leases and licences</b>	<b>19,874</b>	<b>24,406</b>

## Note 2: Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than through continued use. Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. These assets are measured at the lower of their carrying amount and their fair value, less costs to sell. Valuation losses for write-downs are offset against the revaluation reserve. If that is exceeded, the balance is recognised in the surplus or deficit.

	30/06/17 Actual \$000	30/06/18 Actual \$000
Land	10,560	10,900
<b>Total non-current assets held for sale</b>	<b>10,560</b>	<b>10,900</b>

Total non-current assets held for sale comprise mainly land that has been identified for settlement of Treaty of Waitangi claims.

### Note 3: Property, plant and equipment

	Land \$000	Buildings \$000	Infrastructure \$000	Cultural assets \$000	Total \$000
<b>Cost or valuation</b>					
Balance at 1 July 2016	5,677,596	79,947	14,921	5,100	5,777,564
Additions	5,324	-	-	-	5,324
Revaluation movement	39,272	(39,012)	-	-	260
Disposals	(12,656)	(39,630)	-	-	(52,286)
Assets transferred to current assets	(4,931)	-	-	-	(4,931)
<b>Balance at 30 June 2017</b>	<b>5,704,605</b>	<b>1,305</b>	<b>14,921</b>	<b>5,100</b>	<b>5,725,931</b>
Balance at 1 July 2017	5,704,605	1,305	14,921	5,100	5,725,931
Additions	7,328	-	-	-	7,328
Revaluation movement	524,407	-	-	-	524,407
Disposals	(855)	-	-	-	(855)
Assets transferred to current assets	(1,596)	-	-	-	(1,596)
<b>Balance at 30 June 2018</b>	<b>6,233,889</b>	<b>1,305</b>	<b>14,921</b>	<b>5,100</b>	<b>6,255,215</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance at 1 July 2016	-	49,927	660	-	50,587
Depreciation expense	-	818	162	-	980
Revaluation movement	-	(21,519)	-	-	(21,519)
Disposals	-	(28,111)	-	-	(28,111)
<b>Balance at 30 June 2017</b>	<b>-</b>	<b>1,115</b>	<b>822</b>	<b>-</b>	<b>1,937</b>
Balance at 1 July 2017	-	1,115	822	-	1,937
Depreciation expense	-	11	162	-	173
Revaluation movement	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>1,126</b>	<b>984</b>	<b>-</b>	<b>2,110</b>
<b>Carrying amounts</b>					
At 30 June 2016	5,677,596	30,020	14,261	5,100	5,726,977
At 30 June 2017	5,704,605	190	14,099	5,100	5,723,994
At 30 June 2018	6,233,889	179	13,937	5,100	6,253,105

Depreciation is provided on a straight-line basis at rates that will write off assets, less their estimated residual value, over their remaining useful life. Land and cultural assets are not depreciated.

### Note 3: Property, plant and equipment (continued)

For revalued assets, a revaluation change is recognised against the revaluation reserve for that class of assets. Where this results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

Land is initially recognised at cost and is revalued annually based on rateable valuations provided by Quotable Value Limited. Individual land lots are only updated every 3 years by Quotable Value Limited using a mass appraisal process. Land not matched to an assessment is valued using an average per-hectare rate. These values were certified as fair value by an independent registered valuer. The valuation is effective as at 30 June 2018.

Individual land lots that are not subject to a full revaluation in a particular year are subject to a valuation update through the use of price indices.

The use and disposal of Crown land managed by the Department is determined by legislation. The main Acts are the Reserves Act 1977, the Conservation Act 1987 and the National Parks Act 1980. These Acts impose restrictions on the disposal of surplus areas and the use of reserves, conservation areas and national parks. Crown land is not subject to mortgages or other charges. Specific areas may be included in Treaty settlements if the Crown decides to offer those areas to claimants.

Historic buildings used for rental activities are stated at fair value using optimised depreciated replacement cost as determined by an independent registered valuer on an annual basis. The valuation is effective as at 30 June 2017.

Cultural assets are stated at fair value. These assets are not depreciated and are valued at least every 5 years.

The Department has a number of heritage assets under its care due to the historical significance of these assets to New Zealand. The cost of heritage assets is not able to be reliably measured given the nature of these assets, and accordingly these assets are not able to be recognised on the schedule of assets.

## Note 4: Provisions

The Crown recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, and it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

### Environmental provisions

This is the estimated cost of rectifying the environmental damage in the following affected or contaminated sites that the Crown has an obligation to remedy:

- The tailings and tunnels in the Maratoto Mine, which may leach contaminants into the water.
- A number of abandoned coal mines, both underground and opencast, within the Benneydale, Mahoenui, Pirongia, Waitewhena and Ohura coalfields. The risks of contamination are associated with the treatment ponds, tailing dams and underground drives.

### Designations

There is a provision (\$0.1 million) relating to a designation on private land in Auckland to protect the property from development.

### Transfer of concession revenue

There is a provision of \$0.3 million for concession revenue payable to iwi relating to land transferred to them under Treaty settlements.

## Note 5: Events after balance date

No significant events that may impact on the actual results have occurred between year-end and the signing of these financial statements (2017: none).



# Additional financial information

## Statement of expenses and capital expenditure incurred against appropriations for the year ended 30 June 2018

Appropriation title	30/06/17 Actual \$000	30/06/18 Budget* \$000	30/06/18 Revised Budget* \$000	30/06/18 Actual \$000	Location of end-of-year performance information
<b>Departmental output expenses</b>					
Management of natural heritage	194,190	173,267	179,931	178,130	page 38
Management of historic heritage	5,458	6,620	6,550	5,472	page 46
Management of recreational opportunities	148,410	147,259	163,864	155,529	page 57
Conservation with the community	29,016	33,716	40,032	33,630	page 68
Crown contribution to regional pest management	2,887	3,291	3,091	3,054	page 38
<b>Total Departmental output expenses</b>	<b>379,961</b>	<b>364,153</b>	<b>393,468</b>	<b>375,815</b>	
<b>Departmental capital expenditure</b>					
Property, plant and equipment and intangible assets	20,021	35,644	35,644	28,911	
<b>Non-departmental output expenses</b>					
Community Conservation Partnerships Fund	2,605	10,737	5,206	4,436	
Management services – natural and historic places	1,942	1,862	1,166	868	
Moutoa Gardens/Pākaitore	23	23	23	23	
Stewart Island infrastructure	29	385	385	93	
<b>Total Non-departmental output expenses</b>	<b>4,599</b>	<b>13,007</b>	<b>6,780</b>	<b>5,420</b>	
<b>Non-departmental other expenses</b>					
Compensation payments	-	60	60	-	
Mātauranga Māori fund	372	766	905	488	
Waikaremoana lakebed lease	241	241	241	241	
Subscriptions to international organisations	312	405	405	379	
Payment of rates on properties for concessionaires	763	839	839	780	
Depreciation	980	1,027	296	173	
Provision for bad and doubtful debts	45	100	100	-	
Loss on disposal of property, plant and equipment	8,088	2,913	988	-	
Vesting of reserves	580	150	4,552	907	
Impairment of public conservation land**	5,251	50	4,891	3,555	
Pike River Mine site	-	-	592	592	
<b>Total Non-departmental other expenses</b>	<b>16,632</b>	<b>6,551</b>	<b>13,869</b>	<b>7,115</b>	

Statement of expenses and capital expenditure incurred against appropriations (continued)  
for the year ended 30 June 2018

Appropriation title	30/06/17 Actual \$000	30/06/18 Budget* \$000	30/06/18 Revised Budget* \$000	30/06/18 Actual \$000	Location of end-of-year performance information
<b>Non-departmental capital expenditure</b>					
Crown land acquisitions	-	1,120	4,360	-	
Purchase and development of reserves	183	1,800	6,878	1,323	
Pike River Memorial and Museum	-	777	-	-	
<b>Total Non-departmental capital expenditure</b>	<b>183</b>	<b>3,697</b>	<b>11,238</b>	<b>1,323</b>	
<b>Multi-category expenses and capital expenditure</b>					
Identification and implementation of protection for natural and historic places MCA					
<i>Non-departmental output expenses</i>					
Nature Heritage Fund	1,094	4,621	3,386	1,288	
Ngā Whenua Rāhui	4,522	8,835	9,369	4,892	
Legal protection Queen Elizabeth II	3,812	3,812	3,812	3,812	
Predator Free New Zealand	165	-	-	4,336	
South Island Landless Natives Act 1906	1,006	6,334	1,630	167	
<b>Total identification and implementation of protection for natural and historic places MCA</b>	<b>10,599</b>	<b>23,602</b>	<b>18,197</b>	<b>14,495</b>	
Policy advice, statutory planning, and services to Ministers and statutory bodies MCA					
<i>Departmental output expenses</i>					
Policy advice	2,732	8,071	6,371	2,088	page 72
Statutory planning, services to Ministers and statutory bodies	5,238	4,225	2,525	5,925	page 72
<b>Total policy advice, statutory planning, and services to Ministers and statutory bodies MCA</b>	<b>7,970</b>	<b>12,296</b>	<b>8,896</b>	<b>8,013</b>	
<b>Total multi-category expenses and capital expenditure</b>	<b>18,569</b>	<b>35,898</b>	<b>27,093</b>	<b>22,508</b>	
<b>Total annual and permanent appropriations</b>	<b>439,965</b>	<b>458,950</b>	<b>488,092</b>	<b>441,092</b>	

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

\*\* These amounts are excluded from the Schedule of expenses on page 115 as they are recorded as a change in the Crown Asset Revaluation Reserve.

Actual expenditure for an individual category may exceed the revised budget for that category but must not exceed the revised budget for the multi-category.

### Expenses and capital expenditure incurred in excess of appropriation

Nil (2017: nil).

### Expenses and capital expenditure incurred without, or in excess of, authority

Nil (2017: nil).

### Statement of departmental capital injections

for the year ended 30 June 2018

	30/06/17 Actual	30/06/18 Budget*	30/06/18 Revised Budget*	30/06/18 Actual
	\$000	\$000	\$000	\$000
<b>Department of Conservation – capital injection</b>	<b>2,050</b>	<b>39,079</b>	<b>5,000</b>	<b>485</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

Intra-departmental fencing assets transferred to the Department from Land Information New Zealand during the current budget year represent a capital injection from the Crown. During the current financial year the Department received \$0.5 million of fencing assets from LINZ.

## Summary of output class expenditure by output for the year ended 30 June 2018

	30/06/17 Actual \$000	30/06/18 Actual \$000
<b>Vote: Conservation</b>		
<i>Management of natural heritage</i>		
Species persistence	11,714	13,145
Ecosystems conservation	108,826	76,956
Local treasure natural heritage partnerships	10,006	9,338
Lands held for now and future generations	63,644	78,691
<b>Total management natural heritage</b>	<b>194,190</b>	<b>178,130</b>
<i>Management of historic heritage</i>	5,458	5,472
<b>Total management of historic heritage</b>	<b>5,458</b>	<b>5,472</b>
<i>Management of recreational opportunities</i>		
More visitors to iconic destinations	40,430	44,087
More New Zealanders enjoy gateway destinations	33,816	33,930
Locally treasured destinations	24,601	27,487
More people enjoy the backcountry	20,573	21,588
Accessing public conservation land	28,990	28,437
<b>Total management of recreational opportunities</b>	<b>148,410</b>	<b>155,529</b>
<i>Conservation with the community</i>		
Effective implementation of Treaty settlements	3,874	6,001
Conservation identity/values	10,404	10,357
Conservation activity achieved by others	12,848	15,799
Conservation investment in NZ prosperity	1,242	878
Conservation outcomes from business partnerships	40	13
DOC products/services/brand	608	582
<b>Total conservation with the community</b>	<b>29,016</b>	<b>33,630</b>
<i>Policy advice and ministerial servicing</i>		
Policy advice	2,732	2,088
Statutory planning, bodies, ministerial services	5,238	5,925
<b>Total policy advice and ministerial servicing</b>	<b>7,970</b>	<b>8,013</b>
<b>Crown contribution to regional pest management</b>	<b>2,887</b>	<b>3,054</b>
<b>Total output expenses</b>	<b>387,931</b>	<b>383,828</b>
Unrealised remeasurement losses	(453)	756
Office of Treaty Settlements – Memo of Understanding	-	124
<b>Total expenses per statement of comprehensive revenue and expenses</b>	<b>387,478</b>	<b>384,708</b>

# Appendices



# Appendix 1: DOC's responsibilities

DOC manages about 8.6 million hectares of land, 44 marine reserves (covering 1.77 million hectares), and 8 marine mammal sanctuaries (covering approximately 2.8 million hectares).<sup>1</sup> A considerable proportion of the land is, however, snow and ice, and much of DOC's work is focused on relatively small areas of land or water where conservation values are high, whether that is for natural heritage reasons or in support of visitor experiences or community engagement.

DOC is responsible for encouraging recreation on the lands and waters it manages. Accordingly, it provides and manages historic sites and visitor facilities, including walking, biking and 4WD tracks, huts, campsites and visitor centres.

DOC works with tourism operators and other third-party activities on public conservation lands and waters using a statutory concessions framework. These activities include grazing, mining and the use of sites for telecommunications.

DOC supports the Minister of Conservation in exercising responsibilities under the Resource Management Act 1991 for the coastal and marine environment. This includes providing advice to the Minister and input into local government policies, plans and consent applications regarding the coastal and marine environment.

DOC also contributes to all-of-government activities in response to the Government's stated priorities for the public sector.

The Government's 2017/18 focus includes improving the way these natural resources are managed to enhance sustainability. This includes strengthening DOC's capability, eradicating predators and protecting New Zealand's unique biodiversity.<sup>2</sup>

DOC's mandate and context is also set by a statutory planning framework that supports the overarching legislation: Conservation General Policy, the National Parks General Policy, and the strategies and plans that flow from these policies. A series of conservation management strategies (CMSs) identify the places that DOC manages on behalf of New Zealanders. These CMSs establish 'outcomes at places' and high-level objectives that guide DOC's management of, and reporting on, public conservation lands and waters.

DOC is also responsible for implementing conservation-related redress in approximately 70 legislated Treaty settlements. Activities include land transfers to iwi, detailed relationship agreements, co-management arrangements (which can include enhanced involvement in statutory management planning processes), and changing DOC's day-to-day management of sites of importance to iwi to reflect iwi values.

DOC manages protected species and public conservation lands and waters to deliver economic, social and environmental benefits which, in combination, are key contributors to New Zealanders' prosperity and well-being.

A1.1 Marine reserves and marine mammal sanctuaries are listed in Appendix 4.

A1.2 Budget Policy Statement: Budget 2018 <https://treasury.govt.nz/sites/default/files/2018-05/b18-at-a-glance.pdf>

# Appendix 2: Departmental outputs

The work DOC does (the outputs it delivers) to achieve each of its intermediate outcomes is shown in Table A2.1 below:

**Table A2.1: Output classes and main outputs that contribute to DOC's intermediate outcomes.**

	Output classes	Main outputs
<b>Intermediate outcome 1:</b> <i>Natural heritage</i> The diversity of our natural heritage is maintained and restored	Management of natural heritage	Fire control Conservation Services Programme <sup>1</sup> Restoration Pest and weed control Legal protection of areas and marine protection Species management
	Crown contribution to Regional Pest Management Strategies	Regional Pest Management Strategies
	Conservation with the community	Participation Education and communication
	Policy advice, statutory planning and services to Ministers and statutory bodies	Policy advice Ministerial servicing
<b>Intermediate outcome 2:</b> <i>Historic heritage</i> Our history is brought to life and protected	Management of historic heritage	Historic and cultural heritage restoration
	Management of recreational opportunities	Asset management Recreation opportunities management Recreation concessions
	Conservation with the community	Participation Education and communication
	Policy advice, statutory planning and services to Ministers and statutory bodies	Policy advice Ministerial servicing
<b>Intermediate outcome 3:</b> <i>Recreation</i> New Zealanders and our visitors are enriched by outdoor experiences	Management of historic heritage	Historic and cultural heritage restoration
	Management of recreational opportunities	Asset management Recreation opportunities management Recreation concessions
	Conservation with the community	Participation Education and communication
	Policy advice, statutory planning and services to Ministers and statutory bodies	Policy advice Ministerial services
<b>Intermediate outcome 4:</b> <i>Engagement</i> New Zealanders connect and contribute to conservation	Conservation with the community	Participation Education and communication
	Management of natural heritage	Fire control Conservation Services Programme Restoration Pest and weed control Legal protection of areas and marine protection Species management
	Management of historic heritage	Historic and cultural heritage restoration
	Management of recreational opportunities	Asset management Recreation opportunities management Recreation concessions Other resource use concessions
	Policy advice, statutory planning and services to Ministers and statutory bodies	Policy advice Ministerial services

<sup>A2.1</sup> The Conservation Services Programme undertakes research into the interactions between commercial fishing and marine protected species. Final reports can be found on DOC's website [www.doc.govt.nz/csp](http://www.doc.govt.nz/csp).

# Appendix 3: Quality assurance and risk management

Quality assurance for this work is managed through DOC's development and implementation of best practice and standard operating procedures. Where external standards are not available, and/or DOC is the only agency undertaking work in New Zealand, it uses an internal peer-review process to ensure best practice remains up to date. This process is shown in Figure A3.1 below.

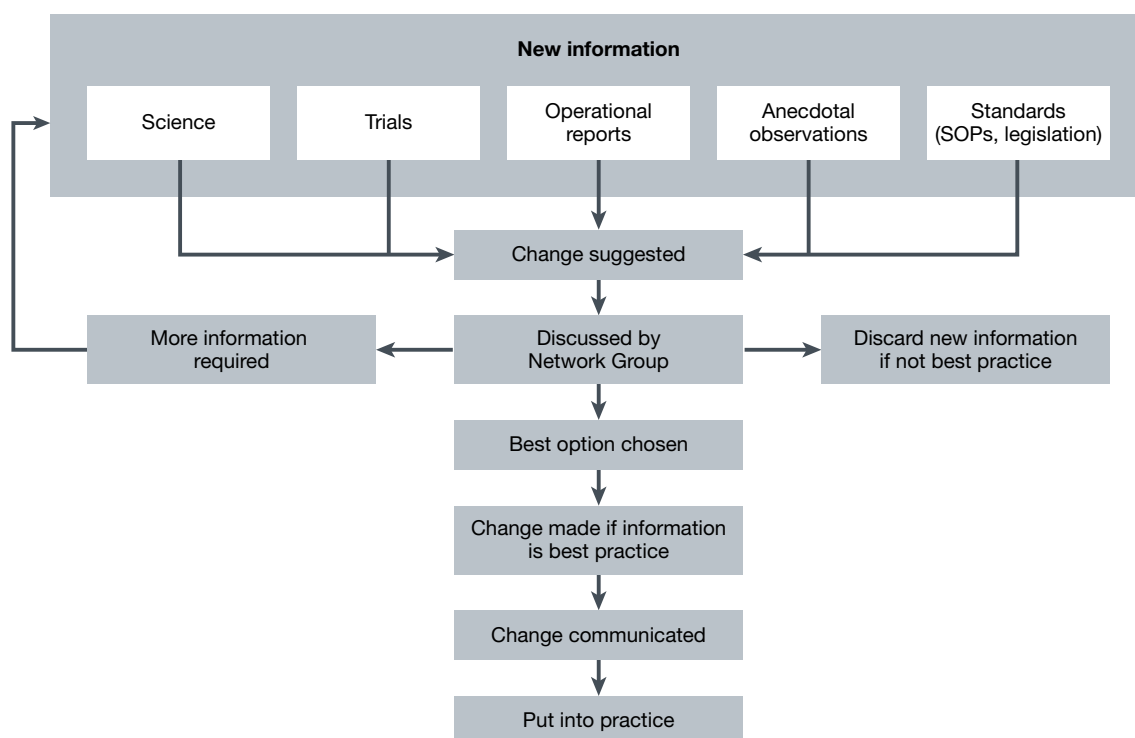


Figure A3.1: DOC's process for changing current best practice.



# Appendix 4: Marine protection

Most of the area protected within marine reserves (96.5 percent) lies within the ecologically important offshore island marine areas of the Kermadec and subantarctic island groups. Many of New Zealand's coastal regions are under-represented or have no marine protected areas (MPAs).

**Table A4.1: Percentage of each of New Zealand's coastal marine biogeographic regions that is protected within marine reserves.**

Coastal biogeographic region	Area of biogeographic region (km <sup>2</sup> ) <sup>1</sup>	Total area of marine reserves (NZTM) (km <sup>2</sup> )
<b>Bioregional planning carried out</b>		
Kermadec Islands	7,675	7,675
West Coast South Island	13,112	174
Fiordland	10,247	104
Subantarctic Islands	11,924	9,408
<b>Bioregional planning not yet completed<sup>2</sup></b>		
Three Kings Islands	2,219	0
Northeastern	38,100	85
East Coast North Island	11,621	29
West Coast North Island	14,572	33
North Cook Strait	13,656	30
South Cook Strait	12,250	39
East Coast South Island	11,081	111
Southern	20,964	11
Chatham Islands	12,125	0
Snares Islands	2,142	0
EEZ	3,964,500	0

<sup>A4.1</sup> Rounded to nearest km<sup>2</sup>. As calculated for DOC and Ministry of Fisheries (2011).

<sup>A4.2</sup> A similar sub-regional process has been completed in Te Whata Kai o Rakihouia i Te Tai o Marokura-Kaikōura Marine Area (part of the East Coast South Island region).

Table A4.2: Marine mammal sanctuaries in New Zealand as at 30 June 2018.

Marine Mammal Sanctuary	Date gazetted	Area (km <sup>2</sup> ) <sup>3</sup>
Banks Peninsula Marine Mammal Sanctuary	1988	4,067.1
Auckland Islands Marine Mammal Sanctuary	1993	5,057.1
Te Waewae Bay Marine Mammal Sanctuary	2008	348.8
Catlins Coast Marine Mammal Sanctuary	2008	653.9
Clifford and Cloudy Bay Marine Mammal Sanctuary	2008	1,385.8
West Coast North Island Marine Mammal Sanctuary	2008	11,934.5
Te Rohe o Te Whānau Puha Whale Sanctuary	2014	4,690.6
Ōhau Point New Zealand Fur Seal Sanctuary	2014	0.04
<b>Total area</b>		<b>28,137.8</b>

Table A4.3: Summary of marine areas managed by DOC.

Marine protection approach	As at 30 June 2018	
<b>Marine reserves</b>	Total area	17,697 km <sup>2</sup>
	Percentage of NZ territorial sea	9.8%
	Percentage of NZ marine area	0.4%
<b>Marine Mammal Sanctuaries</b>	Total area	28,138 km <sup>2</sup>
	Percentage of NZ territorial sea	14.2%
	Percentage of NZ marine area	0.7%
<b>Combined coverage of marine reserves and marine mammal sanctuaries<sup>4</sup></b>	Total area	40,634 km <sup>2</sup>
	Percentage of NZ territorial sea	21.1%
	Percentage of NZ marine area	1.0%

A4.3 The Exclusive Economic Zone (EEZ) is not a bioregion, but is dealt with separately by the MPA Policy. The Marine Reserves Act does not provide for marine reserves in the EEZ.

A4.4 These combined figures serve to avoid double counting of those areas where marine reserves overlap with marine mammal sanctuaries (in the vicinity of Taranaki, Kaikoura, Banks Peninsula and the Auckland Islands).

DOC issued 22 permits to external agencies or individuals requesting to conduct scientific research in a marine reserve in the 2017/18 year (Table A4.4).

**Table A4.4: Scientific research permits issued for marine reserves during 2017/18.**

Marine reserve	Type of research	Number of 2017/18 permits
Moutere Ihupuku/Campbell Island Marine Reserve	Climate change	1
Cape Rodney-Okakari Point Marine Reserve	Environment Invertebrates	2
Hikurangi Marine Reserve	Environment Geology Fish	3
Horoirangi Marine Reserve	Fish	1
Kapiti Marine Reserve	Fish	1
Kermadec Islands Marine Reserve	Environment Invertebrates Fish Plankton Geology	4
Kutu Parera (Gaer Arm) Marine Reserve	Fish	1
Long Bay-Okura Marine Reserve	Environment Invertebrates Climate change	3
Long Island - Kokomohua Marine Reserve	Fish	1
Moana Uta (West Jacket Arm) Marine Reserve	Seaweeds Environment	1
Moutere Mahue / Antipodes Island Marine Reserve	Invertebrates	2
Parininihi Marine Reserve	Environment Invertebrates	1
Poor Knights Islands Marine Reserve	Invertebrates Seaweeds	2
Taipari Roa (Elizabeth Island) Marine Reserve	Fish	1
Taputeranga Marine Reserve	Climate change	1
Taumoana (Five Finger Peninsula) Marine Reserve	Seaweeds Environment	1
Tawharanui Marine Reserve	Environment Invertebrates	2
Te Awaatu Channel (The Gut) Marine Reserve	Fish	1
Te Tapuwae o Hua (Long Sound) Marine Reserve	Seaweeds Environment	1
Tonga Island Marine Reserve	Invertebrates	1
Ulva Island - Te Wharawhara Marine Reserve	Environment	1
Whanganui A Hei (Cathedral Cove) Marine Reserve	Invertebrates	1

# Appendix 5: Conservation achieved by others

## Ngā Whenua Rāhui

This funding programme exists to protect the natural integrity of Māori land and preserve mātauranga Māori. The Ngā Whenua Rāhui Fund provides protection for Māori landowners through the use of 25-year reviewable kawenata (covenants). Ngā Whenua Rāhui statement of expenses and capital expenditure can be found on page 126.

**Table A5.1: Achievements in the identification and protection of biodiversity and indigenous ecosystems on Māori-owned land.**

Ngā Whenua Rāhui	2017/18 Target	2017/18 Actual	Variance explanation
Number of restoration programmes undertaken that meet the criteria for success set out in their programme plan.	10	10	
Hectares of land receiving treatment for possums.	21,000	20,933	
Number of possum operations undertaken that meet their targets for operational success.	22	19	Was not able to carry out 3 operations due to awaiting landowner consent and contractor availability.
Hectares of land receiving treatment for goats.	103,926	102,880	
Number of other terrestrial animal pest operations undertaken that meet the criteria for success set out in their programme plan.	9	6	Was not able to carry out 3 operations due to awaiting landowner consent and contractor availability.
Number of acutely threatened species that will have improved security for one or more populations as a result of active species conservation programmes.	4	4	
Number of agreements where Biodiversity Impact Monitoring is undertaken to measure the effectiveness of the agreement.	40	27	The targets were not achieved due to a shortage at the time of the Ngā Whenua Rāhui business review which created uncertainty around employment.
Hectares of land receiving Biodiversity Impact Monitoring to measure the effectiveness of the agreement.	20,000	5,374	The targets were not achieved due to a shortage at the time of the Ngā Whenua Rāhui business review which created uncertainty around employment.
Number of kawenata (covenants) approved in each of the three most threatened LENZ environments.	No target set	9 of 11 agreements fall within the 3 most threatened LENZ environments.	

## South Island Landless Natives Act (SILNA)

A report on achievements under the South Island Landless Natives Act (SILNA) appropriation.

**Table A5.2: Achievements in the identification and implementation of protection of indigenous ecosystems in Māori ownership on South Island Landless Natives Act (SILNA) land.**

SILNA	2017/18 Target	2017/18 Actual	Variance explanation
Number of SILNA blocks protected	1	0	The current project is still in the pre-covenanting stage, and was not completed this year.
Hectares of indigenous ecosystem protected	150	0	The current project is still in the pre-covenanting stage, and was not completed this year.

## Celebrating community contribution

### Otago conservation groups

These five community groups are examples of the significant contributions of many groups and individuals to conservation during the 2017/18 year – contributions that may otherwise go unrecognised. Four of these groups are working together to achieve Predator Free Dunedin (Te Nohoaka o Tukiauaui/Sinclair Wetlands lie outside the current boundary for the Predator Free Dunedin project).

#### *The Otago Peninsula Biodiversity Group (OPBG)*

The OPBG focuses on the peninsula-wide control of animal pests. Its goal is to eradicate possums before turning to other predators, to ultimately achieve a pest-free peninsula by 2050.

**Table A5.3: Otago Peninsula Biodiversity Group's contribution to conservation.**

Measure group	Measure	2017/18 Year-end result
Possum control	Hectares of land receiving treatment this year for possums	9,600
	Hectares of land under sustained possum control	9,600
Volunteer involvement	Number of workday-equivalents contributed by people volunteering	824

### *Orokonui Ecosanctuary Ltd*

Orokonui Ecosanctuary, north of Dunedin, provides safe habitat for many species of threatened flora and fauna that have been translocated there, such as Haast tokoeka, robin and kākā. The ecosanctuary erected an 8.7 km pest-proof fence in 2007. All 12 species of animal pests originally present have been eradicated – pest control is no longer required within the fenced sanctuary.

**Table A5.4: Orokonui Ecosanctuary’s contribution to conservation.**

Measure group	Measure	2017/18 Year-end result
Threatened species	Threatened species* under active management to ensure local security	8
Volunteer involvement	Number of workday-equivalents contributed by volunteers	1466

\* Threatened species managed are: South Island kākā, takahē, South Island robin, tuatara, Otago jewelled gecko, Otago skink, green skink and Haast tokoeka.

### *Te Nohoaka o Tukiauau/Sinclair Wetlands Trust*

Since 2011 the Sinclair Wetlands have been managed by Te Nohoaka o Tukiauau/Sinclair Wetlands Trust. The wetlands are part of a nationally important and regionally significant wetland complex in the Taieri Plain. There is a mixture of river channels, pools, swamps and forested islands. Management activities include enhancing wetland habitats, controlling weeds and pests, and replanting native forests on the ‘islands’ within the wetlands. These activities are looked after by an on-site coordinator.

**Table A5.5: Te Nohoaka o Tukiauau/Sinclair Wetlands Trust’s contribution to conservation.**

Measure group	Measure	2017/18 Year-end result
Rats and/or mustelids	Hectares of land receiving treatment this year for rats and/or mustelids	100
Possum control	Hectares of land receiving treatment this year for possums	100
	Hectares of land under sustained possum control	100
Weed control	Hectares of land receiving treatment this year for weeds	315
	Hectares of land under sustained weed control	315
Volunteer involvement	Number of workday-equivalents contributed by people volunteering	520

*Yellow-eyed Penguin Trust (YEPT)*

The YEPT was started in 1987 by local residents of Otago Peninsula who alerted the public to the declining population of the endemic yellow-eyed penguin/hoiho. Today the Trust enjoys a growing national and international reputation as one of New Zealand's authorities on yellow-eyed penguin conservation. The Trust owns or manages six sites between north Otago and the Catlins, where it carries out activities including revegetation, predator control and species monitoring.

**Table A5.6: Yellow-eyed Penguin Trust's contribution to conservation.**

Measure group	Measure	2017/18 Year-end result
Threatened species	Threatened species under active management to ensure local security (yellow-eyed penguin)	1
Rats and/or mustelids	Hectares of land receiving treatment this year for rats and/or mustelids	350
Volunteer involvement	Number of workday equivalents contributed by volunteers	151

*Landscape Connections Trust (LCT)*

The Landscape Connections Trust is leading the ambitious 'Beyond Orokonui' project, which combines multiple community objectives for an area stretching from North Dunedin to Waikouaiti. For one of their sub-projects - the Halo Project - LCT encourages and supports communities bordering Orokonui Ecosanctuary to create a predator-free zone around the ecosanctuary by running co-ordinated trapping programmes.

**Table A5.7: Landscape Connections Trust's contribution to conservation.**

Measure group	Measure	2017/18 Year end result
Rats and/or mustelids	Hectares of land receiving treatment this year for rats and/or mustelids	1583
Possum control	Hectares of land receiving treatment this year for possums	78
	Hectares of land under sustained possum control	78
Volunteer involvement	Number of workday equivalents contributed by volunteers	302

# Appendix 6: Management planning

DOC operates in a statutory planning framework required by the Conservation Act 1987, National Parks Act 1980 and various Treaty of Waitangi settlement Acts requiring the preparation of conservation management strategies and plans. Public engagement and consultation is a central part of all statutory management planning processes.

## Conservation management strategies

A conservation management strategy (CMS) provides a 10-year strategy for the integrated management of all lands and marine areas administered by DOC in a region, with final approval resting with the New Zealand Conservation Authority (NZCA).

During the 2017/18 financial year the Wellington CMS was approved.

The review/establishment of the following CMSs also progressed in 2017/18:

- Bay of Plenty
- East Coast/Hawke's Bay
- Nelson/Marlborough

## National park management plans

The National Parks Act 1980 requires a management plan for every national park. These 10-year plans are approved by the NZCA. Reviews of national park management plans (NPMP) are scheduled based on their 10-year review dates and any crucial policy change issues occurring prior to this date.

During the 2017/18 financial year a partial review of the Tongariro National Park Management Plan was approved by the NZCA.

Reviews of the following NPMPs also began in 2017/18:

- Aoraki/Mt Cook
- Westland/Tai Poutini
- Mt Aspiring
- Fiordland.



## Conservation management strategy content and management plans resulting from Treaty settlement legislation

Two Treaty settlement conservation management plans have been co-approved this year: Whirinaki Te Pua-a-Tāne Conservation Management Plan (approved by Ngāti Whare and the Bay of Plenty Conservation Board), and Te Hauturu-o-Toi Little Barrier Island Nature Reserve Management Plan, approved by Ngāti Manuhiri and the Auckland Conservation Board.

Early work is under way with Rangitāne o Wairau on the Treaty settlement conservation management plans for Te Pokohiwi and Boulder Bank historic reserves; the plans will be jointly approved by Rangitāne o Wairau and the Nelson/Marlborough Conservation Board. Two projects to jointly review Treaty settlement conservation management plans are currently on hold at the request of relevant iwi:

- Tāmaki Makaurau Motu (Tūpuna Taonga o Tāmaki Makaurau Trust and the Auckland Conservation Board)
- Kapiti Island (Kapiti Island Strategic Advisory Committee and the Wellington Conservation Board).

Work with Ngati Porou is under way for the Ngā Whakahaere Takirua chapter of the East Coast/Hawke's Bay Conservation Management Strategy. Early planning is also under way for the Te Hiku Conservation Management Strategy in northern Northland, which is a requirement of the 2015 NgaiTakoto, Ngāti Kuri, Te Aupōuri and Te Rarawa Claims Settlement Acts.

For more information about plans DOC is currently consulting on, go to [www.doc.govt.nz/consultations](http://www.doc.govt.nz/consultations).



# Appendix 7: Performance of reserve boards as at 30 June 2017

Details are dated 30 June 2017 as they are usually based on audited reports often not available until after the DOC Annual Report deadlines. Reserve boards are appointed under the Reserves Act 1977 where the Board manages a reserve that is public conservation land, vested in the Reserve Board for management purposes. Annual financial statements of these reserve boards are published by the Department of Conservation annually.

Table A7.1: Financial summary details from reserve board annual financial statements.

Reserve Board	Type	Revenue \$	Expenditure \$	Cash (\$ in bank accounts)	Significant resources (asset valuations)
<b>Northland</b>					
Oakura Recreation	Recreation	10,085	5,172	9,428	365,886
Waikiekie Recreation	Recreation	4,521	6,484	22,556	162,000
Ruakaka Central Hall	Hall	12,442	13,097	44,014	790,000
Waipu Cove Recreation	Recreation	1,239,540	1,057,375	172,988	3,219,176
Ruakaka Recreation	Recreation				
Whatitiri Recreation	Recreation	5,109	2,373	27,430	170,000
Taurikura Hall	Hall				
Coates Local purpose	Local purpose	282	880	359	250,000
<b>Auckland</b>					
Glorit Hall	Hall				
<b>Bay of Plenty</b>					
Awakaponga Hall	Hall	8,904	12,128	5,558	119,263
<b>Wanganui</b>					
Papanui Hall	Hall	2	1	2,241	58,179
Poukiore Tiriraukawa	Recreation	8,051	1,002	54,991	111,000
Tiriraukawa Hall	Hall	61	609	1,993	60,000
Pakaitore/Moutoa Gardens Historic	Historic	30,013	32,588	103,548	214,544
<b>Wellington</b>					
Lake Horowhenua Recreation	Recreation	12,207	2,029	29,666	40,430
Ruawhata Hall	Hall				
<b>Nelson/Marlborough</b>					
Homewood Hall	Hall	126	59	6,345	60,093
Kaiteriteri Recreation	Recreation	5,823,423	5,764,068	(287,444)	9,512,646

Table A7.1: Financial summary details from reserve board annual financial statements (continued).

Reserve Board	Type	Revenue \$	Expenditure \$	Cash (\$ in bank accounts)	Significant resources (asset valuations)
<b>West Coast</b>					
Charleston Hall	Hall	560	1,326	2,556	205,000
Millerton Hall	Hall	7,290	3,742	8,988	49,000
<b>Otago</b>					
Kyeburn Hall	Hall				

