



# Department of Conservation

Annual Report

FOR THE YEAR ENDED 30 JUNE 2005



Department of Conservation  
*Te Papa Atawhai*



# Department of Conservation

## Annual Report

FOR THE YEAR ENDED 30 JUNE 2005

Presented to the House of Representatives pursuant to section 39 of the Public Finance Act 1989

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Treasuring our extraordinary heritage

# EVERYTHING IS CONNECTED

## The Minister of Conservation

Pursuant to section 39 of the Public Finance Act 1989, I submit this report on the operations of the Department of Conservation for the year ended 30 June 2005.



**Hugh Logan**  
Director-General

### Cover

A New Zealand punga frond unfurls. Photo kindly supplied by the Ministry of Foreign Affairs and Trade. Photographer: Jeff McEwan.

### Inside cover

A koru pendant. The connections between New Zealanders and their land run wide and deep. Photographer: Dave Hansford.

### Photographs

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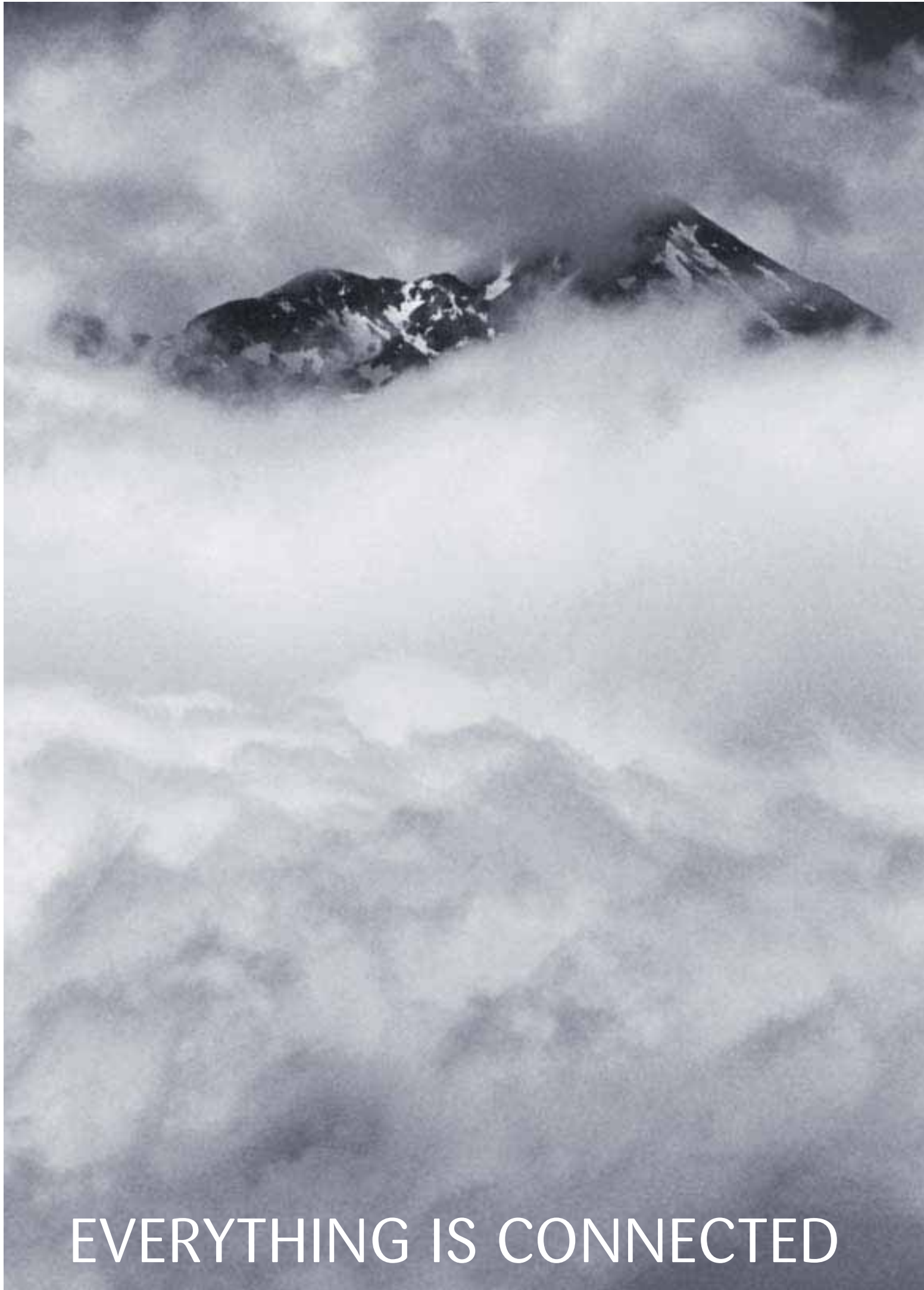
### Paper

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EVERYTHING IS CONNECTED

# Director-General's Overview

Cloud-shrouded Te ao Whekere, in the Seaward Kaikoura Range, draws in rain and snow.  
PHOTOGRAPHER: DAVE HANSFORD

Mountain mists eventually flow to the sea, filling rich rock pools. Everything is connected.  
PHOTOGRAPHER: DAVE HANSFORD



# Director-General's Overview

The importance of the environment in human affairs is moving to front and centre, and with it conservation. All over the world people are realising that the natural world is not just an optional extra, good for postcards and magazine ads. We are increasingly aware that the natural world provides the basis for human survival.

This is important for conservation. It is now much clearer that "ecosystem services" fuel our economy and support our society. They are critical to soil regeneration and stability; freshwater storage, filtration and flow; climate regulation; and the regeneration of habitats. The state of ecosystems affects freshwater allocation and quality, erosion and flood control, climate regulation and the effects of climate change. They are the "natural capital" that is critical to sustainable development.

The Secretary-General of the United Nations, Kofi Annan, has launched a major study of the way the earth's ecosystems are being changed by human activities. Called the Millennium Ecosystem Assessment ([www.millenniumassessment.org](http://www.millenniumassessment.org)), it also sets out scenarios that may help us find a sustainable way forward.

The UN study takes quite a broad approach to ecosystem services. It includes services which help provide food and freshwater and regulate air quality and the climate, but also includes those that support recreation and ecotourism. The analysis shows that the consequences of cutting away the ecosystem services from under us are also broad, including economic and public health costs.

Reading the assessment, there is both good news and bad news for New Zealand.

The shape of the bad news is familiar in New Zealand; a catalogue of major and irreversible damage to ecosystems. When the picture is painted for the entire globe it is even more troubling.

But there is also encouragement from the Millennium Assessment's work. It is evidence that the international community is waking up to these problems; that our appreciation of the importance of the natural world is maturing. That is a crucial early step.

As New Zealanders we can hold our heads up – while there is a great deal to be done, this country has been more aware and taken more action, more promptly, than most places on earth. This Department is a world leader in biodiversity protection work. New Zealanders value the natural world and pride ourselves on being green. We have set aside major reserves for conservation and we are working to develop a sustainable approach to our country's future. There is much to be done, but we know that and we are moving in the right direction.

This annual report describes DOC's work over the past year. Here are some of the notable achievements:

- In our island sanctuary work, landmarks were: confirmation that rats have been eliminated from Raoul Island; a highly successful first breeding season for Cook's petrel just a year after the Little Barrier Island (Hauturu) aerial operation to remove rats; and right at the end of the year, stoat eradication on the 9000-hectare Secretary Island in Fiordland.



- Negotiating a new lease for Molesworth Station which improves protection for its biodiversity and historic assets, as well as recreational access and opportunities, was very good news. Doing all this while ensuring that the economic viability of the farm was maintained was a real highlight of the year.
- Parks are now in the heart of the economy. One in every 10 jobs is now based on tourism, which is our largest foreign exchange earner – and conservation is a foundation of tourism. Research commissioned by the Department this year showed that Abel Tasman National Park generates \$45 million a year and supports 370 jobs, and the Queen Charlotte Walkway contributes \$9.4 million and 98 jobs.
- Highlights of our work to conserve and interpret historic heritage included a new world-class loop track in the gold mines area of the Karangahake Gorge; progress on the conservation and interpretation work at Otatara Pa, near Napier; plus beginning work on what will be extensive interpretation on the Rimutaka Incline Walkway, near Wellington.
- Operation Ark moved forward, with bait stations now set up at five of the 11 sites – three of which had predator irruptions this year. We used toxins to keep their numbers at low levels.

An important feature of our work this last year is how much we have learned. The New Zealand Biodiversity Strategy, in addition to funding actions, has provided resources for leaps in our understanding of terrestrial, marine, and freshwater ecosystems. We have also had important developments in both our knowledge of, and priority-setting for, the management of historic heritage and the assets which support recreation in the beautiful places we administer on behalf of all New Zealanders.



Finally, an international meeting this year provided me with a startling insight into the way parks are being seen. It was a meeting of leaders of public park agencies, and many of them described a growing realisation that the natural world holds “preventive medicine” for such health issues as stress, depression, and obesity – problems that are growing in the developed world. People are discovering that nature holds some of the cheapest and best medicine.

That is one of the main themes from this past year – while the natural world is important for its own sake, we are increasingly understanding how important it is for humanity. Conservation is not something only for the non-human creatures with whom we share these islands, and neither is it merely a luxury to be indulged. Conservation of a healthy environment is one of the supporting pillars of a future with sustainable economic and social development, as well as human health.

**Hugh Logan**  
Director-General

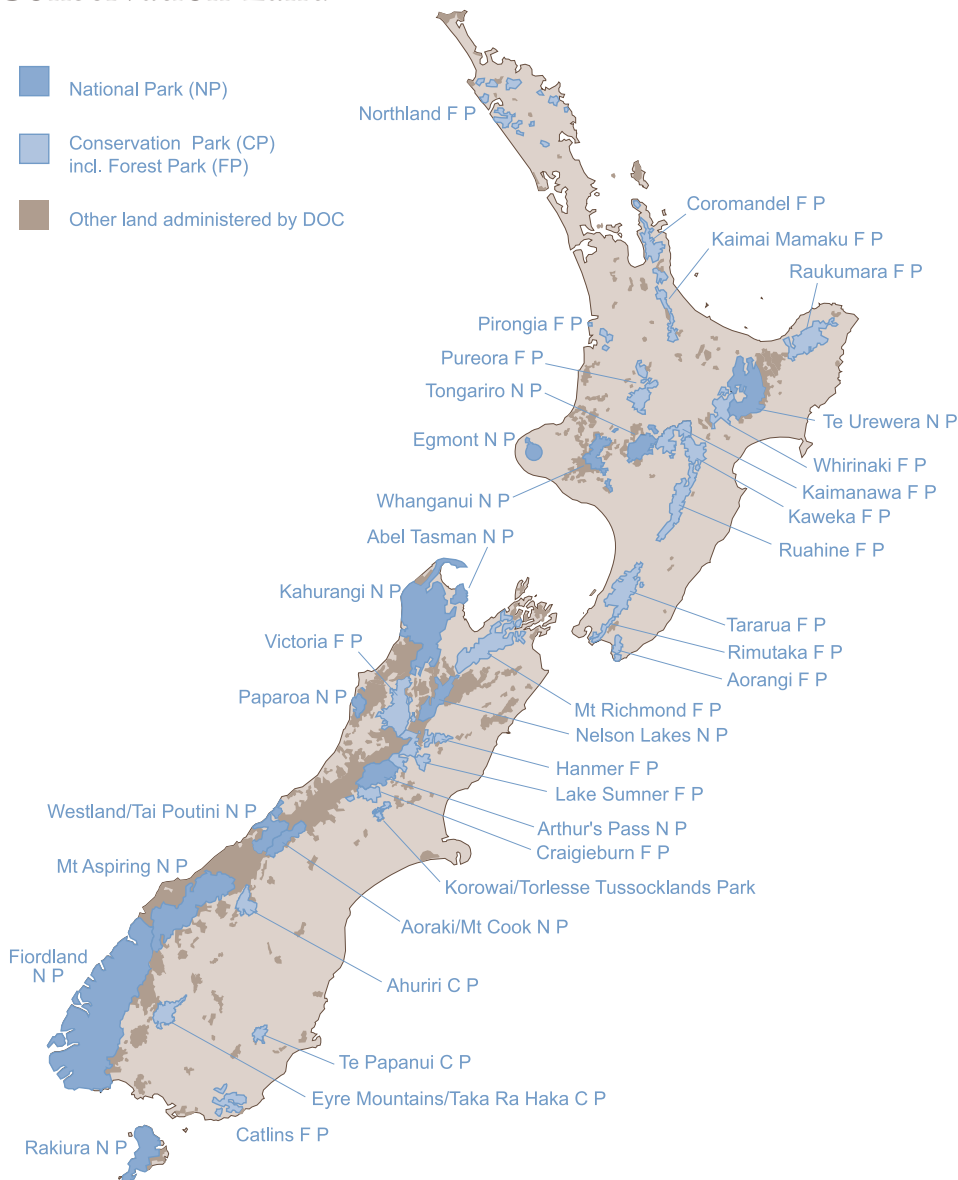
# Our Vision

Our legislation and key goals provide the Department of Conservation with its vision:

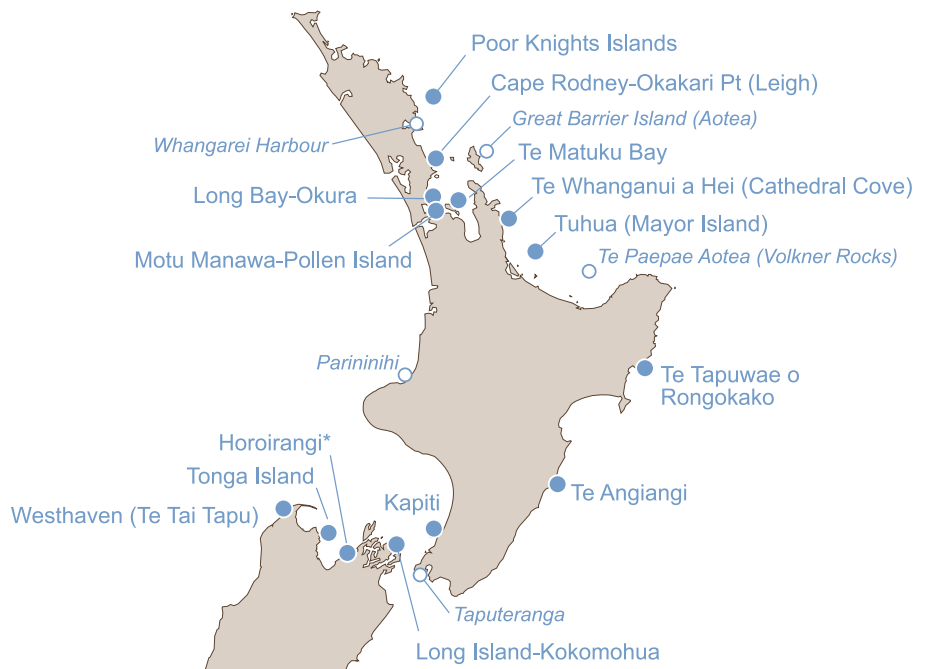
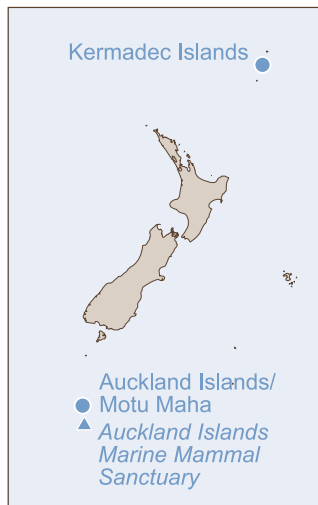
New Zealand's natural and historic heritage is protected; people enjoy it and are involved with the Department in its conservation.

Kei te mahi ngatahi te Papa Atawhai me nga iwi whanui ki te whakaute, te manaaki me te tiaki i nga taonga koiora me nga taonga tuku iho o Aotearoa hei painga mo te katoa.

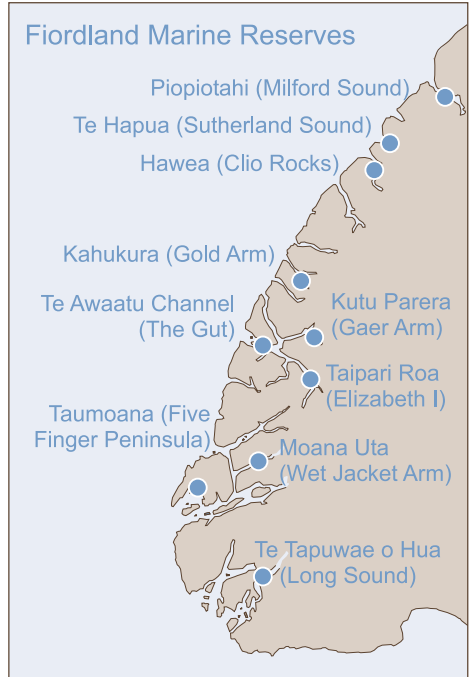
## Public Conservation Land



# Marine Protected Areas



Fiordland Marine Reserves



- Marine Reserve
- Marine Reserve approved but not given concurrence
- \* Marine Reserve approved but not yet gazetted



EVERYTHING IS CONNECTED



# Our Work for Conservation: Protection

A North Island kaka.  
PHOTOGRAPHER: DAVE HANSFORD

Just one week-old, this captive-bred North Island kaka chick will eventually be released into the Pukaha Mount Bruce forest, in the Wairarapa.  
PHOTOGRAPHER: DAVE HANSFORD



# Management of Natural Heritage

## Outcomes sought:

- Halt the loss of natural heritage in New Zealand's terrestrial, marine, and freshwater environments.
- Restore and protect threatened species.



*A Campbell mollymawk. This species is a good news story - in 2004/05, its formal "threatened status" was upgraded to reflect its recovery.*

*Photographer: Peter Moore, DOC.*

## The context and the challenge

### IN BRIEF

- We are making significant progress, but the more we learn the bigger we know the job is.
- A new Landcare report maps what needs to happen to have good inventory and monitoring information. It is ambitious. We are looking at which monitoring programmes will deliver the greatest benefit at the lowest cost, so that we can better understand and report on long-term biodiversity outcomes.
- The systems we are designing to monitor long-term change in natural heritage are pushing the edges of what is known, in New Zealand and internationally.

Stretched across 24 degrees of latitude from the subtropical to the subantarctic, New Zealand is a slender archipelago with an extraordinary natural heritage born from tens of millions of years of biological and geological isolation. Our endowment of unique animals and plants, an immensely varied physical landscape and climate, and an oceanic environment 15 times the size of the land, mean both responsibilities and challenges.

The arrival of humans on these islands signalled enormous changes from which there is mostly no turning back. At one level, this can be seen as the normal process of global environmental change – bird species arrive here from Australia on sea winds; humans and our cohorts arrived in canoes and ships, and now on planes.

But the effects of human beings have been enormous. Unintentionally or in ignorance, people have been destructive beyond imagining on the plants and animals that lived here before they arrived. But, unlike birds blown in from Australia, people can see and reflect on what effects they are having, and have the power to alter their behaviour. That is what is increasingly happening.

The core work of this Department is all about that – how can we better understand the consequences of human behaviour, reduce its negative effects, improve the chances of survival of indigenous biodiversity, and involve more and more people in that learning and that action. The conservation sector can be justly proud of its efforts. We are achieving results as good, if not better, than any country. At the same time, the more we learn, the more we understand the size of the challenge and of human limits. We are making headway but the job is complex and immense, and our knowledge of New Zealand's extraordinary environment is growing but still limited.

Where we actively intervene – on offshore islands, mainland islands, or with intensive management, for instance – we know we can literally turn the tide for an endangered species. But there are, and will always be, areas and species which receive minimal or no specific management. We are learning more and more about how to adapt what we learn from the successful interventions we do make and apply this learning on a wider scale, and we are grappling with systems for deciding which work is most important.

Resources will always be limited and the task enormous, so setting good priorities is critical. We have to do the best we can to choose work that gives the best results for the fewest resources. But “setting priorities” also means some things do not get done, or get done less than we would like. We are not going back to a 100 per cent pre-human environment on these islands; we will never roll back all the changes. Choices about what we do always have to be made.

The Department’s ongoing focus is:

- Good management of parks, reserves, and other protected areas,
- Preventing the loss of indigenous species, and
- Ensuring protection for key places on land and sea.

Finding ways to measure and report on the differences the Department is making is not easy – we are working with nature and nature is not easily rendered to a neat series of answers or numbers. Long-term study is often needed – in some cases it can take years before the effects of our actions in any given year can be known.

On top of this is the limited understanding that people have of complex ecological processes. New Zealand is not alone with this problem; the Department’s work to develop indicators of environmental health in the areas we manage looks promising and is charting new territory, both here and overseas.

Last year, Landcare Research (in collaboration with DOC scientists) completed a report which provides a framework for future biodiversity monitoring; this is part of the Department’s ongoing Natural Heritage Management Systems (NHMS) project.

It provides a picture of what is needed to report effectively on the state of biodiversity and trends and changes over time, both within areas managed by the Department and in the wider New Zealand context. There is a great deal to be done. The next step is to analyse which of the suggested monitoring programmes will deliver the greatest benefit at the lowest cost, so that the Department can better report on long-term biodiversity outcomes.

The overall goal of the NHMS project is to integrate data systems and management tools. We want DOC managers to have access to sophisticated information that enables them to make the best possible decisions.

As we progress with the NHMS project, it becomes increasingly clear just how complex it is to design systems to manage natural heritage, and prioritise, measure, and monitor long-term change. As detailed in the Landcare report, there are few international precedents for this kind of work; we are pushing the edges of what is known.





*Andy Blick and “Snappy” join with Tē Whaiti School children, Minginui, to learn about the kiwi. Photographer: Bridget Evans, DOC.*

Climate can dramatically affect our conservation programmes. This year, during a severe drought in Northland, fires burnt 477 hectares of public conservation land. On top of that, tackling the fires meant staff had to be diverted from other activities. At the other end of the spectrum, major flooding affected several North Island conservancies during the year. Although there were severe impacts on hut and track infrastructure, the floods had a minimal effect overall on natural heritage protection work.

The social and legislative environment also affects our work; small changes in the regulatory environment can have a major impact. For example, this year the Department took into account changes to drinking water standards, and the implications of legislative changes relating to the use of toxins. Given the Department’s use of toxic chemicals for

pest animal control, these required significant changes to internal systems, processes, and training to ensure we complied. New standard operating procedures and a training programme were developed and certified, and 300 staff re-trained.

Protecting New Zealand’s natural heritage and finding a new and sustainable relationship with it is a challenge we all share, so involving the community is another important aspect of our work. New Zealanders are passionate about conservation – from iwi and landowners with fragments of forest under their care, to conservation volunteers and school children who like to get their hands dirty. We have programmes in place to encourage and support their commitment, and we are working to improve the way the Department engages with communities.

Making it possible for people to enjoy their natural heritage through recreation is another core aspect of what the Department does – our relationship with the natural world is critical to our identity as a people, and public support for conservation is often built on recreation.

## The work of this year

Some of the specific things that we did this year were reactive and urgent; others were more long term – we extract lessons from the urgent and build learning into the long term.

### Dealing with animal pests

Controlling the impact of animal pests is a complex and expensive part of conservation work. Long-term pest control is more expensive than preventing pests from arriving, or eradicating them, but it is the only option for pests that are well established and difficult, if not impossible, to eradicate with current knowledge and technology.

The Department is an internationally respected leader in the field of eliminating pests from offshore islands. The battle against animal pests on the mainland is very different. We have much less control on the mainland, but it is where most of our indigenous species will continue to live. One of the biggest long-term conservation challenges is how to apply our experience on offshore islands and intensively managed mainland sites to the rest of the mainland, where people share the environment with the indigenous creatures.

Over the past decade or more, the Department’s approach to pest control has been shifting from being “pest-led” (focusing on individual pests) to being “site-led” (focusing on how best to achieve the desired conservation results for a particular place). One reason the shift is happening is that, as more is learned about how complex indigenous environments work, we are learning that controlling just one pest can lead to an increase in another pest with similar, or even more damaging, effects on native plants and animals.

IN BRIEF

- Targets for animal pest control this year were achieved.
- One of the biggest long-term challenges is to apply what we have learned on offshore islands and mainland islands to the rest of the mainland.

*A bull thar. Introduced to New Zealand in the early 1900s, thar now threaten alpine and sub-alpine plant communities.*  
Photographer: J Sims, DOC.

Introduced predators and browsing animals have had a devastating effect on New Zealand’s indigenous plants and animals. Having evolved for millions of years without predators, they were unable to adapt.





*It is estimated that New Zealand's possum population now tops 70 million animals.*

*Photographer: Rod Morris, DOC.*

*Hedgehogs, introduced in the late 1800s, may look cute to some, but are devastating for the eggs and chicks of ground-nesting native birds.*

*Photographer: Don Merton, DOC.*

*The ship rat has been very destructive for indigenous creatures. It contributed to the extinction of the huia and the absence of tuatara on the New Zealand mainland.*

*Photograph: DOC.*

Site-led animal control means taking an “integrated pest management” approach where all the issues and pests at a site are evaluated, and priorities set for how best to deal with them as a whole.

Because not all animal pest control operations have the same aim (for example, some are to protect a single threatened species, while others aim to protect an entire threatened ecosystem), integrated pest management programmes also vary. They can be anywhere along a continuum, from those that focus on a single pest to those that intensively target a whole range of animal pests – whichever is the most appropriate for the outcomes we are seeking. Every step along the continuum delivers a more pristine environment, but each step is also more expensive. Much of the Department’s pest control work is now integrated to some degree but it is, and will remain, a continuum.

Another continuum has to do with people. People now share these islands with the indigenous plants and animals, so there will be a continuum from totally human spaces (though even these will always rely on the natural world for “ecosystem services”, such as arthropods decomposing waste), to places as protected and pristine as can be managed. Pristine areas will always be only a small part of even the roughly one-third of the country the Department is responsible for managing. In between, we can try to protect ecosystem processes and encourage resilience.

Monitoring and reviewing animal pest control activities is an important way to learn from experience, and is a goal of the New Zealand Biodiversity Strategy. Last year, a review of monitoring projects showed extensive monitoring; more work is required to standardise and co-ordinate the results.

As a result, a monitoring toolkit is being developed with standardised methods to collect information and compare results. In 2004/05, the focus included ways to monitor seed fall, threatened plants, animal pests, birds, and bats. Draft documents have been completed and are under review.

This year, a report proposed a national framework for assessing the “ecological integrity” of the places managed. “Ecological integrity” describes an ecosystem where all native plants and animals typical of a region are present, as well as the major processes that sustain functional relationships between them. At a larger scale, ecological integrity is achieved when ecosystems occupy their full environmental range.

The three main elements that combine to maintain ecological integrity are indigenous dominance, species occupancy, and environmental representation. These elements are reflected in the three intermediate outcomes relating to Natural Heritage in the 2004 – 2007 Statement of Intent. To report on progress toward these intermediate outcomes requires measurable indicators that provide a systematic approach to recording ecological integrity, and the threats to it.

IN SUMMARY

### This Year's Pest Control

This year, our animal pest control targets were met. A range of integrated pest management programmes were employed to:

- Undertake goat control operations on approximately 1.07 million hectares of public conservation land.
- Undertake thar control operations on approximately 383,000 hectares of public conservation land.
- Carry out possum control on about 265,000 hectares of public conservation land. (Where possums are controlled, there is usually also a short-term effect on rats.)
- Manage pests at approximately 100 sites on public conservation land, working with community groups and landowners to carry out pest management for ecosystem and species protection. Many of these had an integrated approach.
- Carry out the highest level of integrated pest management and monitoring at the six mainland island sites.

#### ■ CASE STUDY

### Egmont National Park – Integrated Nature Heritage Protection

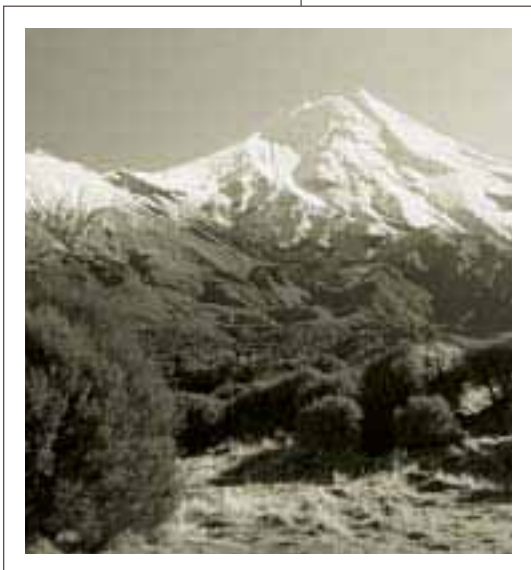
Like other New Zealand protected areas, Egmont National Park faces threats from a range of animal and weed pests. Some – such as goats, possums and weeds – are threatening the vegetation that sustains and protects the park's ecosystems, while predators, such as stoats and rats, are directly harming native

animals. Pest control must therefore work at two levels – to directly protect species, and to help maintain the overall health of the park by protecting habitat.

When it comes to protecting Egmont's habitat, the priorities have been goat and possum control, fencing, weed control, and preventing new animal pests from establishing. Goat and possum numbers are now at very low numbers. Two aerial 1080 possum control operations (in 1993 and 2002) have been combined with intensive control to protect locally rare or vulnerable species, and reduce reinfestation from outside the park. Monitoring has shown possum-preferred species, such as totara and kamahi, are recovering well, and that forest bird populations have not been harmed.

When it comes to protecting threatened species, community partnerships have been a feature of integrated predator control in Egmont, including the brown kiwi programme with the Taranaki Kiwi Trust, and the Central North Island Blue Duck Conservation Charitable Trust for the whio (blue duck) programme.

*Forest cloaking Taranaki (Mount Egmont) is recovering, thanks to possum control.  
Photograph: DOC.*





■ CASE STUDY

## Making a Difference



*Sustained conservation effort has seen the numbers of Castle Hill buttercup increase from 32 plants in 1948 to more than 300 today.*

*Photograph: DOC.*

The Department recognises the uncertainties in reporting on the status of New Zealand's biodiversity, and the trends in that status, especially because so little is understood about complex ecosystem processes. To overcome this uncertainty, a robust monitoring system is required that will provide a comprehensive and verifiable picture of our biodiversity, the environment that sustains it, and the threats it faces.

Landcare Research was commissioned to investigate a monitoring system. Its report, completed this year, articulates for the first time a range of indicators and a biodiversity inventory and monitoring framework that will help meet national and international reporting requirements.

“Indicators” are generic biodiversity measures designed to reflect and track the important features of the ecological system. The categories of biodiversity indicators established in the report include the status of land tenure, the status of canopy cover and forest growth, the presence of exotic species, and threatened species status.

The report's authors found that the unique characteristics of New Zealand's plants and animals make it difficult to simply transfer biodiversity inventory and monitoring practices from elsewhere in the world. They also confirmed there has been little monitoring in New Zealand to provide baseline data. Monitoring to date has covered specific management concerns and does not provide a clear picture of the overall state of biodiversity. A copy of the report is available by emailing Elaine Wright at [ewright@doc.govt.nz](mailto:ewright@doc.govt.nz).

### Plant pests: a growing problem

IN BRIEF

- We achieved all of our weed control targets this year.
- The direct and indirect costs to New Zealand of dealing with weeds is about \$100 million a year.
- Every year, two more plant species “jump the fence” from gardens and go feral, joining the 327 harmful weed species already in the wild.

The cost to New Zealand of dealing with weeds is estimated to be \$100 million a year, when both lost production and preventative measures are included.

Some important gains have been made, but the number of weeds is growing faster than animal pests. There are 327 weed species with a significant negative impact on conservation land and, on average, another two new species spread into the wild each year.

Weed management has been prioritised to where particular conservation values are at stake and we can hold the line.

New Zealand has adopted three strategies for managing weed pests: preventing them from reaching our shores (the responsibility of Biosecurity New Zealand); a “weed-led” approach – which means finding and eradicating, or containing new weed pests before they become widespread; and a “site-led” approach – targeting weeds on high priority conservation sites where weeds have become widespread.

The Department is responsible for managing weeds on public conservation land. Its weed management system integrates policy with standard operating procedures (which cover planning, monitoring, and review), a national weeds database, scientific backup, public awareness, and training.

The New Zealand Biodiversity Strategy has funded about 60 per cent of the Department’s weed work in the last five years.

This year, all weed control targets were met and additional treatment was undertaken on land received as an outcome of tenure review. A total of 98 weed-led programmes were completed, with New Zealand Biodiversity Strategy funding supporting 59 of these programmes.

A total of 142 site-led weed control programmes were run, covering about 400,000 hectares, including work at 21 new sites. Of the 400,000 hectares, work on nearly 312,000 hectares was funded from the Department’s core budget – the balance was funded from the New Zealand Biodiversity Strategy. One site-led programme is the Southern Hemisphere’s largest sand-dune restoration project, at Mason Bay, Stewart Island.

The national Weedbusters Programme, launched in 2003/04, has been critical. This is profiled in a case study in the Conservation with Communities section of this annual report.

## Mainland islands: where learning begins

Since they began in 1996, mainland island sites have contributed a great deal of learning, which is being applied to our other conservation management programmes.

The idea of being able to protect and restore forest fragments on the mainland in a similar way to on offshore islands was challenging. On offshore islands, the goal is to eradicate as many pests as possible so native plants and animals can be restored and the island can return to something akin to its former state.

*North Island saddleback (tieke) are back on the mainland, in the Boundary Stream mainland island, for the first time since the early 1900s.*

*Photographer: Dick Veitch, DOC.*

*Rat control in the Hurunui mainland island, near Hanmer, is helping a local mohua (yellowhead) population to recover.*

*Photographer: Ian McFadden, DOC.*



Over the past nine years, the Department has taken on the challenge on the mainland, and succeeded.

There are now six mainland islands where key pests are controlled to levels that allow native species to flourish, and where populations of species that are rare or extinct on the mainland can be restored.

The key to learning is vigilant monitoring of changes when management actions are applied. This information and knowledge is then applied to other site management work, including on land not managed by the Department, and internationally.

After nine years of pest management, reintroductions, intensive monitoring, and learning, many of the mainland islands are now delivering significant outcomes. Recent highlights include:

- The first transfer and release of North Island saddleback (tieke) to a mainland New Zealand site (Boundary Stream). Tieke have been extinct from the mainland since the early 1900s.
- The restoration of great spotted kiwi to Nelson Lakes National Park, as part of the Rotoiti Nature Recovery Project.
- *Olearia gardneri* (a threatened native plant) has flowered for the first time in Paengaroa Scenic Reserve. It was restored to the site in the 1990s.
- An extensive rat control programme at Hurunui, using a grid of traps and toxins, helped the mohua population show signs of recovery following the dramatic decline in the 2000/01 rat plague.

*A DOC firefighter dampens a Northland peat fire, one of six fires in the area that lasted many weeks.  
Photographer: Trevor Bullock, DOC.*

*Firefighters in training.  
Photograph: DOC.*

### Controlling fires: a major responsibility

Preventing and controlling fire is a high priority for the Department because of the risk it poses to vulnerable indigenous plants and animals. The fire management responsibilities are huge, covering life, property, and natural values on one-third of the country's land area.



The Department is responsible for State-owned areas, which include all national parks, wildlife and scenic reserves, and conservation areas.

This year, there were fewer fires to battle compared with last year, thanks to rain during the summer fire season. The exception is in the Far North, where six major fires threatened significant conservation values in the Kaimaumu and Te Paki conservation areas. During the second Kaimaumu fire, which took hold in peat soils and lasted for several weeks, Department crews from Waikato, East Coast/Hawke's Bay, Wanganui, and Canterbury conservancies were brought in to help local firefighters.

Fire-fighting capability was maintained by training staff and volunteers to the standards required by the Department and the National Rural Fire Authority.

This year, an internal audit of fire management systems recommended more than 20 areas for improvement, including identifying the type of research needed to help achieve fire management objectives, taking into account the work already being done by the Forest Research Institute. The Department also wants to determine whether research into the role of fire in natural ecosystems is relevant to New Zealand.

Given the many years of fire-fighting experience and solid expertise, we recommended to the Department of Internal Affairs' review of fire services that the Minister of Conservation should remain as the fire authority for the lands the Department administers.

## Fresh work for freshwater

IN BRIEF

- Remaining wetlands cover 10 per cent of their original area.
- Because the Department manages few entire freshwater catchments, it often works with others to help protect important freshwater places.
- Preventing invasive freshwater species from spreading is a priority.

Waterways on land administered by the Department are of major importance to New Zealand’s freshwater natural heritage. In all, New Zealand has about 70 major river systems, with four million kilometres of channel. It has at least 770 lakes, covering 334,000 hectares. Wetlands cover about 100,000 hectares, just 10 per cent of their original area before land was drained for uses such as ports, housing, and farming.

The Department is one player in a somewhat fragmented freshwater management scene that spreads responsibilities across several agencies. Much of our focus is on building understanding of freshwater systems, which is the cornerstone of effective conservation work.

The Department participated in the whole-of-government “Waters of National Importance” programme, aimed at sustainable development. Following on from last year’s assessment of rivers, work this year focused on wetland systems. This has involved identifying and describing wetlands past and present. A wetland “typology” is also being developed to identify the full range of wetland types that exist within New Zealand.

To further support identifying waters of national importance, the Department made advances in modelling human development pressure

across the landscape. Progress was also made in the development of a lake typology, which should eventually enable nationally important lakes to be identified.

Finally, a river environmental classification system has been extended and will be used to refine last year’s candidate list of rivers of national importance. This is a first step towards developing the Freshwater Environments of New Zealand classification system, of which rivers are an important component.

The Department’s roles are to actively manage freshwater sites within the protected area network, to advocate conservation outcomes for significant freshwater ecosystems outside the network (including statutory advocacy through the Resource Management Act), and to manage most native freshwater species.

Preventing the spread of invasive freshwater plant and fish species is also a priority for the Department. (See case study in the Biosecurity section of this annual report.)

Aquatic weeds are a particular issue in some places. As well as out-competing indigenous aquatic plants, they are easily spread by people to other catchments. At Lake Waikaremoana, a dive team has continued to monitor an infestation of *lagorosiphon* first discovered in a bay in April 1999. Progress has been very good. In 1999, three-to-four tonnes of *lagorosiphon* were hand-pulled from an area three-quarters the size of a rugby field. This year, during monthly surveillance during summer and autumn, divers found zero-to-one plants for every 12-hours of searching.



In Nelson and Marlborough, surveillance after eradication work failed to find any trace of the only known South Island populations of the pest fish koi carp. In the same region, the last remaining populations of gambusia were treated, though it cannot be confirmed until 2006 that the South Island is at last rid of this pest.



*Today, wetlands survive on just 10% of the area they covered before land was drained for a range of human uses.*

*Photographer: Brian Rance, DOC.*

*The shortfinned eel. Until recently, New Zealand's most resilient native fish were its two species of eels but now they are affected by lost habitat and human predation.*

*Photographer: Stephen Moore, DOC.*



## Marine environments: making progress toward protection

out monitoring and research to provide information about marine ecosystems and communities.

IN BRIEF

- Eight new marine reserves were established this year in Fiordland, and reserves at two other locations were gazetted and will receive formal status in 2005/06. One reserve was approved for gazettal after concurrence of Ministers.
- The Marine Protected Areas Policy is with the Ministers of Conservation and Fisheries for consideration.
- About three months after a satellite tag was attached to a great white shark near the Chatham Islands, the tag surfaced 1000 kilometres away.

The passing of the Fiordland (Te Moana o Atawhenua) Marine Management Act 2005 was a high point in the year. It established eight new marine reserves inside the Fiordland Marine Area, and increased the area of marine reserves there to more than 10,000 hectares. This means that more than 13 per cent of the inner fiord is now protected, up from less than one per cent. The reserves border Fiordland National Park, allowing natural habitats to be protected from the tops of mountains to the depths of the fiords.

The Fiordland legislation arose from a community initiative to improve the sustainable management and protection of Fiordland's exceptional marine environment. The "Guardians of Fiordland's Fisheries and Marine Environment" consulted extensively with interest groups. They proposed a package of management changes to better protect the marine environment from damaging activities, while continuing to allow for the sustainable use of fisheries and provide for kaitiakitanga.

Together with the Ministry for the Environment and the Ministry of Fisheries, the Department implemented the package of measures, including changes to commercial and recreational fisheries regulations and the development of non-legislative strategies covering monitoring, compliance, biosecurity, and education. As conservation and the management of New Zealand's resources are increasingly becoming a collaborative effort, this type of partnership approach will continue to be a key part of marine protection work.

New Zealand's coastal and marine environment is 15 times its land area. Compared with the land, little is known about this vast environment, either its ecosystems or the effects of human activities. The Department participates in the new "Oceans 20/20" project, aiming to map the ocean area, and supports the National Maritime Co-ordination Centre.

The Department's primary focus is on protecting marine biodiversity. Work on the national Marine Protected Areas Policy is near completion. Other significant milestones in the past year include the official establishment of eight new marine reserves, gazettal of a further two, full approval (by the Ministers of Conservation, Transport and Fisheries) of another reserve, and approval from the Minister of Conservation for a further three.

Marine reserves offer the highest level of protection for marine areas. Like terrestrial national parks, marine reserves aim to conserve marine life in as natural a state as possible by providing comprehensive and long-term protection. The Department manages marine reserves on behalf of the public and carries





*Mitre Peak dominates the skyline above Milford Sound's exceptional marine environment.*

*Photographer: Les Molloy, DOC.*

*A Fiordland anemone, one of the area's natural animal wonders.*

*Photograph: DOC.*

Two other marine reserves were gazetted this year – Ulva Island (Te Wharawhara) Marine Reserve (in Stewart Island's Paterson Inlet) and Te Matuku Bay Marine Reserve (off Waiheke Island). Horoirangi Marine Reserve (north of Nelson city) has been approved by all three Ministers and awaits gazettal.

The Minister of Conservation also approved and sought concurrence from the Ministers of Transport and Fisheries for a further three reserves, bringing the total of reserves-in-waiting to five. Among these is the 49,500-hectare Aotea application, the first marine reserve in the Territorial Sea to extend to the 12 nautical mile limit. The Taputeranga Marine Reserve application (on Wellington's south coast), which had been on hold for almost two years, awaits concurrence now that issues raised by Ngati Toa have been addressed.

The development of a Marine Protected Areas Policy (with the Ministry of Fisheries) has been a key plank of the New Zealand Biodiversity Strategy. The policy was sent to the Ministers for approval in May 2005. It aims to give practical effect to the

Biodiversity Strategy's goal of protecting a full range of natural marine habitats and ecosystems to effectively conserve marine biodiversity. Within that goal, it seeks to minimise the effects on existing users of New Zealand's marine environment.

Several conservancies have adopted the policy's approach of engaging with communities to plan marine protection.

The Conservation Services Programme contributed significant research into the effects of commercial fishing on protected species, through its at-sea observer programme and population studies. Its work to develop measures to mitigate adverse effects of fishing included bird scarers and sea lion exclusion devices.

#### CASE STUDY

### Bird Deaths from Fishing

As an oceanic nation, New Zealand has a large fishing industry that in 2004 generated export revenues of \$1.2 billion. New Zealand's marine environment also has high marine biodiversity. Of the indigenous marine species, many are now legally protected. When fishing boats and protected species cross paths, some seabirds, marine mammals and other species not targeted by fishers are caught on hooks or drowned in nets.

Seabirds are attracted to trawlers by offal or fish lost in the process of fishing. Some are drowned by being pushed underwater by the ropes attached to the trawl nets. Based on the numbers of birds retrieved by observers, about 700 seabirds are killed by the squid fishery each year.



*A Buller's albatross near Stewart Island. Buller's are found only in New Zealand, and are particularly at risk from the "by catch" associated with long-line fishing.*

*Photographer: Jacqueline Paulin, Southern Seabird Solutions photography competition.*

*Southern royal albatross haggle over discarded blue cod guts. This species is also at risk from fishing by catch.*

*Photographer: John Barry, Southern Seabird Solutions photography competition.*

To reduce these deaths, the Squid Fishery Management Company developed a draft code of practice, which includes provisions to manage offal (to reduce seabirds' attraction to trawlers), and bird scarers (to discourage them from flying in the danger zone behind the trawlers). This code of practice was prepared under the seabird National Plan of Action, a document prepared by the Ministry of Fisheries and Department of Conservation, with input from the fishing industry and other stakeholders.

In early 2005, Ministry of Fisheries observers, funded through the Conservation Services Programme (which is part-funded by a levy on the fishing industry), reported that two factory trawlers fishing for squid in New Zealand's subantarctic waters caught and killed 90 protected seabirds during normal fishing operations. Most of the seabirds killed (70 per cent) were protected white-capped albatrosses, but other protected petrel and shearwater species were also caught. Further investigations showed that many of the vessels working in the fishery had failed to use methods specified in the code of practice to reduce bird deaths.

Reports from the observers led the Ministry of Fisheries and the Department to identify effective and sometimes mandatory mitigation techniques for reducing seabird by-kill in this fishery.

#### ■ CASE STUDY

### Identifying Great White Shark Habitat in New Zealand Waters

Great white sharks are assessed as "globally vulnerable" by the World Conservation Union (IUCN) and in "gradual decline" in New Zealand. Despite their status, we know almost nothing about the biology of great white sharks in New Zealand waters.

To add to the global pool of knowledge, in April 2005, at the Chatham Islands, scientists from the New York-based Wildlife Conservation Society, the National Institute of Water and Atmospheric Research, and the Department, trialled pop-off archival satellite tags on great white sharks. The tags collect information that can be used to reconstruct each animal's movements. At a predetermined date and time they detach, float to the surface and transmit summaries of the data to scientists.

This fieldwork was highly successful due to a partnership with local commercial fisher and ecotourism operator, Tim Gregory-Hunt. One tag, released on 5 July 2005, reported in from 1000 nautical miles north-northeast of Chatham Island. This suggests the animals range widely, including in international waters. The remaining tags are scheduled to release on 5 September and 5 October 2005.

### Securing the future for indigenous species

IN BRIEF

- Working to protect ecosystems and the native species that live there is more effective in the long term than focusing only on individual species.
- As we get more information, we are learning that more native species are threatened with extinction.

For many New Zealanders, protecting threatened species is the Department’s most important job.

Last year the Department reported on the strong focus that it and the public has had on individual iconic and endangered species. That focus is shifting. Work will always be done to protect individual species but, in the long term, directing effort toward overall biodiversity outcomes is a more effective way to maintain healthy, fully functioning ecosystems, with few major threats, for indigenous species to live in. The evidence is that such an approach is more efficient and gives better long-term results for more species.

All species recovery work is in tandem with pest and weed strategies. A co-ordinated approach will allow consideration of all factors at work at particular places when designing, carrying out, monitoring, and evaluating a mix of site-based work and programmes.

### This year’s work

Threatened species work<sup>1</sup> during 2004/05 led to improved security for at least one population of the following “acutely” and “chronically” threatened<sup>2</sup> species:

- Forty-two of the 85 bird species listed in the acutely and chronically threatened categories. (Another one-quarter of bird species in these categories are not being worked on because they are secure overseas, stable or recovering, found on offshore islands or equivalent situations where they are stable or recovering, or because they are naturally very rare and stable.)
- Seven out of 16 acutely or chronically threatened freshwater fish species.
- All three frog species in the acutely and chronically threatened categories.
- Three of the six acutely or chronically threatened marine mammals. (Again, of the species or subspecies not being worked on, two are secure overseas, and the New Zealand population of the remaining one is a very small overflow of the Australian population.)
- One out of 24 reptiles; another quarter have survey/research work being undertaken, and another two-thirds are lower priority because they are classified as in gradual decline.

1 This work includes work programmes such as Bank of New Zealand Kiwi Recovery’s Operation Nest Egg programme and pest control work that aims to protect particular threatened species. It excludes species-specific survey, monitoring, or research directed at improving our understanding of the threatened species or threats to it. It also excludes general animal pest and weed control or island quarantine work that may also benefit populations of threatened species.

2 “Acutely threatened” species face a very high risk of extinction in the wild. “Chronically threatened” species also face extinction but are buffered slightly by either a large total population or a slower rate of decline.





*Hebe, a young Border terrier, was trained by DOC scientific officer Keri Neilson to sniff out “cryptic” species such as this Three Kings skink.*

*Photographer: Dave Hansford.*

*In April 2005, 25 captive-bred forest gecko were introduced to the regenerating bush on Matiu/Somes Island in Wellington Harbour, the world’s first-ever release of captive-bred forest geckos into the wild.*

*Photographer: B W Thomas, DOC.*

- Eleven out of 233 land invertebrates in the acutely and chronically threatened categories. Survey, monitoring, and research work is planned for twice this number. Much of the Department’s invertebrate work is focused on improving knowledge and increasing awareness of threatened invertebrates. For example, the Canterbury/Otago Invertebrate Specialist project has begun with strategies to identify threatened invertebrates within each Area Office boundary and what is required to improve their conservation status. Some individual species – such the ground beetle *Megadromus* “Omarama” – have had their conservation status changed due to improved knowledge or management. This beetle, for example, is now listed as “nationally endangered”. Work is ongoing, but the task is large due to the sheer size of this taxonomic group.
- About a third of the 295 known acutely and chronically threatened vascular plants. A further 31 plants in these categories are not being worked on because they are secure overseas, stable or recovering, found on offshore islands or equivalent situations where they are stable or recovering, or are naturally very rare and stable.

There is currently no specific species management work on bryophytes (moss), fungi, marine fish, or marine invertebrates, though some bryophytes and fungi may be benefiting from general animal pest and weed control or island quarantine work, and some marine fish and invertebrates benefiting from marine reserves.



*The giant tusked weta, rescued from possible extinction and beginning to thrive on rat-free island sanctuaries.*

*Photographer: Ian Stringer, DOC.*

#### ■ CASE STUDY

### Tusked Weta Fight Back

The rescue from possible extinction of the Middle Island tusked weta is a significant milestone for invertebrate conservation.

The tusked weta's only natural home is the 13-hectare rat-free Middle Island in the Mercury Group, about six kilometres off the Coromandel Peninsula.

Growing to eight-to-10 centimetres and weighing 26 grams, this species of giant weta was thought to have lived on all of the Mercury Islands before rats were introduced. In 1998, just four weta could be found in 65 nights of searching. The consensus was that the species was in danger of extinction. Barely surviving

on the island, an extraordinary event like a fire or the accidental introduction of rats could have wiped them out.

Guided by a Department of Conservation recovery plan, the goal was to establish new populations on neighbouring Red Mercury and Double islands, which had earlier been made rat-free.

The saving of the weta came down to a captive-breeding programme involving just two females and a male – to have taken more off the island was too risky given the already low numbers. Under contract,

Landcare Research, Auckland Zoo, and Massey University reared 181 offspring between them. This in itself was testing work because little was known about the weta and how to keep them alive. The weta's cannibalistic nature meant each had to be reared in separate boxes. During 2000 and 2001, they were gradually released, half-grown and better able to escape lizards and tuatara.

In 2003, Dr Ian Stringer, the Department scientist leading the release, discovered that a first generation of offspring had been produced since the initial release. And in April 2005, a second generation was found on both islands. On Red Mercury, weta were found at a rate of one-to-two every hour.



*Hamilton's frogs are now restricted to two islands in Cook Strait. New Zealand's frogs are unique in the world - they do not croak and young hatch as tiny frogs, not tadpoles.*  
 Photographer: Ian G Crook, DOC.

*Maui's dolphins are the world's smallest dolphin. There are fewer than 150 left in the wild.*  
 Photographer: Kirsty Russell.

*The North Island's last refuge of the speargrass weevil, *Lyperobius huttoni*, is on the south Wellington Coast. Whether conservation work can continue depends on whether sufficient weevils can be found.*  
 Photographer: Greg Sherley, DOC.

### Threatened Species: Improving our knowledge

Scientists estimate New Zealand has about 90,000 indigenous species. Of these, about 6000 have been investigated enough to put them into the Department's threat classification system, our tool for identifying the level of risk of extinction that a species faces. The Department is slowly adding to its knowledge, both by adding new species and by getting better information about the threats. Biodiversity Strategy funding has boosted this effort.

Even so, threat classification lists are in their infancy. Threat listings are reviewed three-yearly. Other agencies help review all the known species information, including the results of all monitoring and survey work carried out over the three years by Departmental staff and scientists, and by others, such as Landcare Research and the National Institute of Water and Atmospheric Research. The experts assess how native plants and animals are doing, not just on the land managed by the Department, but in all of New Zealand.

This exercise results in moving species up or down the threatened species scale. Sometimes this is because there has been clear deterioration or improvement; sometimes the situation of the species has not changed but more information has come to light so experts revise their opinion. For many species there

is no formal survey or monitoring, so the listing represents only the opinions of experts. Before the re-ranking is finalised, a draft is widely circulated for peer review.

A final threat category exists – those creatures that have not been sighted in a very long time. Scientists are naturally cautious in taking the step of declaring a species extinct, so “new” extinctions may actually be creatures which have not been seen in more than 100 years.

Last year's triennial review resulted in a mixture of all three types of change in status – new information, real decline, and declaring long-disappeared creatures extinct. The total number of species considered threatened throughout New Zealand has increased by 307 over the past three years, to a total of 2780 species. Most of these are newly listed species and came from the groups where a significant portion of the species are not well known<sup>3</sup>; as we learn about them we also discover they are threatened with extinction and this boosts the number of threatened species. There was a net increase of 166 in the number of species listed as “data deficient” (likely to be threatened, but with too little information to fit them into a threatened category). Sixty species formerly listed as “data deficient” now have enough information available to classify them.

3 Only bats, birds, and frogs have most of their species both formally described and sufficiently well understood to be assigned a threat status with some confidence. Other groups have significant numbers of species undescribed, or are “data deficient” in terms of their threat of extinction, or are not yet assessed.



The status of five species which were already classified is considered to have improved in the past three years, enough to justify a downwards change in their threat classification (see case study).

Meantime, of those species that were already on the register, 40 have “declined” in their threat status. This comes from both types of decline – better information, and real on-the-ground decline:

- The habitat of the moth *Notoreas* “Wellington” (found only on the South Wellington coast and now categorised as in “serious decline”), has been partly destroyed by a range of incursions, including vehicles and stock.
- In the past three years, one of four known populations of the moss *Chorisodontium aciphyllum* has been lost due to mining and, on that basis, the species is now categorised as “nationally endangered”.
- The black-fronted tern (which has moved from “serious decline” to “nationally endangered”) continues to suffer from predation by introduced pests and disturbance by humans.

- The large land snail *Pozzelliophanta* “Haast”, now in “gradual decline”, has suffered predation by thrushes – an introduced bird not normally considered a pest.
- Several species of native freshwater fish have declined because of factors including trout, pest fish, declining water quality and quantity, and problems caused by run off from surrounding land uses such as forestry.
- The Chatham Island toetoe *Cortaderia turbaria* has moved to “nationally critical” as a result of a fungal disease infecting both natural and cultivated stocks.

There were also seven species declared extinct, the final step for creatures not seen for decades or, in one case, more than 100 years. In each case, extinction probably occurred many years ago. The most well known is the South Island kokako, for which there have been no confirmed sightings for 45 years. In addition, six invertebrate species have also been reclassified as extinct.

*An introduced rainbow trout.*

*Photographer: Rod Morris, DOC.*

*The South Island kokako (left in the photo) is less fortunate than its North Island relative (right). The species has finally been declared extinct after no confirmed sightings for 45 years.*

*Photographer: J L Kendrick, DOC.*

*Nearly 30% of the threatened black-fronted tern breed on the Wairau River, Marlborough. Pressure to use the river’s water for irrigation and hydro-electric generation is increasing.*

*Photographer: Barry Harcourt, DOC.*



*Adult Campbell mollymawk on subantarctic Campbell Island.*

*Photographer: A Wright.*

*The Campbell mollymawk's "threatened status" has formally improved, which means more certainty for this young bird's future.*

*Photographer: Don Merton, DOC.*



## CASE STUDY

### Species Successes

Five species have improved enough to have their threat status changed to reflect their better prospects. They are:

- Codfish Island fernbird. Originally found in only one location, its population has recovered from temporary reductions caused by the rat eradication carried out to protect these birds in the long term. Birds are now much more abundant than before on this pest-free island. The Department also translocated some birds to another pest-free island to establish a second healthy population. This species changed from “nationally critical” to “range restricted”.



- Crested grebe. Survey results show this species has increased in number, allowing its threat status to change from “nationally critical” to “nationally endangered”. The Department has undertaken predator control work at two important breeding sites (around Lake Pearson and on a nesting sites (around Lake Clearwater), and begun managing willows to improve nesting sites.
- Campbell mollymawk (formerly known as New Zealand black-browed albatross). This species' recovery from earlier decline has been confirmed (moving from “nationally vulnerable” to “range restricted”). This recovery shows a close correlation with the reduction in fishing intensity around New Zealand in the mid 1980s.
- Black petrel. Although formerly in decline, there is no current evidence that this continues and its status has changed from “gradual decline” to “range restricted”. Populations are found on Little Barrier Island (Hauturu) and Great Barrier Island. The eradication of cats on Little Barrier Island (Hauturu) made a major contribution to this improvement as black petrel were an important source of food for cats.
- Snail (*Charopidae* sp.) Found only in dunes on the Chatham Islands, this species' decline has been reduced through our management of the dunes' ecosystem. Its status has improved from “gradual decline” to “range restricted”.



Offshore islands - protecting the investment in island sanctuaries

IN BRIEF

- Although the kiore eradication from Little Barrier Island (Hauturu) has still to be confirmed, native species are already bouncing back.
- Stopping animal pests from re-invading island sanctuaries is critical and systems are in place to protect them.

Much of the internationally recognised work on offshore islands has focused on eradicating key pests from priority islands to enable native plants and animals to flourish again. Islands, such as Campbell in the subantarctic and Little Barrier (Hauturu) in the Hauraki Gulf, have been subject to operations to remove rats. The Campbell Island eradication has been confirmed as successful and, while the success of the Hauturu operation has not yet been confirmed, early indications are positive. New initiatives in Fiordland will build on these successes and expand the number of islands free of key pests.

Highlights of the past year include preparatory work on Secretary Island, in Fiordland, where an 8140-hectare pest-free island is to be established; confirmation that rats have been eliminated from Raoul Island; and a highly successful first breeding season for Cook's petrel, just a year after the Little Barrier Island (Hauturu) aerial operation to remove rats (see case study).

Pest eradication work is only part of the work to protect the ecological integrity of these islands and the investment the Department has made on behalf of the people of New Zealand. Once cleared of pests, it is critical that unwanted

animals, plants and disease do not reach these island shores again. To prevent it, a national island biosecurity system has been developed to ensure measures are in place throughout the country to prevent pests and disease from reaching important islands.

During 2004, each conservancy with offshore island responsibilities prepared an island biosecurity plan setting out the procedures for preventing pests and disease from leaving mainland departure points, along with surveillance measures on islands to detect the presence of pests. In addition, in the unlikely event that pests breach these defences, contingency measures are in place for a rapid and effective response.

One such preventative measure is quarantine stores. The greatest risk of introducing unwanted organisms to islands is when they hitch a ride in equipment or on people. Quarantine stores provide clean, pest-free facilities where staff gear can be checked and stored before travel. A combination of rodent and insect-proof buildings and packing containers, plus disinfectants, are used to ensure not even an ant is able to stow away.

Such measures have been in place for some years at places like Invercargill, as Southland Conservancy's responsibilities encompass some 1000 islands. Over that time, the skills and knowledge of its staff have developed to the point where the rest of the Department is able to learn from them.



*Matt Rayner, a PhD student, weighs and measures a Cook's petrel chick.*

*Eradication of kiore at his study site has increased breeding success from 2% to 70%.*

*Photographer: Matt Rayner.*

*Little Barrier Island (Hauturu) is now free of kiore.*

*Photographer: Rod Morris, DOC.*



#### CASE STUDY

### Cook's Petrel

Monitoring during the summer has shown that 70 per cent of the Cook's petrel chicks on Little Barrier Island (Hauturu) fledged. In previous years, as few as five per cent of chicks survived, as up to 95 per cent were killed by kiore (the Pacific rat), sending the seabird population into a downward spiral. Before that, cats were also killing petrels in high numbers.

The turnaround for the petrel is a direct result of the kiore eradication operation. It is one of the first positive signs of success, and further evidence of the impact that kiore were having on Cook's petrel.

Other species expected to benefit include numerous seabird species, 13 endangered reptiles (including tuatara, chevron skink, and striped skink), two endangered plants, and a species of giant weta found only on Little Barrier.

The island cannot be confirmed as rat-free for another 16 months, after intensive monitoring.

### Improving our adaptive management

The ability to adapt management techniques in response to new developments or knowledge is increasing. Mainland islands, kiwi sanctuaries, and Operation Ark sites (and a range of other places), are managed not only for conservation results, but also as important places to learn. This allows the Department to adapt and improve its management regimes, become more efficient and, in the long term, extend management techniques to sites and species that are currently unmanaged. For example, 10 years of intensive management showed that once populations of North Island kokako reach a certain size, they can be maintained on a three-yearly predator control regime instead of treatment every year. This means significant cost savings, releasing money for work on other species.

Learning through adaptive management has potential for developing management techniques that can be applied to a group of species and then to several different groups at the same time.

#### CASE STUDY

### Operation Ark

Operation Ark was launched in 2003 to provide a rapid response to the sudden increases in predator populations in South Island beech forests – particularly during years when beech trees produce unusually large quantities of seed (“mast years”) and the abundant food allows predator numbers to explode. Operation Ark built on earlier work done by the South Island Beech Forest working group.

Mast years are usually sporadic, but one occurred every year between late 1999 and 2002. This, combined with warm winters (which also enhance predator populations), led to reductions in native bird populations of up to 70 per cent. Particularly affected were mohua (yellowhead), kakariki karaka (orange-fronted parakeet), and whio (blue duck). These populations previously extended across the South Island, but are now restricted to less than 30 per cent of their former range.

Operation Ark has established permanent trap lines at five of 11 sites identified for possible action. This year, Operation Ark



*A rat irruption in Hawdon Valley during 2004 brought orange-fronted parakeet nesting success down to just 53%, despite intensive predator control.*

*Photographer: Rod Morris.*



*Opposite page:*

*DOC ranger Dan Palmer loads a bait station, part of the Operation Ark ring of traps and bait stations defending populations of the critically endangered orange-fronted parakeet in the Hawdon Valley.*

*Photographer: Dave Hansford.*

*DOC scientist Graeme Elliott scales a red beech tree to check a nest. Because they are hole nesting birds, orange-fronted parakeet are acutely vulnerable to rats and stoats.*

*Photographer: Dave Hansford.*

also responded to predator irruptions at three of those sites – in Canterbury’s Hawdon Valley, and in the Catlins and Dart forests in Otago - using traps and toxins to contain predators and keep them at low levels.

The Hawdon Valley experience shows how challenging it is to try and control rats in beech forests. A network of traps and poison was used to try and control the rat plague, while parakeet nests were monitored. Despite the control operation, the rat population continued to grow, peaking in November 2004. While rat numbers crashed after the rat control operation, this may have been due to the depletion and germination of the beech seed (which had fuelled the plague). Parakeet nesting success during this time was just 53 per cent.

Without the rat control, parakeet nesting success would probably have been much less, and potentially disastrous. However, 53 per cent nesting success is relatively low at such an important site for this species. Alternative strategies to control rat plagues after beech masts need to be developed and tested.

The Department will continue its investment at the five established Ark sites, and new sites will become established as priorities require and when funding becomes available. There is a possibility that with climate change, mast years will become a more frequent event. For example, increasing seed production in Craigieburn forest is clearly linked with warming temperatures. More frequent masts at high altitudes mean rat and stoat plagues are likely to be more common.





### Wildlife health: dealing with diseases

Being able to respond quickly to disease outbreaks among threatened species is essential because they have the potential to wipe out a critically endangered species.

The New Zealand Biodiversity Strategy funding allowed the appointment of a wildlife health coordinator and establishment of a pathology fund. A standard operating procedure for wildlife health was approved in May 2004, and training carried out last year. An information base, beginning with threatened species, is also being built.

The standard operating procedure has already proved invaluable. It helped the Department to quickly identify an outbreak of erysipelas (a virulent but easily treated soil bacterium) that killed three juvenile kakapo, and allowed rapid steps to be taken to prevent more deaths. The deaths, in July 2004, demonstrated the need to be vigilant about diseases that can wipe out endangered species. The three birds died after 18 juveniles and an adult male were transferred from Whenua Hou (Codfish Island) to Te Kakahu o Tamatea (Chalky Island), off the Fiordland coast.

The recent detection of psittacine beak and feather disease, a potentially fatal disease for parrots, in a wild kakariki (parakeet) from Tiri Tiri Matangi Island, has further highlighted the need for vigilance. The presence of the disease on an island in the Hauraki Gulf means kakapo cannot be transferred to nearby rat-free Little Barrier Island (Hauturu). Without the monitoring measures of the wildlife health standard operating procedure, this disease may not have been detected.





*A cluster of short-tailed bats. Bats are New Zealand's only native mammal.  
Photographer: Brian Lloyd, DOC.*

*Introduced stoats are killing machines that decimate New Zealand's native animals. Controlling them is a major conservation challenge.  
Photographer: Jane Maxwell, DOC.*



*Opposite page:  
The future of Sirocco, one of 83 known kakapo, relies on protecting the species from both predators and diseases.  
Photographer: Mike Bodie, DOC.*

*Heather's cloacal temperature is taken as part of her health check.  
Photographer: Don Merton, DOC.*

*Ian Atkinson, of the Kakapo Scientific and Technical Advisory Committee, helps deliver juvenile kakapo to Te Kakahu o Tamatea (Chalky Island), in July 2004. A erysipelas outbreak killed three of the new arrivals.  
Photographer: Don Merton, DOC.*

## The outlook

Good progress has been made in protecting some threatened species. However, it is not practically possible to develop recovery actions for every threatened species and sub-species, or to halt the decline of all threatened species. While intensive management of species at selected sites continues, such as in kiwi sanctuaries and offshore islands, some species may eventually be lost from some places.

A number of challenges underpin this analysis.

There is a need to develop efficient and cost-effective techniques to manage key threats, particularly on the mainland where reinvasion by animal pests is a constant threat.

Current understanding of complex ecosystem interactions is limited. Experience has taught us, for example, that removing one pest can, perversely, result in increased numbers of other pests.

The Department cannot support every joint community conservation initiative without jeopardising the work which science dictates is the highest immediate priority for biodiversity.

## Protecting a tapestry of habitats and landscapes

Progress has been made towards protecting some of New Zealand's most threatened environments - lowlands and wetlands.

IN BRIEF

Because historical priorities were weighted toward protecting the majestic and scenic, New Zealand's network of protected areas is top heavy with mountains - it does not represent the full range of terrestrial and marine habitats and landscapes that need protection. Getting the balance right is an ongoing task, reflected in the work of the independent Nature Heritage Fund, the Nga Whenua Rahui committee (protecting conservation values on Maori land), the Queen Elizabeth II Trust, and the Biodiversity Condition and Advice Fund.

## The Nature Heritage Fund

Purchases by the independent Nature Heritage Fund this year have led to significant additions to New Zealand's publicly-owned conservation land. Its goal is to protect indigenous ecosystems that represent the full range of natural diversity originally present in New Zealand by providing incentives for voluntary conservation.

The fund is administered by an independent committee and receives an annual allocation of funds from Government. It is serviced by the Department.

This year, the fund's programme continued to focus on areas where it has made a number of highly successful purchases - the South Island high country, coastal areas, and offshore islands. Some of the year's more significant purchases have been part of the Government's Public Wildlands Programme, which was designed to protect a wider variety of New Zealand's most spectacular and valuable natural areas by bringing them into public ownership.

Funds were fully allocated by the Minister of Conservation for 12 new purchases, two covenants, and a contribution towards a purchase by a non-government organisation. The latter will protect 4492 hectares of nationally important and threatened ecosystems, which will be added to New Zealand's protected area network.

Non-forest ecosystems made up 60 per cent of the area protected, including 569 hectares of wetlands/peatlands, 2040 hectares of grasslands/shrublands, and 120 hectares of dunelands/coastal cliff vegetation. The balance of 1761 hectares was lowland forest.

## Significant Nature Heritage Fund purchases in 2004/05

### Castle Hill Station

More than two-thirds of Castle Hill station, at Porters Pass in Canterbury, was purchased by the Nature Heritage Fund in partnership with an Auckland business person. This purchase has secured the protection of extensive areas of lowland red tussock, rare limestone vegetation communities, and sub-alpine vegetation. The 8517-hectare area of high ecological representativeness, diversity, and naturalness will be added to two surrounding conservation parks. The purchase also secures permanent public access for the Mount Cheeseman skifield and two extremely popular rock climbing areas at Prebble and Gorge hills. This is the third of the fund's trilogy of joint venture purchases with farmers, in which key conservation areas of national

importance have been separated off from high country farmland, for the benefit of both parties. Landscape covenants have been put in place over the balance of the property.

### Kahurangi, Westhaven Inlet

A 204-hectare block of tall coastal and lowland forest has been purchased on the Whanganui Inlet, adjacent to Kahurangi National Park. The type of coastal forest found on this land is now nationally rare, making this an important acquisition. The block provides valuable links between areas of protected land and sea, connecting the park and Westhaven Inlet/Te Tai Tapu Marine Reserve. It also borders an estuary managed by the Department as the Westhaven Wildlife Management Reserve. The land was purchased with the intention that it will eventually be added to the national park.

*Cheeseman flats, with the Torlesse Range behind, are part of the Castle Hill purchase, which has high ecological diversity.  
Photographer: Gerry McSweeney.*





*The Landsborough Valley, near Haast, where a recent purchase has protected an under-represented environment type.*

*Photograph: DOC.*

#### **Landsborough Valley Station, Haast**

Some 519 hectares of freehold land and grazing rights for more than 1370 hectares of valley flats has been secured with the purchase of Landsborough Valley Station, in the Haast Valley, South Westland. Landsborough Station is an enclave within a very significant landscape leading to the gazetted Hooker Landsborough Wilderness Area. The purchase has protected a significant proportion of an under-represented environment type (well drained recent

river flats), as well as habitat for a number of threatened species, including scarlet mistletoe and the threatened shrub *Coprosma wallii*. It has also finally dealt with the problem of cattle grazing in Mt Aspiring National Park, which is a World Heritage Area.

#### **Nga Whenua Rahui**

Along with the Nature Heritage Fund, the Department also provides services to the independent Nga Whenua Rahui Komiti (Committee). This work is described in the “Conservation with Communities” and “Policy and Services” sections of this report.

**Statement of Service Performance – 2004/05: Management of Natural Heritage**

Projected Performance	Performance Achieved
<b>Biota Removal</b>	
<b>Fire Control</b>	
Annual fire plans that meet National Rural Fire Authority standards will be completed and operationalised for each of the 13 conservancies.	The target was achieved in each of the 13 conservancies.
<b>Consumption</b>	
<b>Possum Control</b>	
260,000 hectares of land administered by the Department will receive treatment for possums this year.	265,000 hectares of land administered by the Department received treatment for possums.  The target was achieved.  <i>Priorities for this work are set using criteria contained in national pest strategies. Control is carried out using best operational practice as detailed in the Department's standard operating procedures.</i>
925,000 hectares of land administered by the Department will be under sustained possum control.	987,000 hectares of land administered by the Department was under sustained possum control at year end.  Performance achieved is within a reasonable tolerance acceptable for operations of this nature.



Projected Performance	Performance Achieved
<b>Deer Control</b>	
205,000 hectares of land administered by the Department will receive treatment for deer this year.	<p>194,000 hectares of land administered by the Department received treatment for deer .</p> <p>Performance achieved is within a reasonable tolerance acceptable for operations of this nature.</p> <p><i>Priorities for this work are set using criteria contained in national pest strategies. Control is carried out using best operational practice as detailed in the Department's standard operating procedures.</i></p>
535,000 hectares of land administered by the Department will be under sustained deer control.	<p>302,000 hectares of land administered by the Department was under sustained deer control at year end. The area under sustained management in Wanganui Conservancy was double counted, which inadvertently added 211,398 hectares to the original target in the published Statement of Intent. The correct target should have been 323,600 hectares under sustained management.</p> <p>Given this initial mistake, performance achieved during the year is within a reasonable tolerance acceptable for operations of this nature.</p>
<b>Goat Control</b>	
1,040,000 hectares of land administered by the Department will receive treatment for goats this year.	<p>1,074,000 hectares of land administered by the Department received treatment for goats.</p> <p>The target was achieved.</p> <p><i>Priorities for this work are set using criteria contained in national pest strategies. Control is carried out using best operational practice as detailed in the Department's standard operating procedures.</i></p>
1,790,000 hectares of land administered by the Department will be under sustained goat control.	<p>1,738,000 hectares of land administered by the Department was under sustained goat control at year end.</p> <p>Performance achieved is within a reasonable tolerance acceptable for operations of this nature.</p>

Projected Performance	Performance Achieved
<b>Thar Control</b>	
<p>320,000 hectares of land administered by the Department will receive treatment for thar this year.</p>	<p>383,000 hectares of land administered by the Department received treatment for thar this year.</p> <p>The initial Statement of Intent target, set in some cases up to 10 months before operations occurred, was conservative. More detailed work planning closer to the operational period, and the nature of operations using helicopters, allowed the treatment area to be increased with little additional resource expenditure.</p> <p><i>Priorities and control is carried out in accordance with the Himalayan Thar Control Plan and using best operational practice as detailed in the Department's standard operating procedures.</i></p>
<p>830,000 hectares of land administered by the Department will be under sustained thar control.</p>	<p>845,000 hectares of land administered by the Department was under sustained thar control at year end.</p> <p>The target was achieved.</p>
<b>Island Management and Restoration</b>	
<p>89 islands will be kept rodent-free through the effective implementation of quarantine and contingency procedures in accordance with the Island Biosecurity Standard Operating Procedure.</p>	<p>105 islands were kept rodent-free through the effective implementation of quarantine and contingency procedures in accordance with the Island Biosecurity Standard Operating Procedure.</p> <p>A number of islands previously grouped together were separated out and managed individually during the year.</p>

Projected Performance	Performance Achieved
<b>Competition</b>	
<b>Weed Control</b>	
104 weed control work plans will be completed to prevent the spread of ecologically significant weeds using a weed-led approach.	98 weed control work plans were completed to prevent the spread of ecologically significant weeds using a weed-led approach.  Performance achieved is within a reasonable tolerance acceptable for operations of this nature.
285,000 hectares of land administered by the Department will receive treatment for weed control to reduce the pressure of ecologically damaging weeds, using a site-led approach.	400,000 hectares received treatment.  Most of the over achievement was due to wilding pine work on additional land received as an outcome of tenure review.  <i>Priorities for this work are set under criteria contained in the Department's national weed strategy and control is carried out using best operational practice as detailed in the Department's standard operating procedures.</i>
680,000 hectares of land administered by the Department will be under sustained weed control using a site-led approach.	809,000 hectares of land administered by the Department is under sustained weed control using a site-led approach.  Most of the over achievement was due to wilding pine work on additional land received as an outcome of tenure review.
<b>Representativeness</b>	
<b>Protection of Land and Freshwater Environments</b>	
The area of natural heritage under legal protection in at least two of the eight environments least represented in the protected areas network will be increased.	The area of natural heritage under legal protection increased across all eight of the environments least represented in the protected areas network.  A table showing the area of natural heritage currently under legal protection, by environment type, is provided in the appendices.

Projected Performance	Performance Achieved
<b>Protection of Marine Environments</b>	
Increase areas of marine protection by: <ul style="list-style-type: none"> <li>6000 hectares of inshore marine environment.</li> </ul>	During the year, marine reserve status was fully achieved for eight marine reserves; two marine reserves were gazetted and will achieve formal status in early 2005/06; and one application was approved for gazettal as a marine reserve. They are: <p><b>Fiordland Marine Management Act: (9520 hectares)</b></p> <ul style="list-style-type: none"> <li>Fiordland (Te Moana o Atawhenua) Marine Management Act was passed on 21 April 2005, creating eight new marine reserves in the inner fiords, totalling 9520 hectares. This increases the total area of marine reserves in the inner fiords from 1% to 13%.</li> </ul> <p><b>Gazetted: (1765 hectares)</b></p> <ul style="list-style-type: none"> <li>Ulva Island (Te Wharawhara) - 1075 hectares</li> <li>Te Matuku Bay Marine Reserve - 690 hectares</li> </ul> <p><b>Concurrence received - awaiting gazettal: (948 hectares)</b></p> <ul style="list-style-type: none"> <li>Glenduan (North Nelson) - 948 hectares. Note, the name has changed to Horoirangi.</li> </ul> <p><b>Concurrence sought from other Ministers: (1451 hectares)</b></p> <ul style="list-style-type: none"> <li>Whangarei Harbour - 231 hectares</li> <li>Te Paepae Aotea (Volkner Rocks) – 1220 hectares</li> </ul>
Increase areas of marine protection by: <ul style="list-style-type: none"> <li>48,000 hectares at Great Barrier Island.</li> </ul>	The Aotea (Great Barrier Island) application for 49,500 hectares has been notified and approved by the Minister of Conservation.  The application is with the Ministers of Fisheries and Transport and awaiting concurrence.
Develop a proposal for up to 100,000 hectares in the subantarctic.	A draft discussion document has been produced for public release.

Projected Performance	Performance Achieved
<b>Species Conservation Programmes</b>	
<b>Species</b>	
<p>Security will be improved for one or more populations of 143 “acutely threatened” species as a result of active species conservation programmes.</p> <p><i>Note: A species conservation programme may involve management of one or more populations of a species. There is a distinction between a local population and the overall species.</i></p>	<p>This year, 140 “acutely threatened” species had improved security in at least one population as a result of active species conservation programmes.</p>
<p>Security will be improved for one or more populations of 48 “chronically threatened” species as a result of active species conservation programmes.</p> <p><i>Note: A species conservation programme may involve management of one or more populations of a species. There is a distinction between a local population and the overall species.</i></p>	<p>This year, 42 “chronically threatened” species had improved security in at least one population as a result of active species conservation programmes.</p>
<b>Mainland Island Sites</b>	
<p>All work at the six mainland island sites will meet the targets in the annual work plan for that site, and will be consistent with the strategic and/or operational plan for that site.</p>	<p>The target was achieved.</p>



**Projected Performance****Performance Achieved****Convention on International Trade in Endangered Species (CITES)**

35,500 specimens surrendered/seized at the border will be collected and processed within 10 working days.

35,200 specimens surrendered/seized at the border were collected and processed within 10 working days.

The target was achieved.

290 trade-related applications for CITES permits or certificates will be processed within 20 working days.

92 trade-related applications for CITES permits or certificates were processed. Requests from exporters for permits decreased due to changing exporting and economic conditions. All applications received were processed within 20 working days.

560 other related trade (non-commercial) applications will be processed within 10 working days.

567 other related trade (non-commercial) applications were processed within 10 working days.

The target was achieved.

**Output Class Operating Statement: Management of Natural Heritage**

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	107,756	100,375	107,756	99,186
- Other	4,454	3,028	3,437	2,758
<b>Total Revenue</b>	<b>112,210</b>	<b>103,403</b>	<b>111,193</b>	<b>101,944</b>
Expenses	112,144	103,403	112,589	106,525
<b>Surplus/(deficit)</b>	<b>66</b>	<b>0</b>	<b>(1,396)</b>	<b>(4,581)</b>

The movement between Main Estimates and Supplementary Estimates budgets reflects a review that determined key outputs from other output classes were more appropriately classified within this output class. The Department also realigned overhead allocations during 2004/05.

# Biosecurity

## Outcome sought:

- Minimise biosecurity risks from new organisms entering the country, newly established organisms, or problems that pests and weeds on conservation land may cause to neighbours.



*Rainbow lorikeet, an Australian parrot, were deliberately released in Auckland to establish wild populations. They now pose a threat to native species and could have a significant economic impact on New Zealand's horticulture industry.*

*Photograph: DOC.*

IN BRIEF	<ul style="list-style-type: none"> <li>• A major re-organisation of all New Zealand's biosecurity work is settling in well.</li> <li>• Biosecurity risks to indigenous plants and animals are now explicitly recognised, alongside risks to the economy and human health.</li> </ul>
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Putting effort into biosecurity is critical for New Zealand because millennia of geographic isolation mean many of our native animals, plants, and ecosystems are vulnerable to foreign invaders – animal and plant pests and diseases that squeeze out and/or conquer the locals.

The Department is a key player in biosecurity, with responsibility for protecting many of the native species and ecosystems at risk from foreign invaders.

The Government has recently put in place a cross-agency approach to biosecurity, which is led by the Ministry of Agriculture and Forestry and involves the Environmental Risk Management Authority, the Ministry of Health, the Ministry of Fisheries, and us.

The Department's role during 2004/05 has been four-fold: providing experienced staff on secondment to assist the Ministry of Agriculture and Forestry set up the new biosecurity arrangements; providing policy and technical advice to other agencies about biosecurity risks to native biodiversity; taking the lead when harmful organisms threaten conservation values, or where we hold the most expertise; and preventing pests and weeds on conservation land from becoming a problem for the neighbours.

### The new biosecurity environment

Continued implementation of the Biosecurity Strategy has brought further major changes in New Zealand's biosecurity system during 2004/05, including the formation of Biosecurity New Zealand within the Ministry of Agriculture and Forestry.

Biosecurity New Zealand has responsibility for end-to-end management of biosecurity throughout the country. A memorandum of understanding has been signed with the Ministry of Agriculture and Forestry, the Ministry of Fisheries, and the Ministry of Health to ensure effective alignment of all strands of the Government's biosecurity work.

The new biosecurity system explicitly recognises that risks to indigenous species and the environment also need to be managed, alongside risks to the economy and human health. This means that biodiversity in terrestrial, freshwater, and marine environments will be better protected.

A further development for conservation is that the management of established pests (which accounts for more than half of New Zealand's total biosecurity expenditure), is now also recognised in the biosecurity system. Biosecurity New Zealand is picking up full accountability for the national leadership and co-ordination of pest management, and for national pest management programmes. To that end, this year the Department worked to transfer five pest management programmes to Biosecurity New Zealand - pyp grass, hydrilla, hornwort, white bryony and rainbow lorikeet.

The Department remains accountable for:

- regional-scale pest management,
- site-led pest management,
- managing wild animals under the Wild Animal Control Act,
- freshwater pest fish programmes under the Conservation Act,
- wildlife health protection programmes, and
- authorising the control of damage-causing wildlife under the Wildlife Act.

The need to co-ordinate and prioritise central and regional pest management activities was recognised in the Biosecurity Strategy and, although this work is not complete, the Department is represented on the Biosecurity Central/Regional Government Forum and the Central/Regional Biosecurity Co-ordination Group.

### Working together to implement the Biosecurity Strategy

From late 2003 to August 2004, the Department's Chief Technical Officer was seconded to the Ministry of Agriculture and Forestry to help establish the Biosecurity Strategic Unit, one of the main expectations of the Biosecurity Strategy.

During 2004, two more DOC staff joined the Ministry of Agriculture and Forestry on secondment; one to progress roles and responsibilities around the pest management function and the other to focus on compensation matters and Crown contributions to regional pest management strategies.

### Working towards the goals of the Biosecurity Strategy - Science

The Biosecurity Strategy recognises that science underpins biosecurity, and that good advice is essential for policy, planning, and decision making. The Foundation for Research, Science, and Technology has set up an outcome-based investment programme in the ecosystem investment round directed towards this.

One of the programmes, "Better Border Biosecurity", has direct relevance to the Department's role in providing policy and technical advice and services. Its goals are two-fold: to equip the Government and industry to reduce the incursion and/or establishment rates of unwanted organisms, and to move New Zealand from reactive to proactive biosecurity. The Department is represented on the governance board and the science management committee.



*The ecology of lowland New Zealand streams and rivers will be at risk if these two unwanted organisms escape into the wild. The gudgeon (left), is a European freshwater species, while the marron (right), is an unauthorised Australian import. They were both found in tanks in West Auckland in 2005.*

*Photographer: V Tachos and D Bobori, Fishbase (gudgeon).*

*Photographer: Caleb King, Biosecurity New Zealand (marron).*

## The year's significant events

Prevention, early detection and rapid response are the best ways to safeguard indigenous biodiversity and the environment.

To that end, the Department's Biosecurity Section has provided advice to:

- the Environmental Risk Management Authority, on issues associated with new organism applications under the Hazardous Substances and New Organisms Act, and
- Biosecurity New Zealand, on risk assessments and import health standards to ensure the conservation perspective is considered before organisms reach New Zealand.

The Department's Biosecurity Section also provided advice when new incursions were detected, and worked closely with Biosecurity New Zealand.

This year, the Biosecurity Section delivered a biosecurity awareness programme to all 13 conservancies, updating staff on the changes to the national biosecurity system, outlining the Department's biosecurity roles and responsibilities, and reviewing the system for reporting suspected exotic organisms.

## CASE STUDY

### Agencies act to contain serious environmental pests

In early February 2005, a large crayfish was found on the forecourt of a disused petrol station near West Auckland. The find was reported to the Department, and subsequently to Biosecurity New Zealand.

The animal was a marron, an Australian freshwater species, that had escaped from privately-owned tanks nearby.

Marron are a keystone species, affecting all levels of the freshwater environment. They alter the habitat through disturbance, directly compete with native species (such as our freshwater crayfish, the koura), and prey on other species, such as whitebait.

An initial investigation found more marron in tanks at the property, along with another unwanted species, gudgeon. Gudgeon is a European freshwater fish species that could potentially establish throughout lowland New Zealand if released. They would compete for food with native freshwater fish species, such as galaxiids and bullies, and prey on fish eggs and whitebait.

Following the first find, further ponds and properties were inspected by the Department, the Auckland Regional Council, and the Ministry of Fisheries, and more marron and gudgeon found. All tanks and ponds were drained and the marron and gudgeon eradicated.



### Statement of Service Performance – 2004/05: Biosecurity Policy Advice

Projected Performance	Performance Achieved
<b>Preventing New Organisms</b>	
<p>Policy and technical advice will be delivered as agreed with the Minister for Biosecurity and Ministry of Agriculture and Forestry.</p>	<p>Policy and technical advice was provided on a number of Ministry of Agriculture and Forestry (MAF) Ministerial submissions and Cabinet papers. This included comments on:</p> <ul style="list-style-type: none"> <li>• Painted apple moth eradication programme update.</li> <li>• Government response to the incursion of fall web worm.</li> <li>• Government response to the incursion of <i>Didymospbenia geminanta</i>.</li> <li>• Crown contributions to Regional Pest Management Strategies.</li> <li>• Transfer of national-scale pest management programmes from the Department to the Ministry of Agriculture and Forestry – funding arrangements (joint paper).</li> <li>• Memorandum of understanding between the Ministry of Agriculture and Forestry and the Department.</li> </ul> <p>All requests have been completed to the required standard.</p>
<p>Satisfaction of the Ministry of Agriculture and Forestry with support provided by the Department, for border control and response activities arising from newly arrived, unwanted organisms that pose a threat to indigenous biodiversity, will be assessed annually and achieve a rating of satisfied or very satisfied.</p>	<p>The Ministry of Agriculture and Forestry considers that, overall, the relationship between the Ministry and the Department is very good, and that the Department has good capacity to react urgently to provide support for incursion responses.</p>

### Output Class Operating Statement: Biosecurity Policy Advice

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	597	577	597	204
- Other	0	0	1	0
<b>Total Revenue</b>	<b>597</b>	<b>577</b>	<b>598</b>	<b>204</b>
Expenses	475	577	598	194
<b>Surplus/(deficit)</b>	<b>122</b>	<b>0</b>	<b>0</b>	<b>10</b>

### Statement of Service Performance – 2004/05: Crown Pest/Weed Exacerbator Costs

Projected Performance	Performance Achieved
<b>Discharging Crown Obligations</b>	
<p>Programmes of Crown exacerbator weed and pest control completed as agreed for 17 regional pest management strategies.</p> <p>Pest programmes range in number from 10-15 in the smaller regional council areas to 200+ in some South Island areas such as Canterbury. Programmes are assessed against criteria in the regional pest management strategies.</p>	<p>All pest programmes negotiated with councils have been completed as planned. During the year some funding was re-prioritised to best meet the obligations of the Crown. This was done through negotiation with the regional councils.</p>

### Output Class Operating Statement: Crown Pest/Weed Exacerbator Costs

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	2,063	2,053	2,063	2,047
- Other	0	0	4	0
<b>Total Revenue</b>	<b>2,063</b>	<b>2,053</b>	<b>2,067</b>	<b>2,047</b>
Expenses	2,038	2,053	2,067	1,993
<b>Surplus/(deficit)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>54</b>

**Statement of Service Performance – 2004/05: Indigenous Forest Biosecurity Protection**

Projected Performance	Performance Achieved
<b>Eradicating/Containing New Organisms</b>	
Policy and technical advice will be delivered as agreed with the Minister for Biosecurity and Ministry of Agriculture and Forestry.	No new detections were reported during the year and therefore policy and technical advice was not required.
The number of unwanted organisms that pose a threat to indigenous biodiversity and that become established or naturalised during the year will be reported at year end.	No new or unwanted organisms became established or naturalised during the year.

**Output Class Operating Statement: Indigenous Forest Biosecurity Protection**

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	42	42	42	25
- Other	0	0	0	0
<b>Total Revenue</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>25</b>
Expenses	32	42	42	33
<b>Surplus/(deficit)</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>(8)</b>

## Statement of Service Performance – 2004/05: Specific Pest and Disease Responses

Projected Performance	Performance Achieved
<b>Eradicating/Containing New Organisms</b>	
<p>Number of newly established or naturalised unwanted organisms that pose a threat to biodiversity and are contained or eradicated from 1 July 2003 will be reported at year end.</p>	<p>The Department provided advice on technical risk assessment for a number of suspected incursions including:</p> <ul style="list-style-type: none"> <li>• Further new finds of painted apple moth and fall web worm in Auckland. Both are considered to be new incursions.</li> <li>• Significant technical and logistical support to the Waiheke Island foot and mouth disease scare.</li> <li>• Two fungi new to New Zealand that are thought to have been present but undetected for some time.</li> <li>• A borer beetle found in an imported sauna. Treatment and trace-back has been undertaken.</li> <li>• Eradication of a number of exotic ant species at the ports of Tauranga, Napier, and Auckland. Most finds were the result of the national ant surveillance programme.</li> </ul> <p>A further find of southern saltmarsh mosquito at Whangaparaoa is being treated as a potentially new incursion. Treatment of the site and monitoring is ongoing.</p>
<p>Number of unwanted organisms successfully eradicated, contained and not under management will be reported at year end.</p>	<p>Unwanted organisms that have either been eradicated or contained in 2004/2005 are:</p> <ul style="list-style-type: none"> <li>• One terrestrial snail – eradicated, surveillance ongoing</li> <li>• Lymantrids – (fall web worm, <i>Spilosoma</i> and painted apple moth) eradicated - surveillance ongoing</li> <li>• 14 ant species – eradicated</li> <li>• 1 scale insect – eradicated</li> <li>• 1 borer beetle – eradicated</li> <li>• 1 dog tick – eradicated</li> </ul>

Projected Performance	Performance Achieved
<p>Technical risk analysis will be delivered in accordance with the programme agreed with the Minister for Biosecurity and Ministry of Agriculture and Forestry.</p>	<p>Technical and policy advice has been provided for reported incursions as required.</p> <p>Support was provided for 13 applications from the Environmental Risk Management Authority. This included advice on:</p> <ul style="list-style-type: none"> <li>• An application to import into containment pathogenic bacteria from natural environments.</li> <li>• An application to import into containment Chilean sphagnum moss.</li> <li>• An application to develop DNA-based biomarkers for tracking cumulative agrichemicals.</li> <li>• An application to import into containment pygmy marmosets for zoos.</li> </ul> <p>Advice was also provided to MAF on 13 import health standards or related processes including:</p> <ul style="list-style-type: none"> <li>• Biologicals for laboratory use</li> <li>• Bovine semen from Norway</li> <li>• Dairy products for human consumption from the Republic of Korea</li> <li>• Pigeat/pigmeat products for human consumption from South Africa</li> <li>• Lychee from Thailand</li> </ul>

#### Output Class Operating Statement: Specific Pest and Disease

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	127	127	127	216
- Other	0	0	0	0
<b>Total Revenue</b>	<b>127</b>	<b>127</b>	<b>127</b>	<b>216</b>
Expenses	102	127	127	197
<b>Surplus/(deficit)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>19</b>



# Historic Heritage

## Outcomes sought:

- Historic heritage is identified and, where appropriate, conserved and interpreted so that all New Zealanders have the opportunity to understand, appreciate and enjoy their heritage.
- A representative range of historic sites is protected, reflecting the themes of New Zealand history.



*An interpretation panel at Otatara Pa, in the Hawke's Bay.  
The pa is a significant historical site for Maori and other New Zealanders.  
Design by: Geometria Ltd.*

## Conserving and celebrating our history

### IN BRIEF

- Of 12,000 historic sites on public conservation land, 656 have priority for active management.
- This year, extra money for historic restoration has helped conserve Otatara Pa, the Karangahake Mines, Ruapekapeka Pa, North Head Barracks, Waiorongomai Mines, and the Dawson Falls Power Station.
- There is ongoing deterioration of some sites.

New Zealand was the world's last major landmass to be settled by people, which means its human history is relatively young and our historic sites and artifacts are more fragile than, say, the Great Wall of China, but still important to an understanding of New Zealand as a nation.

Land features, such as pa sites and food storage pits, provide most of the earliest human traces on public conservation land. More recent sites frequently include materials such as wood or steel, susceptible to rapid deterioration when not maintained.

The Department is responsible for 12,000 historic sites on public conservation land, and it works alongside other agencies to legally protect heritage values on private land.

While many of the sub-surface archaeological sites do not need active management and can safely be left with legal protection, a number of sites merit special attention because of their importance to the story of New Zealand's human history and their vulnerability to deterioration.

### Setting priorities for public conservation land

Over the last 10 years, the Department's conservancies have worked with local communities to identify those sites on public

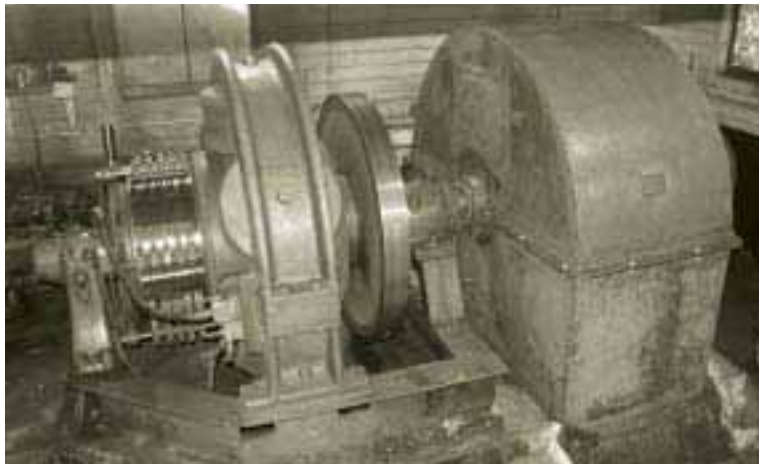
conservation land which are of greatest importance for New Zealand's human history. From this work, conservation strategies have been written.

In 2003/04, an asset management approach was established for actively managed historic sites. A total of 545 sites were identified, reflecting the communities, landscapes, and times from which New Zealand has developed.

This past year, asset management data was checked, work programmes modelled, and performance measures established. One result of improving the Department's data was that 111 more historic sites were identified. There are now 656 sites identified for active management in the database.

Decisions about spending priorities among those 656 sites are based on four factors: historical importance, condition and urgency of remedial action, accessibility to New Zealanders to learn about and enjoy their heritage, and the quality of the visitor experience. Government provided an additional \$4 million over four years, beginning in the 2003/04 year, to invest in the highest priority sites.

While tourism does not drive management priorities, it is taken into account. Recent research by the Ministry of Tourism into the potential of cultural tourism to help strengthen regional economies gives a valuable steer on priority setting for this work.



*Possibly the oldest continuously-operating direct current power station in the world, the hydro-electric Dawson Falls power station, built in 1896, still supplies electricity to a tourist lodge on Mt Taranaki. In 2004/05 it was upgraded in a partnership between DOC and the Taranaki Energy Trust. Photographer: Paul Mahoney, DOC.*

The four goals for the 656 priority sites are that: they are fully inventoried, restoration work is undertaken, an ongoing maintenance programme is begun, and tangata whenua are involved whenever appropriate. At many sites it is also important to provide facilities, such as walking tracks and interpretive material, so that people who visit can have a glimpse into the human history of the place. Recording the stories of these places is equally important, and this is an area that deserves more attention. Documenting the engineering knowledge during restoration of the Dawson Falls power station shows the worth of doing so.

### Progress this year

An example of significant progress this year is the second stage in restoring and interpreting Ruapekapeka Pa in Northland (see case study in the section on Working with Maori). As well, a world-class loop track was developed at the gold mines in the Karangahake Gorge; the conservation and interpretation work at

Otatara Pa, near Napier, was advanced (see case study); and work began on extensive interpretation on the Rimutaka Incline Walkway, near Wellington.

The costs of maintaining heritage sites vary considerably. Most archaeological sites are at the lower end, while buildings, such as Mansion House on Kawau Island in the Hauraki Gulf, are at the higher end. Depending on the mix of sites, each year the number of new sites for restoration and maintenance ranges from five to 10. At this rate, some priority sites will continue to deteriorate.

Ongoing deterioration means costs can increase significantly between when a site or structure is assessed and when the actual restoration work begins. We have become much better at building in these factors when preparing project plans and budgets.

The condition of the Bridge to Nowhere, in Whanganui National Park, illustrates the deterioration issues. In 1994, engineering consultants estimated repairs to micro cracks at \$12,000. The bridge is a key tourism destination and a well-known symbol of the park. This stabilisation work will be done in 2006, thanks to the historic heritage funding package. However, increased deterioration over time means the cost will be \$82,000.

The Department is extending its system for managing visitor assets to provide a cost-effective method to also manage its 12,000 historic sites. This work will enable participation in the New Zealand Archaeological Association's project to upgrade the quality of site records across

New Zealand. The outcome will be that the location of sites will be more precisely recorded, and a cyclical condition monitoring programme will be put in place. The system has also been updated to improve our reporting of historic asset management work. Variances in this year's reporting data are a consequence of the process to enhance the system.

A conservation management guideline was published this year: "The Management of Wetland Archaeological Sites", authored by W Gumbley, D Johns and G Law. This is a difficult type of site to conserve and it is hoped the guideline will lead to an improvement in the range of managed archaeological sites by including more wetland sites, including those outside public conservation land.

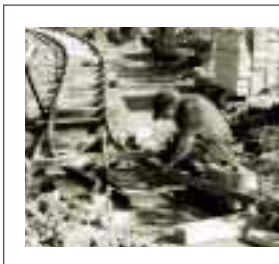
### Supporting others' initiatives

The Department also contributes to the protection of heritage on lands it does not manage by a range of methods, including the Reserves Act, which provides a powerful level of recognition and protection. Achievements for 2004/05 include:

- Victoria Battery Historic Reserve, near Waihi. The 2.6-hectare Gamble land purchase is an addition to the existing reserve, significantly improves the integrity of the site, and shields it from adjoining land development.
- Young Nicks Head Historic Reserve, on the East Coast. This high profile land purchase protects a range of values: New Zealand's cultural identity, significant Maori traditions, and the place where Captain Cook landed in New Zealand. The reserve is 33.73 hectares, and includes the iconic cliffs and part of a Maori pa. The remainder of the pa and headland is under a QEII covenant, and the Department works closely with QEII and the landowner.
- Otatara Pa Historic Reserve. This protects a Category 1 historic place, one of the largest pa in New Zealand and a significant Maori heritage site. The recent 9.5-hectare addition includes important archaeological features previously outside the reserve, and improves the buffer with adjoining land development.

*Restoring tram and rail tracks at the Karangahake Mines, where the work should lead to a premier cultural heritage tourist site.*

*Photographer: Paul Maboney, DOC.*



### CASE STUDY

#### Karangahake Mines

Centred round the picturesque Waitawheta Gorge, the Karangahake Mines are some of New Zealand's most historically significant hard-rock mining sites. In their heyday, they were among the leading gold producers, and have left an enduring legacy of outstanding and unique heritage sites. These include the Woodstock Company's underground pumphouse, the spectacular "Windows"

*An aerial view of earthworks at  
Otatara Pa Historic Reserve.  
Photograph: DOC.*



tunnels high above the Waitawheta River, and the massive masonry walls and other structural elements on the Talisman battery site. Nearby are the huge in-ground ore roasting kilns built by the Talisman and Woodstock goldmining companies.

Combine these elements with an outstanding scenic location, easy access from State Highway 2 and already developed infrastructure – the Karangahake Gorge Historic Walkway and the Karangahake Reserve recreation area – and the stage is set for the development of the “Karangahake Mines” as a premier cultural heritage tourism project.

In the first phase of this five-year project, this year’s additional funding for historic sites has been used to extend the Woodstock “Windows” tunnel by 70 metres and build a substantial staircase to create a new circuit track around the major mining sites in the gorge. Other work includes re-laying track on the Woodstock tramway and the Talisman incline, safe access into the underground kiln service tunnel, and new interpretation panels.

It is anticipated that within two years 100,000 visitors will visit the “Karangahake Mines” annually. They will not only gain an appreciation of the important role these mines played in the development of New Zealand, but also important conservation messages.

#### ■ CASE STUDY

### Otatara Pa

Otatara Pa Historic Reserve, on the left bank of the Tutaekuri River at Taradale, is the largest, most impressive Maori

archaeological site in Hawke’s Bay, and New Zealand’s second largest pa.

A major cultural research study by the Department and tangata whenua identifies Otatara Pa as the place that most strongly embodies the mana whenua of the area. Its ancient and colourful history has cultural links that extend throughout New Zealand, reflected in its Category One registration with the Historic Places Trust.

Many hapu and iwi are linked with the pa, including Ngati Awa, Rangitane, Ngati Mahu, Whatumamo, Ngati Turauwha, and Ngati Kahungunu. Their stories tell of the movement of groups between different areas, the changing balance of power during the time Otatara was inhabited, and the importance of the ancestors to the people. They also describe the different perspectives of the groups associated with Otatara and the importance of Otatara to all the people of Heretaunga.

The village-type site covers about 40 hectares and consists of numerous pits, terraces, and defensive ditches.

Otatara Pa has significant potential to develop as a successful model for heritage-based Maori cultural tourism. On-site story telling is already provided by local guides working under a concession to the Department, and is linked with hospitality provided by Waiohiki Marae, whose people have taken an active kaitiaki role (guardianship) and have been involved in managing the reserve for the past eight years.



### Statement of Service Performance – 2004/05: Management of Historic Heritage

#### Projected Performance

#### Performance Achieved

#### Heritage Inventory

Produce 13 heritage inventories for key heritage sites.

*Inventories are the first step in the process of identifying, conserving, and interpreting historic heritage.*

14 heritage inventories were produced for key heritage sites.

The target was achieved.

#### Maintenance, Restoration, Interpretation on Land Administered by the Department

Remedial work on 18 historic heritage assets will be completed to standard during the year.

An estimated 36 historic heritage assets received remedial work. A new management standard and system for historic assets was introduced during the year. There was inconsistent interpretation of the standard throughout conservancies which has led to a lack of consistency in reporting.

Additionally, in one conservancy, work physically completed during the 2003/04 year was not formally signed off in the new system until the 2004/05 year.

Regular maintenance work will be on track to standard for 460 historic heritage assets during the year.

An estimated 353 historic heritage assets received regular maintenance. A new management standard and system for historic assets was introduced during the year. There was inconsistent interpretation of the standard throughout conservancies which has led to a lack of consistency in reporting.

19 historic site interpretation projects will be completed to standard during the year.

An estimated 74 historic site interpretation projects were completed to standard during the year. A new management standard and system for historic assets was introduced during the year. There was inconsistent interpretation of the standard throughout conservancies which has led to a lack of consistency in reporting.

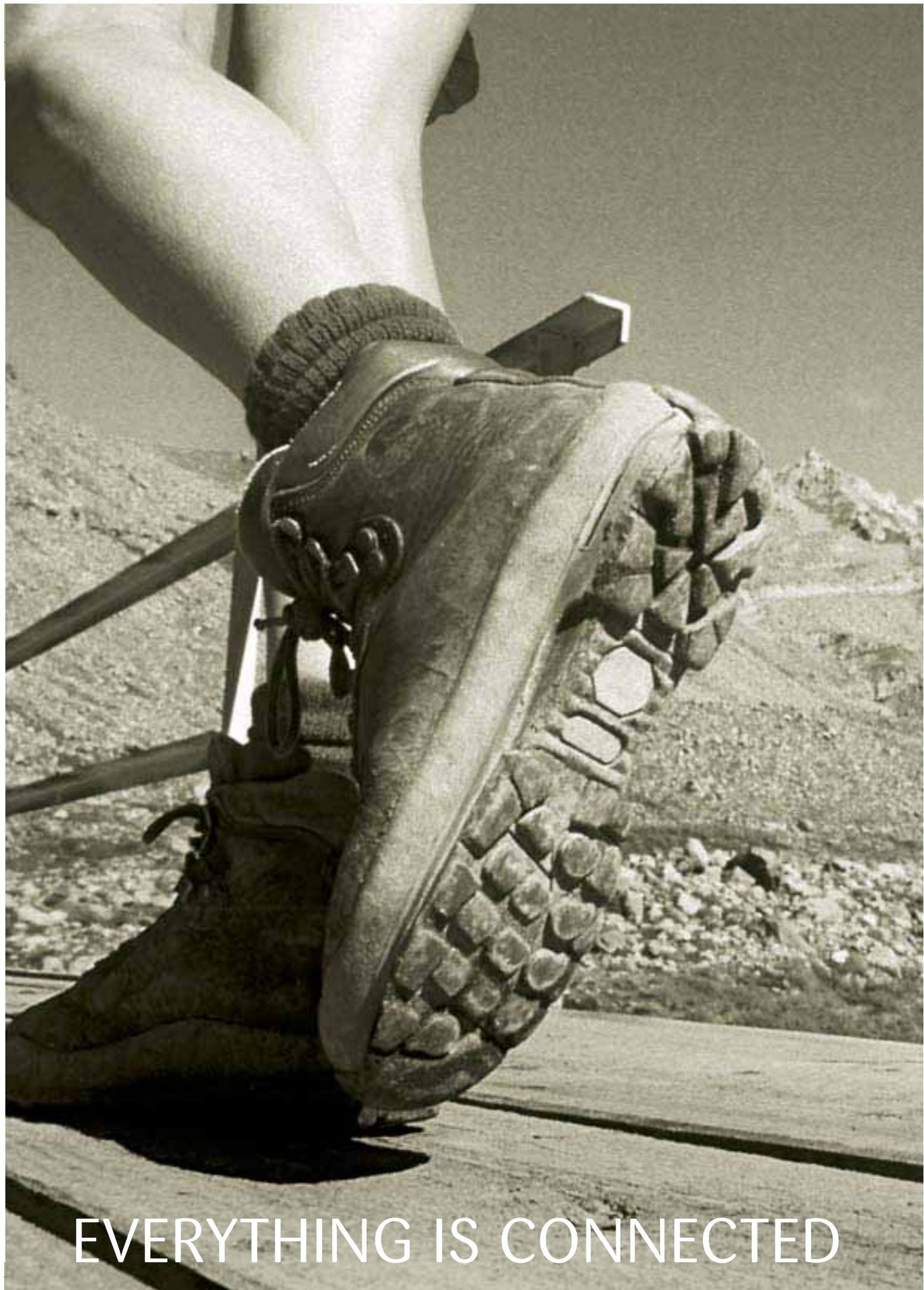
#### Maintenance, Restoration, Interpretation on Land Managed by Others

Legal protection will be achieved or enhanced at one historic site during the year.

Legal protection was achieved or enhanced at two historic sites during the year.

**Output Class Operating Statement: Management of Historic Heritage**

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	5,133	5,154	5,133	5,608
- Other	205	416	580	13
<b>Total Revenue</b>	<b>5,338</b>	<b>5,570</b>	<b>5,713</b>	<b>5,621</b>
Expenses	5,255	5,570	5,789	5,545
<b>Surplus/(deficit)</b>	<b>83</b>	<b>0</b>	<b>(76)</b>	<b>76</b>



EVERYTHING IS CONNECTED



# Our Work for Conservation: Appreciation

On the Round-the-Mountain circuit, Tongariro National Park.  
PHOTOGRAPHER: DAVE HANSFORD

Trampers climb the Ruahine main range, in the central North Island.  
PHOTOGRAPHER: DAVE HANSFORD



## Recreation

### Outcomes sought:

- A range of quality recreation opportunities, consistent with the protection of conservation values, is provided in areas managed by the Department, and promoted so that all New Zealanders have the opportunity to derive benefits from these areas.
- People and concession impacts on natural and historical heritage are minimised.



*A climber approaches Mt Manakau, in the seaward Kaikoura Range.  
Behind, Kaikoura Peninsula stretches a finger into the Pacific Ocean.  
Photographer: Dave Hansford.*



## Chances to appreciate extraordinary heritage

### IN BRIEF

- One in 10 New Zealand jobs are based on tourism, which means the Department's work is increasingly vital to New Zealand's economy.
- The Department and the tourism industry are writing a resource kit for concessionaires, to promote conservation awareness and understanding.
- A survey shows 95 per cent of visitors are satisfied with their time in conservation areas.
- A handbook on natural and cultural interpretation has been developed and is on the DOC web site.

The land which the Department manages is not only home for many of New Zealand's native plants and animals, it is also important for many people who have a connection with these special places.

### Conservation's economic contribution

New Zealanders and international visitors make around 33 million visits to public conservation lands each year. This is an 18 per cent increase over the 2001 estimate, and the growth continues, with overseas visitor numbers increasing even faster than visits by New Zealanders.

Tourism is now the country's largest foreign exchange earner, representing one in 10 jobs and 9.6 per cent of our gross domestic product. Within this, nature-based tourism is a key growth area, and a significant portion of it is based on access to public conservation areas and protected wildlife. The work of the Department is thus critical in supporting sustainable development.

The economic benefits to communities from conservation have been clearly demonstrated in recent studies of the West Coast region and two visitor sites in Nelson and Marlborough. (More on this in the following section, Conservation with Communities.)

While visitor numbers to public conservation areas continue to increase, the activities visitors undertake and the amount of time they spend in these places is changing too. No longer are protected areas the sole domain of mountain climbers and trampers; more and more these places are attracting visitors who stay a short time (less than a day) and, while there, want to do a wider range of activities. From picnickers to mountain bikers, day visitors represent 90 per cent of all visits to conservation areas, and there is high demand for facilities and information to support them.

### Conservation and tourism working together

This year the Department has taken stronger leadership within the tourism sector. The focus has been to better manage the effects of tourism, and pursue opportunities that come from conservation and tourism working together.

Co-operation between the Department, the Ministry of Tourism, Tourism New Zealand, and the Tourism Industry Association New Zealand is helping ensure that tourism on public conservation lands supports natural heritage and recreational experiences, rather than having an adverse effect. For example, in association with the Ministry of Tourism, the Department has begun a three-year project to develop methodologies to monitor visitor impacts. And an industry forum on tourism on public conservation lands has been set up.

Another co-operative initiative is an interpretation resource kit for the 1400 holders of permits for tourism businesses or marine mammal watching, due for completion in 2006. The kit recognises that accurate and authentic information, delivered by

*Visitors to Anchorage Hut, Abel Tasman National Park, fill out DOC survey forms.  
Photographer: Andy Dennis, DOC.*



knowledgeable concessionaires, will provide visitors with a rewarding experience that builds their connection to the environment and, hopefully, increases their care for it.

As visitor numbers increase, tensions between conservation and tourism interests will also increase. Last year's planning exercise at Milford Sound is an example (see case study).

Commercial pressures also place considerable demands on resources (staff, planning, and concession processes), and test the Department's relationships with local communities.

This has been most evident this year in Milford, Franz Josef, Abel Tasman, Akaroa, and Tongariro. The increasing demand for nature tourism, with its focus on closer, more intimate interactions with nature, wildlife, and fragile areas, puts increased pressure on the very values people want access to.

The challenge remains for the Department to continue to improve the concession management systems and processes. Prescriptive planning statements are being prepared to guide decisions on concession activities. We are also fine-tuning concession processes and actively monitoring concessions in the field. Work on more sophisticated mechanisms to allocate resource rights, such as tendering, is required. Dealing with these matters in association with the tourism industry and stakeholders is important.

*The new Mangatepopo Valley boardwalk on the Tongariro Crossing helps minimise environmental damage to this popular but sensitive site.*

*Photograph: DOC.*

*Inspecting the new Cattle Race boardwalk at Lake Matheson, in Westland Tai Poutini National Park.*

*Photograph: DOC.*

## Challenges in providing a range of opportunities

Part of the role is to provide opportunities for people to enjoy protected areas, and help them do it as safely as possible. The Department manages more than 12,800 kilometres of walking track; 992 huts; 13,464 boardwalks, bridges, staircases, and viewing platforms; more than 2200 kilometres of road; more than 1500 information panels and signs; 148 campsites; 1680 toilets; 22 visitor centres; and thousands of other facilities which include shelters, car parks, seats, drains, handrails, campground kitchens, water and sewerage systems. All the information needed to manage these facilities is held in a purpose-built national asset management system. This system tracks every asset – its inspections, maintenance planned and completed, condition, and the total cost of ownership during its life.

All facilities have to be inspected, documented, and maintained to safe and consistent standards. In 2002, the Government agreed to a 10-year \$349 million programme of work to replace, upgrade, and maintain the assets. Much of the work in the first five years has been dealing with deferred maintenance. The additional funds have enabled increased maintenance on tracks and the associated bridges and boardwalks, and an acceleration of capital asset replacement, particularly of huts and toilets (see case study).



In places where use is increasing, demand was managed by providing upgraded tracks and bigger huts to handle the greater numbers of visitors; limiting use by reducing the size, range and standard of some facilities; and/or limiting numbers directly, through booking systems. A national internet-based visitor booking system was developed this year, for implementation in July 2005.

Destinations that are currently less well known and thus less heavily used are being promoted. This can reduce the pressures on infrastructure and the sense of crowding, as well as introduce people to new places.

### The public's views shape the system

The 2002 10-year funding allocation is enabling the Department to maintain most, but not all, of the current network of facilities. Choices about what is retained or retired have had to be made. To do this we consulted extensively in 2004, worked with local recreation groups and the wider public throughout New Zealand, and found a very high level of interest, with more than 1400 submissions. A national survey showed wide public awareness of the process, and at the completion of this work the Department received considerable praise from the national recreation groups on the process and the outcomes of the consultation.

The main messages were: New Zealanders are passionate about their recreation inheritance and want a say in how it is managed; they want most huts and tracks maintained; and there is increasing demand for more access to the front country.

The process provided a mandate to maintain, upgrade, replace, and in some cases retire, recreation facilities. In October 2004, the Minister of Conservation announced the final decisions.

This year, the Department increased its research effort to get a better picture of visitors, their changing patterns of use, their impacts (on each other and the environment), and wider changes in recreation demand. One research task involved establishing a national on-site visitor survey of people using tracks and huts. This involved more than 2400 visitor

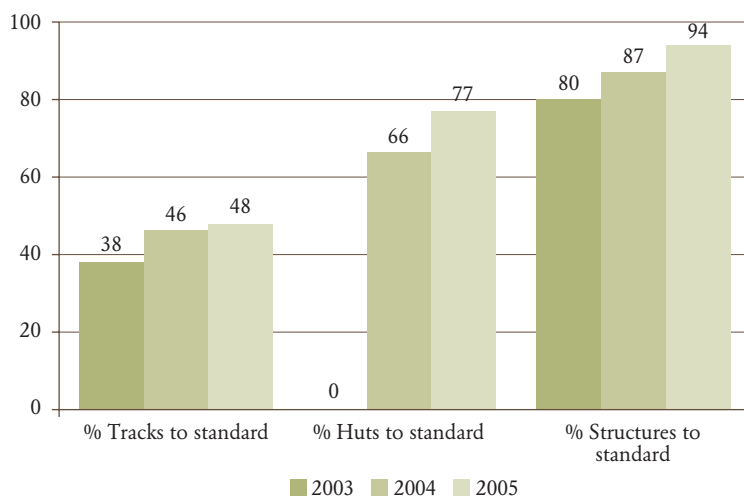
interviews and questionnaires at 120 randomly selected sites. The research is designed to establish a benchmark against which to measure future visitors' satisfaction with their visits to protected areas, and to understand the influences that crowding has on the visitor experience and levels of satisfaction.

A case study summarises the findings of this year's work.

### Meeting standards and managing risks

This year, as part of an improvement programme to ensure facilities meet visitors' safety and comfort needs, a new inspection procedure was put in place to measure the standard of tracks against the NZ Handbook for Tracks and Outdoor Visitor Structures (developed in 2003 in consultation with Standards New Zealand). A procedure for the ongoing monitoring of backcountry huts was completed, to be implemented in the 2005/06 year.

The results of this work are summarised in the graph, and discussed on the following page.



*Note: In 2003 huts were not checked against the standard*

This year, the hut maintenance and upgrading work has included: repairing exterior cladding; re-piling; re-roofing; installing new wood-burners; providing fire-retardant mattresses; adding skylights; and painting. Of the 992 huts, 77 per cent (target 80 per cent) now meet the Department's service standards. Any significant safety issues are being addressed. Upgrading has not been completed this year, because of higher than expected maintenance work. It will now be completed in 2005/06.

The Department has adapted to a changing regulatory environment, including the Building Act and Building Code, the New Zealand Drinking Water Standards, and fire safety in backcountry huts legislation.

In the annual structure inspection, nearly half (6400) of all structures were inspected by qualified staff or Department engineers. Where structures were found to pose a significant risk to visitors, they were either upgraded immediately or closed until the necessary work could be done. The 2003 review of structure standards showed a large number of structures that needed to have their handrails upgraded. Much of this work was done this year and only two per cent (310 of 13,464) now require barrier upgrades. These structures will be upgraded as part of the ongoing maintenance work next year.

In 2003, about 54 per cent of tracks did not meet Departmental standards, mainly because of poor track markings, or because of excessively muddy, rough, or uneven sections of track. Of the 12,800 kilometres of tracks we manage, 48 per cent (target 40 per cent) meet the service standards. Work began on upgrading some of these tracks, but the focus has remained on basic maintenance to keep them open for use.

### Providing information

Information is the other main ingredient provided to enable people to enjoy the large network of protected areas, and do it safely.

To promote conservation awareness, appreciation, and understanding, and to engage people with special places, we provide interpretation services such as guided talks, signs, publications, and web site material.



This year, development of a New Zealand handbook on natural and cultural interpretation was completed. It has been tailored for staff and volunteers, and represents a significant milestone in the move to refocus on interpretation. It is called the "Interpretation Handbook and Standard" and is available on the Department's web site.

In 2003, The Department and the New Zealand Mountain Safety Council produced "Play it safe in the backcountry", a brochure focusing on personal safety, preparation, and prevention, rather than search and rescue. This year another 70,000 copies were distributed nationwide.

The national series of recreation publications about huts and campsites was reviewed and reprinted, with 50,000 copies distributed through conservation information centres and the DOC web site.

### Living with the weather

This year (as with 2003/04) work priorities around the country were affected by avalanches, floods, fires, and extreme weather. In particular, floods affected work programmes and many places were closed while repairs and replacement facilities were built.

#### ■ CASE STUDY:

### Who Visits Conservation Areas, and How Happy are They?

With an estimated 33 million visits to public conservation areas each year, and international tourism growing, it is essential that we understand exactly who is using

which places, their recreation needs, and how best to target the huge investment in facilities and services.

To do this, the Department has established a national research and monitoring programme to survey a sample of sites and visitor groups. The results from 2474 visitor interviews were collated and analysed. The analysis shows that visitors are very satisfied with their time in public conservation areas – overall, 95 per cent say they are either "very" or "moderately" satisfied with their visit (69 per cent and 26 per cent respectively).

Of those using backcountry huts, 92 per cent are either "very" or "moderately" satisfied with their visit, while 87 per cent of those using walking and tramping tracks are either "very" or "moderately" satisfied with their visit.

The research highlights where the Department can improve its management. For example, the findings show there are higher levels of satisfaction with huts than tracks. The information also enables trend analysis. This data is essential to ensure that management decisions are not based on a single point in time, and take into account any changes in needs, expectations, and visitor profiles. Similarly, since satisfaction is partly a reflection of expectation, there would seem to be some important differences between the needs of international visitors and those of New Zealand residents, and between visitors of different ages. Further understanding will help tailor the facilities and services provided.

*A new handbook guides how to develop high quality visitor interpretation.*

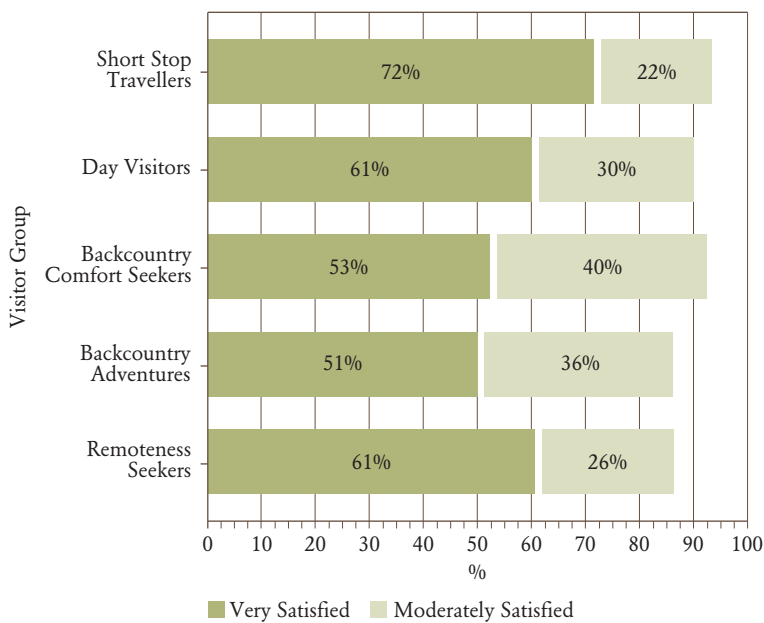
*Image: DOC.*



Survey and count data is made available to the tourism industry to help it plan marketing and development options around the country.

The following graph illustrates the sort of analysis that can now be achieved with this data. It is derived from the monitoring surveys described above.

Overall Satisfaction Track Conditions by Visitor Group



**CASE STUDY**

**Milford Sound *Piopiotahi***

The process to redraft the Fiordland National Park Management Plan has begun. The major issues in submissions on the draft relate to tourism and visitor use, and include:

- **Crowding:** Individuals, clubs, and non-government organisations talk about the crowds of tourists who descend on Milford between 11am and 2pm, while major tourism operators say their visitor surveys record more than 90 per cent visitor satisfaction.
- **Aircraft access:** With more than 200 flights each day during the peak season, the frequency and noise generated from aircraft produces a complex, entangled set of issues. Flights are considered to affect a wider area than Milford, including the Darren Mountains and Milford Track.
- **Milford Sound Concept Plan:** The findings of this plan, begun in 1999, were incorporated into the draft Fiordland National Park Management Plan. However, they were not supported by the stakeholders who had worked on the concept plan, demonstrating the complexities and commercial realities that exist at Milford, and the difficulties of finding consensus.



*A serene scene, but finding a path through the conflicting interests in Milford Sound is a challenge for all participants.*

*Photograph: DOC.*

- **Growth:** The draft management plan proposes caps on visitor numbers, but these are not supported by the tourism industry which believes Milford needs to accommodate growth, and that site design and economic tools can be used to better manage the flow of visitors.

Faced with these complexities, and a forecast that visitor numbers will almost double within the 10-year term of the new management plan, detailed planning direction is necessary to help ensure Milford can sustain this growth long-term. The draft plan is now being revised after public notification, submissions, and hearings.

Resolving the issues at Milford - maintaining the ability for conservation values to be protected, while allowing growth within the industry and an ongoing high-quality visitor experience - will remain a challenge for the Department and stakeholders at Milford.

#### CASE STUDY

### Major Construction Projects in the Backcountry.

From the deep mud of a West Coast swamp and the frozen tops of the Southern Alps to the volcanic slopes of Ngauruhoe and the rain-drenched forests of Te Urewera, the Department has undertaken major construction work in challenging environments. Some of the projects from 2004/05 appear below.

#### **Waitawheta Hut, Kaimai-Mamaku Forest Park**

A 26-bunk hut has been built in the Kaimai-Mamaku Forest Park to replace an old hut at the end of its economic life and in a state of disrepair. The new hut is on the historic Waitawheta Kauri Mill site, a central point for day and overnight walking opportunities. It provides opportunities for interpreting the timber and mining history in the Northern Kaimai Ranges. The hut is the first of several projects to enhance recreation and historic appreciation opportunities in the Northern Kaimais. Work is underway to restore and interpret the Waitawheta tramline and kauri mill and to develop a "Northern Kaimai Heritage Trail" from Te Aroha to Karangahake, incorporating the Waiorongomai and Waitawheta valleys.

#### **Plateau Hut, Aoraki/Mount Cook National Park**

The new Plateau Hut sits 2200 metres above sea level, on the edge of the Grand Plateau, below the east face of Aoraki/Mount Cook. It is one of New Zealand's highest alpine huts and replaces one built in 1964.

A key feature of this project was the NZ Alpine Club's assistance. It took several years to plan as the site posed tough problems for design, logistics, contracting, and construction because of the severe alpine weather, high altitude, shattered rock surrounded by permanent snow and ice, and a very short weather window. Most of the building was prefabricated off-site in the winter of 2004 to allow quick construction once all the parts were airlifted on site.

To protect the fragile alpine environment and the visitor experience, and because Aoraki/Mount Cook is sacred to iwi, all toilet waste is contained and flown off the mountain each summer. Opened by the Prime Minister in May 2005, Plateau Hut has been recognised internationally as setting new standards for high alpine huts.

### Lake Matheson 'Cattle Race' boardwalk, Westland Tai Poutini National Park

Lake Matheson is a highly popular visitor site, famous for its mirror reflections of the Southern Alps. Close to Fox Glacier Township, it is one of the highest-use tourist sites in the South West New Zealand World Heritage Area. The old raised boardwalk around the lake was no longer good enough. Replacing it required a design sensitive to the environment, and construction techniques that would minimise impacts on the lake's fragile swamp and vegetation.

*Building Plateau Hut, on Aoraki/Mount Cook, was a test of engineering versus the elements.*

*The land contour meant the new hut had to be constructed on a six-metre cantilever, four metres above the ground.*

*All toilet waste is contained and removed from the mountain each summer.*

*Photographs: DOC.*



### Statement of Service Performance – 2004/05: Management of Recreational Opportunities

Projected Performance	Performance Achieved
<b>Visitor Facilities and Services</b>	
<b>Huts</b>	
<p>Manage approximately 1000 huts to the appropriate service standard with a target of 80% of huts meeting the required standard.</p> <p><i>The number of huts may vary due to unplanned events (for example fire, flood or land movement) changing the number under management throughout the year.</i></p>	<p>992 huts were managed during the year. At year end, 767 (77%) met the standard.</p> <p>The service standard requires regular inspection and the completion of any work programme arising. The huts remain open unless the standards not met impact on the safety of users, at which point the hut is closed. Many of the outstanding tasks are building maintenance issues, or relate to ensuring a consistent service level is provided at all huts of a particular category.</p>
<b>Tracks and Walkways</b>	
<p>Manage approximately 12,500 kilometres of tracks and walkways to the appropriate service standard with a target of 40% of tracks meeting the required standard.</p>	<p>The target has been achieved.</p> <p>12,830 kilometres of track was being managed at year end, with 6165 kilometres to standard (48%).</p> <p>Where tracks are not up to standard this is due to:</p> <ul style="list-style-type: none"> <li>• Insufficient /inadequate/non-conforming marking.</li> <li>• Wet/muddy or rough/uneven sections</li> </ul> <p>Current track resources are focused on basic maintenance activities to ensure that tracks remain open.</p>
<p>Manage 13,300 visitor structures with a target of 100% of structures meeting the required standards for load capacity and correct barrier requirements.</p> <p><i>Structures that do not meet the standard will be closed or access will be restricted.</i></p>	<p>At year end the Department managed 13,464 structures. 12,601 (94%) met the standard. Of the 863 structures not up to standard, 71 structures were closed pending repairs. The remainder are open as the safety risk is deemed to be low.</p>
<b>Visitor Centres</b>	
<p>Manage 13 icon and seven regional visitor centres to the appropriate service standard.</p>	<p>13 icon and seven regional visitor centres were managed to the appropriate service standard.</p>



Projected Performance	Performance Achieved
<b>Recreation Concessions</b>	
<p>Manage approximately 950 recreation concessions.</p> <p><i>Concessions and concession applications are managed in accordance with the Department's standard operating procedures.</i></p>	<p>960 recreation concessions were managed.</p> <p>The target was achieved.</p>
<p>Process 640 recreation concession applications</p>	<p>691 recreation concession applications were processed.</p> <p>The target was achieved.</p>
<p>Process 75% of the recreation concession applications to standards (including time and cost).</p>	<p>691 recreation concession applications were processed, with 617 (89%) processed to standard.</p>
<b>Recreation Planning</b>	
<p>Manage approximately 3800 visitor sites to provide a range of recreation opportunities for the six key visitor groups.</p>	<p>The target has been achieved with 3871 visitor sites managed across the full range of visitor groups. There has been no significant change in the number of sites managed within the six visitor groups.</p>
<p>Survey visitor satisfaction with the range of recreation opportunities provided.</p> <p><i>Results of this year's satisfaction surveys will be used to set a satisfaction benchmark for future surveys.</i></p>	<p>Visitors surveyed over the summer of 2004 indicated a high level of satisfaction with the opportunities and services provided. Of the 2474 visitors surveyed, 95% indicated that they were either "very" satisfied or "moderately" satisfied with their visit.</p>
<b>Visitor and Concession Impact Management</b>	
<b>Visitor Environmental Impact Monitoring and Impact Mitigation</b>	
<p>50 visitor sites will be monitored for visitor impacts.</p>	<p>49 visitor sites were monitored for visitor impacts.</p> <p>The target was achieved.</p>
<p>Two visitor sites will have impacts mitigated.</p>	<p>Five visitor sites had impacts mitigated.</p>
<p>45 visitor sites will be monitored for recreation/tourism concession impacts.</p>	<p>Recreation/tourism concession impacts were monitored at 76 visitor sites.</p> <p>Original target setting was conservative and was increased during the year in response to increasing visitor numbers and improved monitoring systems.</p>

Projected Performance	Performance Achieved
25 visitor sites will have recreation/tourism concession impacts mitigated.	40 visitor sites had recreation/tourism concession impacts mitigated. This was higher than originally anticipated due to increasing visitor numbers.
<b>Non-Recreation Concessions</b>	
Manage 2300 non-recreation concessions.	2682 non-recreation concessions were managed.  Implementation of the Permissions database has improved the robustness of the data since original targets were set. This also has resulted in the reclassification of some concessions, such as grazing licences.
Process 600 non-recreation concession applications	744 non-recreation concession applications were processed. Achievement of this target is demand driven and a higher number of applications were received than anticipated. Examples include unexpected access easements, and one-off filming permits. There was also an increase in compliance effort by the Department.
Process 75% of the non-recreation concession applications to standard (including time and cost)	The target was achieved with 642 (86%) non-recreation concession applications processed to standard.  Achievement of this target relates to the overall number of applications received.
215 places/locations will be monitored for non-recreation concession impacts.	251 places/locations were monitored for non-recreation concession impacts.  The target was achieved.
20 places/locations will have non-recreation concession impacts mitigated.	18 places/locations had non-recreation concession impacts mitigated.  The target was achieved.

**Output Class Operating Statement: Management of Recreational Opportunities**

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	93,867	90,153	93,867	86,972
- Other	13,291	12,530	13,850	13,189
<b>Total Revenue</b>	<b>107,158</b>	<b>102,683</b>	<b>107,717</b>	<b>100,161</b>
Expenses	103,163	102,683	108,544	94,148
<b>Surplus/(deficit)</b>	<b>3,995</b>	<b>0</b>	<b>(827)</b>	<b>6,013</b>

**Output Class Operating Statement: Recreational Opportunities Review**

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	0	0	0	0
- Other	0	0	0	0
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenses	814	15,000	3,500	1,705
<b>Surplus/(deficit)</b>	<b>(814)</b>	<b>(15,000)</b>	<b>(3,500)</b>	<b>(1,705)</b>

The movement between Main Estimates and Supplementary Estimates budgets reflects a transfer of costs to 2005/06. The major implementation of decisions from the Recreational Opportunities Review will impact on future years.

## Conservation with Communities

### Outcomes sought:

- People make significant contributions to conservation.
- People are aware of conservation issues and support conservation.
- We give effect to the principles of the Treaty of Waitangi in our work.



*Christchurch students and their teacher prepare a report on snail monitoring on Blumine Island. The Marlborough Sounds island is the site of an innovative conservation education programme.*

*Photographer: Peter Sutton.*

## Engaging with others

### IN BRIEF

- The Department's website, [www.doc.govt.nz](http://www.doc.govt.nz), is the top site when people search "conservation" on Google.
- Abel Tasman National Park generates \$45 million in earnings each year – reinforcing the importance of public conservation land to New Zealand's economy.

Conservation with communities is about people making contributions to, and supporting, conservation.

Working with communities is central to encouraging people's appreciation of conservation, one of the two highest level outcomes in the Department's 2004 - 2007 Statement of Intent.

A further compelling reason for working with communities is that many people are affected by the Department's management of around one-third of New Zealand's land.

Iwi, farmers, recreators, tourism operators, mining and energy companies, fishers, anglers, conservationists, and landowners are among those with an interest in conservation issues.

Many positive spin-offs come out of the work with communities – from trampers who help maintain backcountry huts, to interest groups, including tangata whenua, getting involved in pest control and native species protection.

Tensions can arise between different interest groups, particularly when economics are involved; tourism and recreation are a prime example. Tourism, for which protected natural areas are a major draw card, is now a significant and growing component in the national economy. Tourism can also potentially affect the quality of people's experience and appreciation of New Zealand's natural and historic heritage.

Work is continuing on developing ways to manage the impacts of tourism. In this, the tourism industry is a key partner, as discussed in the preceding section on recreation and concessions.

The conservation with communities programme involves volunteer programmes, partnerships, supporting others, communications, education and events, and international conservation management.

This diverse engagement with iwi and the wider community is leading to greater appreciation and, in turn, greater public support for conservation, as measured by surveys of public opinion we commission. These surveys show that around three quarters of New Zealanders have a favourable opinion of the Department and its work.



### Programmes, partnerships and support

This year, a distinct area of focus has been the growing involvement of communities in weed control. A nationwide Weedbusters Programme is now in its second year. While possums, stoats and rats have been household names as pests, until now the same could not be said for weeds. The multi-agency Weedbusters Programme is changing that (see case study). From the seashore to the high country, programmes now exist where communities, schools, private individuals, local government, central government, and research organisations are actively involved in Weedbusters.

This year, conservancies actively engaged with local government on Long-Term Council Community Plans where these include protection or enhancement of biodiversity.



*The front page of DOC's website – [www.doc.govt.nz](http://www.doc.govt.nz) – is the top Google site when people search for “conservation”.  
Image: DOC.*

### Communication and education

This year, important avenues of communication have been through the web, media, and education:

- The Department's web site is the top Google site when people search for “conservation”.
- Because working with the media is a necessary general competency, a national upskilling programme was run.
- Education programmes have been developed that are in step with government strategies. For example, this year we supported marine and freshwater education initiatives developed by the Northland-based Nga Maunga Ki Te Moana Trust. These initially focused on Northland, and are now being implemented in other conservancies. The Department also developed the school resource, “Up The Creek”, which focuses on issues associated with the Government's Water Programme of Action and the New Zealand Biodiversity Strategy.

The web site is under a programme of continuous improvement. During 2004/05, draft web site and content strategies were developed, taking user research into account. The web site was also audited against e-Government requirements, including the need to provide easy access for users. Overall, the web site was rated as good (83.9 per cent compliant with required content standards). Where possible

and practical, recommendations for improvement have been acted on, and others will be addressed during a redesign scheduled for 2005/06.

### Ongoing research into economic impacts

A study of the economic value contributed by the Abel Tasman National Park and the Queen Charlotte Walkway indicates that Abel Tasman National Park generates \$45 million a year and supports 370 jobs, while the Queen Charlotte Walkway contributes \$9.4 million and 98 jobs.

This information comes on top of last year's research results showing that conservation activity in the West Coast region generates \$221 million a year and supports 1814 jobs.

### International conservation

Although an archipelago of remote islands, New Zealand does not work in isolation when it comes to conservation. Apart from needing to fulfil our international obligations, New Zealand benefits directly by working voluntarily with other Pacific countries to secure agreed conservation outcomes, and to underscore our commitments as a country with high conservation standards.

During the 2003/04 year, New Zealand was elected to the United Nations World Heritage Committee, and Tuwharetoa Paramount Chief, Tumu te Heuheu, DCNZM, appointed as head of delegation. Since then, we have been active in promoting world heritage

in the Pacific and beyond. As part of this, in October 2004, the Department hosted a week-long workshop at Tongariro National Park, attended by representatives of nearly all Pacific island countries and territories. The resulting action plan aims to achieve world heritage status for appropriate Pacific sites, and was presented to the World Heritage Committee at its meeting in December 2004. The next step is to determine themes for "serial"<sup>4</sup> world heritage sites at a meeting in Vanuatu in September 2005; the Department is contributing the background paper for this.

Further presentations about New Zealand's experience with world heritage sites were made to international meetings in Norway and Japan. These drew on lessons learned from the Tongariro World Heritage Area, particularly iwi associations with the national park and their involvement in planning and management of the world heritage area.

Within New Zealand, many suggestions came through public submissions on a document discussing possible world heritage sites, and these are currently being assessed to determine which could meet the strict criteria. The outcome will be a list of New Zealand's suggested sites, for submission to the World Heritage Committee.

4 Serial sites are those where several sites grouped together combine to create a whole that has outstanding universal value worthy of World Heritage status.

#### ■ CASE STUDY

### Weedbusters

This year, the nationwide Weedbusters Programme celebrated its first birthday. The Department leads this initiative, which involves a broad cross-section of the community, as well as other agencies involved in weed control and education, such as regional councils.

This year the Weedbusters' website ([www.weedbusters.org.nz](http://www.weedbusters.org.nz)) received nearly 40,000 visitors, publicised almost 150 events, and provided details of how to control 100 recognised weed species. Meanwhile, coverage in national and community newspapers and magazines put the Weedbusters' message in front of 4.8 million potential readers.

Weedbusters have been at work everywhere, from the Chatham Islands, to the Far North, to Stewart Island. Like the rest of New Zealand, Stewart Island's beaches have been invaded with dune weeds. Marram is vigorously taking over, colonising the habitat of threatened native plants, and changing the way that dunes are formed. The changed landscape also removes breeding habitat for native birds, such as the banded dotterel, oyster catcher and pipit.

One initiative saw Halfmoon Bay School adopt Bathing Beach. For two years it has been working with the Department to get rid of marram and replant the beach with pingao, a native sand binder.



#### ■ CASE STUDY

### Thar She Blows - Whale Hunters Turn Whale Watchers

This year we brought old whalers back into action to help survey whales in Cook Strait. The Department is investigating whether humpback whale numbers have recovered from commercial whaling. The surveys are providing the first systematic evidence that some recovery is happening in New Zealand waters.

The first 15-day survey counted whales passing through Cook Strait during June, 2004. Thirty-eight pods of whales were recorded – with a total of 53 individual whales. Most (47) were humpbacks, but a few larger whales, thought to be blue or sei, were also seen. Results from the second survey, in June 2005, are still being collated.

Whaling was banned in New Zealand waters in 1964, so it has been 40 years since the horizon had last been scanned for tell-tale spouts. These old whalers clearly relished the return to their old task. From a tent high on Arapawa Island's East Head, armed with binoculars, they proved as eagle-eyed as ever in spotting their quarry.

*Former whalers helping survey whale numbers in Cook Strait are as eagle-eyed as ever.*  
*Photographer: John Gibbs, DOC.*

The surveys have been a great ground for co-operation between those who used to hunt whales as a resource, and the scientists who now chase them for information.

Data from the surveys will be used at international whale forums, such as the International Whaling Commission. This information is essential for both whale protection initiatives in the South Pacific, and for managing national issues, such as potential impacts on whales from shipping, coastal development, and fishing, made all the more pertinent by the six entanglements of humpbacks at Kaikoura over the last four years.

#### ■ CASE STUDY

### Conservation meets Education on Blumine Island

Blumine Island is one of the most accessible islands in the Marlborough Sounds, just a one-hour boat trip from Picton. Formerly a sheep farm and now a scenic reserve, the island is open to the public at any time. Historic photos show that the northern half of the island was bare of vegetation in the 1940s.

Over the past three years, Blumine Island has been the site of a conservation education programme developed by the Department in partnership with the Untouched World Foundation and Christchurch College of Education.

Groups of students sponsored by the Foundation spend up to a week on the island doing conservation work. Students have helped clear tracks, monitor predators and native powelliphanta snails and birds, and clean up historic sites. In this way, ecological restoration on the island is added to the educational programmes.

The foundation also sponsors visits to the island by participants in the Department's conservation volunteer programme, and the Outward Bound School. Volunteers have helped cut tracks, trap stoats, and do monitoring. Seven kilometres of monitoring tracks are now in place, ready for pest eradication programmes. Blumine will become number 20 in a planned total of 23 Department-managed islands in the Marlborough Sounds to have pest-free status.

*Students from Nelson, Marlborough, and Canterbury secondary schools celebrate in Picton after a week on Blumine Island.*  
*Photographer: Peter Sutton.*



### Working with Maori: a growing relationship

The Department is committed to supporting new opportunities to work with tangata whenua for conservation outcomes, and enhancing matauranga Maori (traditional Maori knowledge).

Work this year has focused on the commitment to enable tangata whenua to maintain their cultural relationship with taonga in areas the Department manages. Opportunities to work together for conservation outcomes, and to enhance matauranga Maori relating to biodiversity, are being developed.

To that end, a Kaupapa Atawhai Strategy, designed to give consistency and direction to our work with Maori, is due for completion in 2005/06.

During 2004/05, the independent and contestable Nga Whenua Rahui Fund, serviced by the Department, protected approximately 12,700 hectares of indigenous ecosystems on privately-owned Maori land. New areas representing a wide range of ecosystems are now legally protected in Northland, Waikato, Hawke's Bay, Wanganui, Bay of Plenty, and the East Coast/Tairāwhiti. A feature of Nga Whenua Rahui is that the landowners retain tino rangatiratanga (in this case, ownership and control).

Nga Whenua Rahui also administers Matauranga Kura Taiao, a contestable fund that supports iwi/hapu initiatives to increase their capability to retain and promote traditional Maori knowledge and its use for

biodiversity management. In the past year, the fund committed more than \$500,000 to new projects, from Kerikeri to Dunedin.

Tangata whenua groups are powerful allies in supporting and promoting conservation initiatives, especially at local level, and many are taking the lead on initiatives for taonga in their rohe, such as the Mokoia Island Trust Board and the Ruapekapeka Pa Management Trust (see case studies).

#### ■ CASE STUDY

### Mokoia Island Trust Board Champions Conservation

Department staff in the Bay of Plenty are involved with conservation management at several sites owned and managed by iwi.

These efforts are now being formalised through a Charter that will place the relationships with iwi in the Bay of Plenty on a more formal footing and support the achievement of mutual conservation goals.

A leading light in the Bay is the Mokoia Island Trust Board, whose members represent the four iwi who own Mokoia Island, in Lake Rotorua. In 1989, the Board approached the Department with a proposal that the island be devoted to conservation. Today, following sustained pest control using brodifacoum, the island is pest free and thriving, and the results for conservation are stunning – populations of native birds are doing so well they are being used to seed new populations at sites all around the North Island.





*A kiwi chick is welcomed to Mokoia Island, in Lake Rotorua, by Te Arawa members of the Mokoia Island Trust Board and kaumatua from Ngati Whare, from whose robe the egg came. The chick was raised as part of the Bank of New Zealand Kiwi Recovery's "Operation Nest Egg" programme.  
Photographer: Bridget Evans DOC.*

One species on the increase is the North Island robin, with numbers on Mokoia Island now so high that animals can be translocated to establish populations in Tuhua Forest and the Waitakere Ranges.

Mokoia Island's pest-free status means it is also able to provide a safe haven for native species that are struggling elsewhere on the mainland. It now has six North Island kiwi, three girls and three boys, so it is hoped there will soon be more.

#### ■ CASE STUDY

### Ruapekapeka Pa

The Ruapekapeka Historic Reserve, 35 minutes north of Whangarei, is the site of the last battle of the first campaign of the New Zealand Wars (the Northern War of 1845-46), and the only battlefield of the Northern Wars where visible fortifications remain.

The Ruapekapeka site is of national cultural and historical significance because of its role in mid-19th century dealings between the Crown and Maori; it is a key historic site on public conservation lands in Northland.

Ruapekapeka Pa Historic Reserve has been the subject of a National Historic Heritage Restoration Project funded by the Department during the last two years, with the support and co-operation of the Ruapekapeka Pa Management Trust. The Trust represents six local iwi/hapu groups and descendants of

those who fought to defend their mana. The work follows a two-stage development plan written by the Department, the Trust, and various specialist consultants.

Achieving this outcome has taken the best part of 15 years, but momentum gathered in 1999 when \$12,000 was made available from the Department's Tikanga Atawhai Fund to set up a working group, consult with tangata whenua, agree to a deed of settlement, and consolidate all of the above by electing the Ruapekapeka Management Trust. The deed was signed 12 months later, in November 2000. Today, the Department manages the site co-operatively with the Management Trust.

The site is currently experiencing a growth phase, particularly with organised school and commercial tours. Destination Northland, the Regional Tourism Organisation, is engaging with the Management Trust and the Department about promoting the site as a major tourist draw card. Community involvement has also been growing, and two planting days this year saw 300 people, including 150 local school children, plant 2000 trees.

The Management Trust has the goal of recording and preserving Ruapekapeka stories for the benefit of future generations. This is currently being undertaken in the form of a research-based oral history project.

**Statement of Service Performance – 2004/05: Conservation with Communities**

Projected Performance	Performance Achieved
<b>Community Relations</b>	
<b>Volunteer Programmes</b>	
Volunteer opportunities will be provided for 3800 volunteers.	Volunteer opportunities were provided for 7565 volunteers.  This increase is due to the greater number of people wishing to volunteer than anticipated, as well as conservancies setting conservative targets.
31,000 workday equivalents will be contributed by individuals/groups.	31,540 workday equivalents were contributed by individuals/groups.  The target was achieved.
The target for these programmes is 70 - 75% of volunteers surveyed will rate their conservation awareness and understanding as increasing “moderately” or “greatly”.	87% of the 536 volunteers surveyed said their conservation awareness and understanding had increased “moderately” or “greatly” as a result of these programmes.
<b>Partnerships</b>	
There will be participation in 250 partnerships during the year.	There was participation in 260 partnerships during the year.  The target was achieved.
The target for partnerships is 80 - 85% of partners surveyed, including Department partners, will rate their contribution to conservation as “moderate” or “significant”.	91% of the 207 partners surveyed rated their contribution to conservation as “moderate” or “significant”.
<b>Supporting Others</b>	
105 initiatives will be undertaken to build conservation skills and knowledge for 2400 participants.	108 initiatives to build conservation skills and knowledge were undertaken for 4103 participants.  The participants over-achievement occurred because the number of participants is hard to predict and was therefore set conservatively by conservancies.
It is estimated 70 - 75% of participants surveyed will rate their conservation skills and knowledge as increasing “moderately” or “significantly”.	95% of the 447 participants surveyed said their conservation skills and knowledge increased “moderately” or “significantly” as a result of these initiatives.

Projected Performance	Performance Achieved
<b>Communication</b>	
360 new publications will be produced during the year.	380 new publications were produced.  The target was achieved.
The number of web site users are expected to increase by at least 10% during the year to an average of 110,000 visitors per month.	The number of web site users increased by more than 10% during the year and now averages 111,000 visitors per month.
Satisfaction of web site users with the web site is expected to increase – baseline measures will be established during the year and reported at year end.	Baseline measures and the responses are: <ul style="list-style-type: none"> <li>• Percentage of respondents who agree or strongly agree that the content of the web site is easy to understand – 86%</li> <li>• Percentage of respondents who agree or strongly agree that “it is easy to find what I am looking for on the web site” – 67%</li> <li>• Percentage of respondents who agree or strongly agree that “I find visiting the DOC web site to be a satisfying experience” – 71%</li> </ul>
<b>Education and Events</b>	
120 education initiatives will be provided during the year.	144 education initiatives were provided.  The target was achieved.
It is estimated that 85 - 90% of educators surveyed will rate the initiatives as “effective” or “partly effective” at meeting their objectives.	98% of the 314 educators surveyed rated the initiatives as “effective” or “partly effective” at meeting their objectives.
240 events will be provided during the year.	265 events were provided.  The target was achieved.
It is estimated that 80 - 85% of participants surveyed will rate the events as “effective” or “partly effective” at meeting their objectives.	87% of the 1372 participants surveyed rated the events as “effective” or “partly effective” at meeting their objectives.

Projected Performance	Performance Achieved
<b>International Conservation Management</b>	
<p>The Department's state party representative or advisor responsibilities are met in accordance with Government policy and priorities.</p>	<p>The Department, as administering body for the following international conventions, has met its state party representative or advisor responsibilities in accordance with Government policy and priorities:</p> <ul style="list-style-type: none"> <li>• World Heritage Convention</li> <li>• Convention on Biological Diversity</li> <li>• Ramsar Wetlands Convention</li> <li>• Convention on International Trade in Endangered Species (CITES)</li> </ul> <p>The Department also provided scientific and technical support to the Ministry of Foreign Affairs and Trade as the administering agent for a number of other international conventions, such as:</p> <ul style="list-style-type: none"> <li>• International Convention for the Regulation of Whaling (IWC)</li> <li>• Antarctic Treaty</li> <li>• Convention on Migratory Species</li> <li>• Meetings of Australian and New Zealand Ministers' of Environment and Conservation</li> <li>• South Pacific Environmental Programme</li> <li>• World Conservation Union</li> <li>• World Commission on Protected Areas</li> </ul>
<p>An annual survey of the Ministry of Foreign Affairs and Trade shows that the organisation is satisfied with reports received from the Department.</p>	<p>The Ministry of Foreign Affairs and Trade advised that it has had good co-operation from the Department across a range of issues and is satisfied with reports provided.</p>
<b>Working with Tangata Whenua</b>	
<b>Opportunities and Support</b>	
<p>Manage 90 existing initiatives.</p>	<p>112 existing initiatives were managed during the year.</p>
<p>The Department will be rated by tangata whenua as providing a high level of support for maintaining their cultural relationship with taonga in 32 existing initiatives.</p>	<p>The Department was rated by tangata whenua as providing a high level of support for maintaining their cultural relationship with taonga in 49 existing initiatives.</p> <p>The majority of conservancies gathered informal feedback which indicated the level of support was high. Two conservancies completed formal surveys which confirmed this feedback.</p>

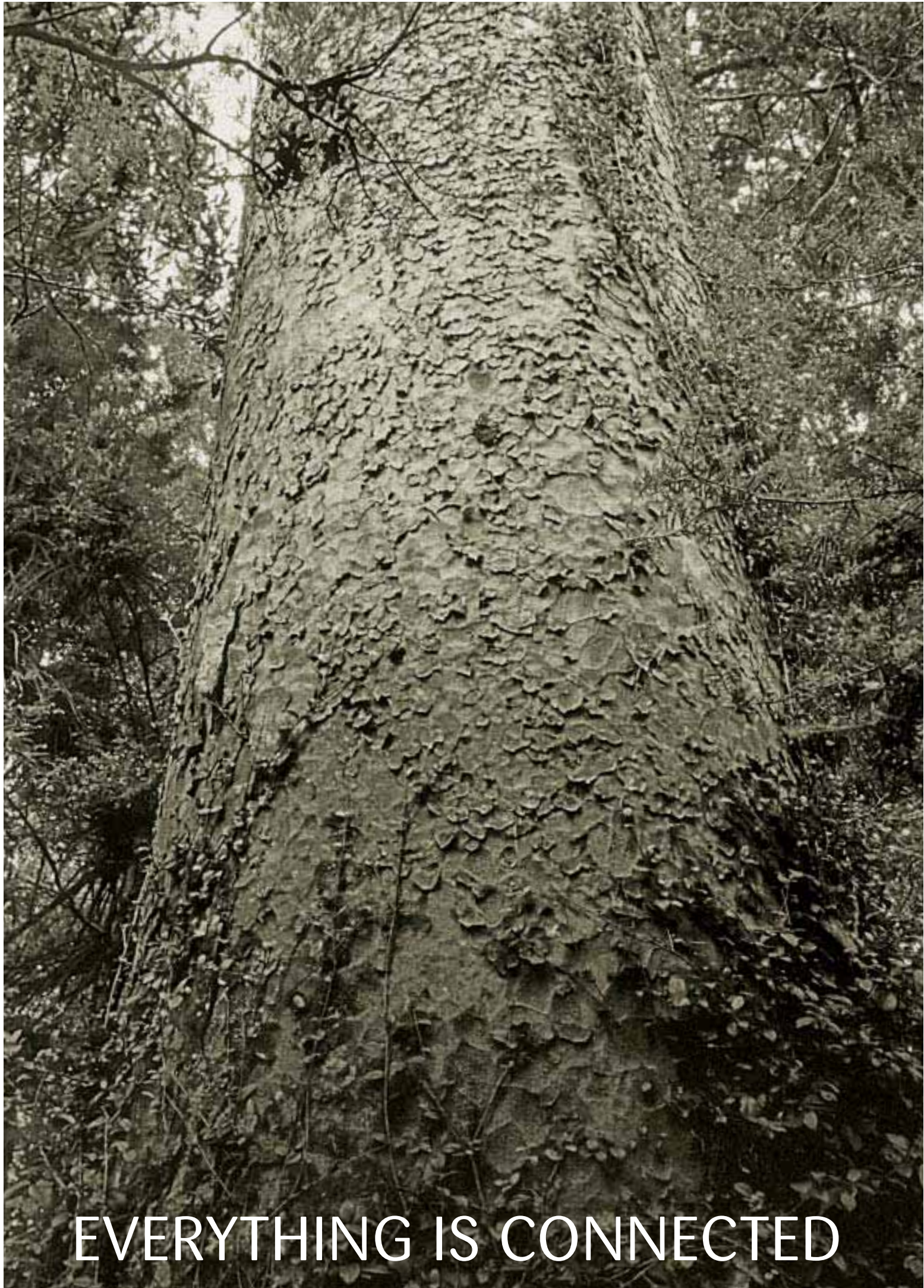
Projected Performance	Performance Achieved
21 new opportunities to work together for enhancing matauranga Maori and conservation outcomes will be provided during the year.	31 new opportunities to work together to enhance matauranga Maori and conservation outcomes were provided during the year.  The Department has looked to maximise the opportunities provided through new initiatives; such as treaty settlements, tourism opportunities, and education programmes, such as bilingual education resources.
31 initiatives where the Department is supporting the maintenance of the cultural relationship between tangata whenua and their toanga will be provided during the year.	The Department supported 66 initiatives that maintain the cultural relationship.  The Department continues to use opportunities such as collecting oral histories, working with iwi on marine issues, and other opportunities across all functional areas. These are hard to predict ahead of time.
The Department's support will be rated high in 10 opportunities for the Department/tangata whenua to work together for enhancement of matauranga Maori and conservation outcomes.	The Department's support was rated high in 14 opportunities for the Department/tangata whenua to work together for the enhancement of matauranga Maori and conservation outcomes.  The target was achieved.

**Output Class Operating Statement: Conservation with Communities**

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	8,665	20,136	8,665	23,730
- Other	5,273	5,441	5,522	2,188
<b>Total Revenue</b>	<b>13,938</b>	<b>25,577</b>	<b>14,187</b>	<b>25,918</b>
Expenses	13,192	25,577	14,393	27,085
<b>Surplus/(deficit)</b>	<b>746</b>	<b>0</b>	<b>(206)</b>	<b>(1,167)</b>

The movement between Main Estimates and Supplementary Estimates budgets reflects a review that determined key outputs within this output class were more appropriately classified in other output classes. The Department also realigned overhead allocations during 2004/05.





EVERYTHING IS CONNECTED



# Supporting Our Work for Conservation

A mighty Northland kauri.  
PHOTOGRAPHER: DAVE HANSFORD

School children help one of tomorrow's giants take root.  
PHOTOGRAPHER: DAVE HANSFORD



## Policy and Services

### Outcome sought:

- The Department provides effective policy advice and servicing to Ministers, and to a range of statutory bodies for which we are responsible.



*Marine issues were again high on the agenda for DOC's policy work in 2004/05.  
Photograph: DOC.*

- Policy work has been dominated by three themes: marine, General Policies, and a review of the New Zealand Biodiversity Strategy’s implementation.
- The Minister of Conservation approved Nga Whenua Rahui funding for 13 new conservation projects totalling approximately 12,700 hectares.

The Department supported the Minister of Conservation in the setting of Government policy by providing him with advice, both at a strategic level and with detailed proposals and advice.

**Policy work on marine issues**

The Minister of Conservation has a central role in the Crown’s responsibilities for foreshore and seabed, marine reserves, marine mammals, seabirds, and other protected marine species. Policy and legal developments in these areas remained central to our policy work this year.

There was progress, with the Ministry of Fisheries, on a policy for marine protected areas to enable greater integration of protection work. The Marine Reserves Bill remains before the Select Committee and the Department provided advice to it.

Progress has also been made on the review of the New Zealand Coastal Policy Statement, which should be completed by April 2007.

**General Policies**

Another significant area of policy work for the Department was on “General Policies” under the National Parks and Conservation Acts. The Department assisted the New Zealand Conservation Authority review General Policy under the National Parks Act, last updated in 1983. It also prepared for the

Minister of Conservation the first General Policy prepared under the Conservation Act. General Policies provide guidance for consistent planning for the wide range of places and resources managed by the Department. In particular, they will shape a new round of conservation management strategies and plans over the next few years.

The policies will ensure consistency in conservation work, to a standard based on world-leading concepts of integrated conservation management. The goals of the New Zealand Biodiversity Strategy are part of the baseline for this work.

The revised National Parks Act General Policy was approved by the New Zealand Conservation Authority. The Minister of Conservation approved General Policy under the Conservation Act and related Acts.

A significant theme in the General Policies is a move toward “outcomes at places” – that is, to clarify all the outcomes sought for a place (which can be natural heritage, historic and cultural heritage, and/or recreational opportunities) and then putting in place integrated programmes to work towards those outcomes. This approach is now explicitly required in conservation management strategies, developed by conservancies and local communities.



## New Zealand Biodiversity Strategy

The New Zealand Biodiversity Strategy, published in February 2000, fulfils in part the commitments New Zealand made under the Convention on Biological Diversity.

It includes a requirement for a comprehensive review after five years. This review, led by the Department, will be completed by June 2006. The main agencies involved are this Department, the Ministries for the Environment, Fisheries, Agriculture and Forestry, and Research, Science and Technology, and the Treasury.



*Two new sets of national "General Policies", under the National Parks Act and Conservation Act, were approved in 2004/05.*

*Image: DOC.*

## Nga Whenua Rahui

The purpose of the independent Nga Whenua Rahui Fund, which is serviced by the Department, is to support conservation on Maori-owned land. This year the Minister of Conservation approved 13 new projects totalling approximately 12,700 hectares, including:

- The 577-hectare Whakaki Lake, in conservation terms the most important wetland, duneland, and coastal area in Hawke's Bay.
- Seven separate Harataunga Forest Blocks in the Coromandel, totalling 3600 hectares. The forest area is part of an extensive regional and inter-regional continuum, extending along the Coromandel and Kaimai Ranges and beyond.
- The 2516-hectare Awarua o Hinemanu block. Part of a dramatic landform with very steep bluffs, it is set in red tussock country with raised wetland montane bog areas that contain important botanical values.

Since its inception in 1991, Nga Whenua Rahui has had more than 95 proposals approved by the Minister of Conservation, involving 212,000 hectares of indigenous ecosystems.

## Treaty settlements

The Department of Conservation is part of the Crown team that negotiates settlement of historical claims under the Treaty of Waitangi, where those claims cover conservation land or issues. The Department also has a significant role in the implementation of Treaty settlements, which often include redress that is intended to enhance the Department's relationship with iwi and give them greater input into conservation management.

Many settlements include the transfer of discrete sites of cultural significance to iwi, subject to the protection of conservation values and public access. This protection can be achieved by a variety of means, such as an ongoing reserve status under the Reserves Act 1977, or a conservation covenant over the land.

This year, the Department was involved with the Office of Treaty Settlements in progressing approximately 15 claims. Major milestones during the year include the:

- Signing of an Agreement in Principle with Te Roroa.
- Signing of a Deed of Settlement for the Te Arawa Lakes claims.
- Initialling of a Deed of Settlement with Ngati Mutunga.
- Passage of settlement legislation for the Ngati Awa and Tuwharetoa (Bay of Plenty) claims.

## Ministerial correspondence

Drafting replies to the Minister's correspondence is core work for all government departments. This year we delivered 90 per cent of draft replies to 1312 letters within the specified due date. This exceeds the 75 per cent target specified for timely delivery.

## Statutory bodies

The Department services the New Zealand Conservation Authority, whose members are appointed by the Minister of Conservation to provide independent advice to him and the Director-General. The Authority also has legislative powers to do with National Parks, and signs off each of the regional conservation management strategies.

Conservancies service the 14 regional Conservation Boards, which provide advice to the Authority and the Director-General. The Department also provides servicing to the Guardians of Lakes Manapouri, Monowai, and Te Anau, and to the Guardians of Lake Wanaka, who report to ministers on the welfare of the lakes. It also services some boards established under the Reserves Act.

## Nature Heritage Fund

The Department provides services to the government-funded, independent Nature Heritage Fund. This work is described in the Natural Heritage section of this annual report.



### Statement of Service Performance – 2004/05: Policy Advice and Services

Projected Performance	Performance Achieved
<b>Policy Advice</b>	
Policy advice will be provided in accordance with the work programme and to the quality standards agreed with the Minister.	The Department has provided a range of policy advice to the Minister of Conservation as agreed in the work programme set by the Director-General. The policy advice provided has met the Minister's requirements.
<b>Ministerial Services</b>	
The number of draft replies to ministerial correspondence is estimated to be in the range of 1500 to 1600. <ul style="list-style-type: none"> <li>The number returned for redrafting will not exceed 10%</li> <li>75% will be completed within the timeframes for reply</li> </ul>	1312 draft replies to ministerial correspondence were provided to the Minister. <ul style="list-style-type: none"> <li>Only four (fewer than 1%) of the draft replies were returned by the Minister for redraft</li> <li>90% of draft replies to ministerial correspondence were completed within the required timeframe</li> </ul>
It is expected that the Department will send 350 - 400 submissions to the Minister.	453 submissions were sent to the Minister.
It is expected that the Department will receive 50 - 60 ministerial Official Information Act requests.	93 ministerial Official Information Act requests were received and actioned.
It is expected that the Department will receive 250 - 300 requests for information, with 100% meeting the ministerial deadline.	262 requests for information were received. 100% of responses met the ministerial deadlines.
It is expected that the Department will receive 300 - 350 Parliamentary Questions, with 100% meeting the ministerial deadline.	The Department drafted replies for 428 written Parliamentary Questions with 100% meeting the ministerial deadline.
Satisfaction of the Minister with the services provided will be assessed by annual survey.	The Minister expressed satisfaction with the services provided by the Department.

<b>Management Planning</b>	
Number of management plans, conservation management strategies and national policies reviewed and referred to the Minister, New Zealand Conservation Authority (NZCA) or Conservation Boards will be reported on at year end.	<p>The Department is currently working on two management plans:</p> <ul style="list-style-type: none"> <li>• The Fiordland National Park Management Plan will be referred by the Southland Conservation Board to the NZCA in 2005.</li> <li>• The Tongariro National Park Management Plan is with the Tongariro Taupo Conservation Board for review.</li> </ul>
Number of management plans, conservation management strategies, and national policies approved will be reported on at year end.	<p>One management plan and two national policies were approved. These were:</p> <ul style="list-style-type: none"> <li>• Aoraki/Mt Cook National Park Management Plan</li> <li>• General Policy – National Parks</li> <li>• General Policy – Conservation</li> </ul>
<b>Statutory Bodies</b>	
Appointments made by the Minister of Conservation to bodies with functions specified in statutes (includes committees established under s56 of the Conservation Act and s9 of the Reserves Act) will be reported on at year end.	<p>The Minister made the following appointments during the year:</p> <ul style="list-style-type: none"> <li>• 59 to the 14 conservation boards</li> <li>• 13 to the NZCA</li> <li>• 4 to the Nature Heritage Fund</li> <li>• 6 to the NZ Game Bird Habitat Trust Board</li> <li>• 2 to the Guardians of Lakes Manapouri, Monowai and Te Anau</li> <li>• 4 to the Taupo-nui-a-tia Management Board</li> <li>• 7 to the Moutoa Gardens Reserve Board</li> <li>• 9 to the Kaiteriteri Recreation Reserve Board</li> <li>• 2 to the Whitiorea Park Board</li> <li>• 3 to the Horowhenua Domain Board</li> </ul>
Number of committees established through Treaty settlement legislation to which ministerial appointments have been made will be reported at year end.	No committees were established during the year.
The NZCA will rate its level of satisfaction with the services provided by the Department as “satisfied” or better.	The NZCA, in its annual rating of Departmental service and support (received for the 2003/04 year at time of print), was “satisfied” or “very satisfied” in every category rated.

**Output Class Operating Statement: Policy Advice and Services**

	Actual 30/06/05 \$000	Main Estimates 30/06/05 \$000	Supp. Estimates 30/06/05 \$000	Actual 30/06/04 \$000
<b>Revenue</b>				
- Crown	4,833	3,523	4,833	4,858
- Other	2	105	124	133
<b>Total Revenue</b>	<b>4,835</b>	<b>3,628</b>	<b>4,957</b>	<b>4,991</b>
Expenses	4,169	3,628	5,007	5,591
<b>Surplus/(deficit)</b>	<b>666</b>	<b>0</b>	<b>(50)</b>	<b>(600)</b>

The movement between Main Estimates and Supplementary Estimates budgets reflects realigned overhead allocations during 2004/05.

# Capability

Outcome sought:

- The Department's ability to do the job continues to adapt and improve.



*Trainee ranger Gareth Boyt examines a pest-proof enclosure built to acclimatise weka before their release into the wild.*

*Photograph: DOC.*

## Building ability to do the job well

IN BRIEF

- The Workforce Capability Strategy shows the Department needs to concentrate on succession management, recruitment, and retaining the skills needed.
- The Department continues to improve its asset management system as well as information and technology capability.

The Department’s ability to do the job well continues to improve through a focus on the components of “capability”<sup>5</sup> that are most closely linked to the outcomes in the Statement of Intent. The focus will therefore change over time.

The four long-term objectives worked on during 2004/05 were: improving the support systems for managers and staff, re-organising roles and structures, finalising the Workforce Capability Strategy, and analysis of the Department’s diversity and culture.

An ongoing challenge is to ensure that broader strategic planning takes into account the capability needed to deliver on outcomes.

### Improving support systems

The Department completed a smooth implementation of a new financial system this year. The business planning process was also streamlined and improved, reducing the time taken for the Estimates and Statement of Intent process.

<sup>5</sup> The seven components of our “capability” framework are: people, systems, structure, functions and roles, resources, leaders, culture, and relationships (both internal and external).

There was also a review of performance measures, reflected in the 2005/06 Statement of Intent. The Government-sponsored “management for outcome” framework was used, and there will be clearer accountability for achieving conservation outcomes.

The Department is carrying out a review of information and technology needs, as part of developing a five-year Information and Technology Strategic Plan, due to be signed off at the end of 2005.

The purpose-built asset management system for visitor facilities is near the end of its useful life, which provided an opportunity to review the Department’s more generic asset management strategy. The assets it manages include fire-fighting equipment, radios, visitor centres, fences, and huts. The review considered which of the many asset types the generic asset management system should cover. In early 2006, a two-year programme to develop the system will get under way.



### Building an effective and efficient department

The 2004/05 year was challenging for staff and managers as the Department continued to review roles and functions, and develop affordable organisational structures that will support the Director-General most effectively.

The most significant changes were to strengthen the links between “improvement work” and science and research, and to refocus the role of the Regional General Managers on operational management. This focus is supported by a small team of analysts who ensure data is accurate, variances identified, and trends in overall performance analysed.

Strengthening the links between improvement work and science and research resulted in changes to our structure. Only two regional offices now exist (in Hamilton and Christchurch), and a new centralised Research, Development and Improvement Division has been created to amalgamate the science and improvement teams. The new division will make sure improvement work is prioritised and underpinned by sound science, with unbroken links from research to implementation.

A review of the Human Resources and Organisation Division resulted in centralisation to head office, and a new name – the People and Organisation Development Group. To encourage managers throughout the Department to pick up their full people management and leadership roles, there are now fewer Human Resources Advisors and they work to a manager based in head office, rather than to individual Conservators.

The review of Business Management Division has been completed and the financial and business reporting capability improved. The External Relations and Conservation Policy groups were also reviewed.



*DOC staff monitor kiwi released on Mokoia Island, in Lake Rotorua.  
Photograph: DOC.*

### Workforce capability management: looking to the future

While it is essential to have talented people today, ensuring that we have the right capability in the future is critical to the long-term success of the Department's work. With this in mind, the Workforce Capability Strategy has been completed. It takes into account trends in the Department's workforce and the external labour market, and provides guidance in three key areas:

- Growing leaders able to motivate and support staff to move in a set direction, with competence and full commitment.
- Building a workforce with the skills and competence to perform in a complex environment, adapt to change, and engage others.
- Developing a culture that allows the workforce to flourish.

### Building a diverse workforce and culture

Analysis of the Department's workforce statistics (see table below) shows that, although the goals for increasing the numbers of permanent staff who are women, Maori, Pacific peoples and/or who have a disability have not been met, the number of women continues to gradually increase in number.

In June 2005, we carried out our second culture survey. Results have yet to be processed. Analysis of this survey, together with analysis of the recent State Services Career Progression Survey, will indicate the progress toward a culture where a diversity of views and approaches flourishes.

#### CASE STUDY

#### Graduate scores dream job

Gareth Boyt got his first taste of conservation when he enrolled as a candidate on the Department's Trainee Ranger Programme at the Nelson Marlborough Institute of Technology.

#### Permanent Staff, as at 30 June 2005

	2001	2002	2003	2004	2005	Milestone 2005	Milestone 2010
Women	30.9%	31.9%	33.1%	33.0%	34.1%	35.0%	40.0%
Maori	10.2%	10.1%	10.7%	10.6%	10.6%	13.0%	18.0%
Pacific Peoples	0.5%	0.6%	0.6%	0.4%	0.4%	0.6%	1.0%
People with Disabilities	5.7%	6.0%	5.5%	5.0%	4.8%	7.5%	10%

Wanting more, he followed his training with an apprenticeship with the Department. This gave him field experience and equipped him with the skills to find the work he wanted.

Gareth fell in love with the forests, rivers and people around Murupara and decided this was the place to be. He worked hard, trained hard, and explored hard.

“I’ve worked on tracks and huts, chased after rats and stoats, and worked with protected species,” he says.

“The staff at the Area Office have been brilliant. They supported and challenged me. They helped me figure out my strengths and weaknesses and what I needed to do to fill the gaps in my knowledge.”

The training paid off and Gareth is now in charge of biodiversity monitoring in the Rangitaiki area. He begins working with the feisty weka this winter.

#### ■ CASE STUDY

### Our Partnership with Unions

In 1999, the Department signed a Partnership Agreement with the Public Service Association and the Amalgamated Workers Union of New Zealand, based on our joint commitment to:

- Co-operative and open relationships.
- A culture of respect, mutual trust and quality communication.
- Increased collective participation of employees through the unions, to the benefit of all parties.
- Skilled, valued, challenged and fulfilled employees.

Over the past six years, the Partnership has set up processes to support this commitment. In all conservancies, regional offices, and head office, the Department’s management and union members work closely, particularly in relation to working conditions, and achieving better outcomes for conservation.

A national forum meets three times a year to provide leadership for the ongoing development and monitoring of Partnership for Quality. It provides an opportunity for the unions to have input into the development of the Department’s organisational capability and culture, and recommends to the Director-General the annual reward budget for the salary movement the following year.

Two collective employment agreements have been successfully negotiated in the spirit of the Partnership. The problem-solving processes used for bargaining have built a foundation for closer working relationships within our workplaces.

This year, the discussions between management and the unions have focused on changes to employment legislation, the Department’s remuneration system, and the lead-up to the collective bargaining in 2006.

The Partnership is considered a role model for public service agencies, a great example of a constructive relationship seeking common outcomes.



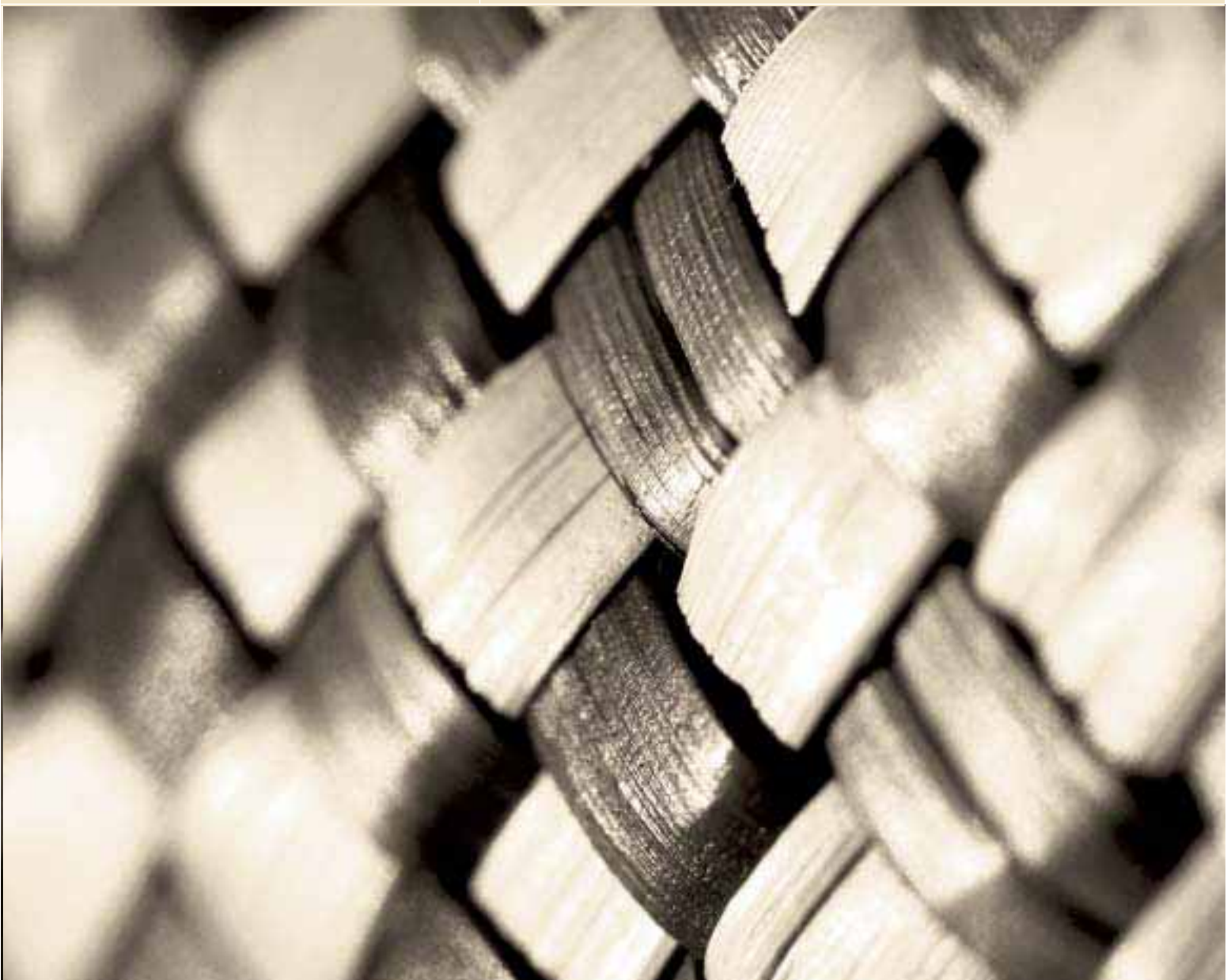
EVERYTHING IS CONNECTED



# Financial Statements

Flax leaves.  
PHOTOGRAPHER: ROB SUISTED

A flax kete helps weave connections between Kiwis and their land.  
PHOTOGRAPHER: ROB SUISTED





# Statement of Responsibility

In terms of sections 35 and 37 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 and 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.

In my opinion, these financial statements fairly reflect the financial position and operations of the Department of Conservation for the year ended 30 June 2005.



**Hugh Logan**  
Director-General of Conservation



**Grant Baker**  
Countersigned by  
General Manager, Business Management



# Audit Report

To the readers of the Department of Conservation's financial statements for the year ended 30 June 2005.

The Auditor-General is the auditor of the Department of Conservation (the Department). The Auditor-General has appointed me, Andrew Dinsdale, using the staff and resources of KPMG, to carry out the audit of the financial statements of the Department, on his behalf, for the year ended 30 June 2005.

The financial statements are presented on pages 113 to 143 and, in respect of the Statement of Service Performance, (which is presented in tables throughout the section of the annual report titled "Our Work for Conservation") on pages 43 to 49, 54 to 58, 64, 65, 78 to 81, 90 to 93, 100 to 102.

## Unqualified Opinion

In our opinion the financial statements of the Department on the pages noted above:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Department's financial position as at 30 June 2005;
  - the results of its operations and cash flows for the year ended on that date;
  - its service performance achievements measured against the performance targets adopted for the year ended on that date; and
  - the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2005.

The audit was completed on 29 September 2005, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Director-General and the Auditor, and explain our independence.

## Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Director-General;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

### Responsibilities of the Director-General and the Auditor

The Director-General is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Department as at 30 June 2005. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. In addition, they must fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2005. The Director-General's responsibilities arise from the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

### Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

We may deal with the Department on normal terms within the ordinary course of its activities. This matter has not impaired our independence as auditor of the Department. We have no other relationship with, or interests, in the Department.



**Andrew Dinsdale**  
**KPMG**  
On behalf of the Auditor-General  
Wellington, New Zealand

## Statement of Accounting Policies for the year ended 30 June 2005

### Reporting Entity

The Department of Conservation is a Government Department as defined by section 2 of the Public Finance Act 1989. These are the financial statements of the Department of Conservation prepared pursuant to section 35 of the Public Finance Act 1989.

In addition, the Department has reported the trust monies which it administers.

### Measurement Base

The statements have been prepared on a historical cost basis, modified by the revaluation of certain fixed assets.

### Accounting Policies

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied.

### Budget Figures

The budget figures are those presented in the Budget Estimates of Appropriation 2004/05 (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

### Revenue

The Department derives revenue through the provision of outputs to the Crown, for services to third parties and donations. This revenue is recognised when earned and is reported in the financial period to which it relates.

### Cost Allocation

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

Direct Costs are those costs directly attributed to an output. Indirect Costs are those costs that cannot be identified, in an economically feasible manner, with a specific output.

#### **Direct costs assigned to outputs**

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.

For the year ended 30 June 2005, direct costs accounted for 62% of the Department's costs (2004: 64%).

#### **Indirect and corporate costs assigned to outputs**

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

For the year ended 30 June 2005, indirect costs accounted for 38% of the Department's costs (2004: 36%).

### Receivables

Receivables are recorded at estimated realisable value, after providing for doubtful and uncollectible debts.

### Inventories

Inventories are valued at the lower of cost or net realisable value on a first-in-first-out basis. Standard costs that include production overheads are used for valuing nursery stocks.

### Leases

The Department leases vehicles, office premises and office equipment. As all the risks and benefits of ownership are retained by the lessor, these leases are classified as operating leases and are expensed in the period in which the costs are incurred.

### Fixed Assets

- Visitor assets are stated at fair value using optimised depreciated replacement cost as determined by an independent registered valuer on an annual basis. When a visitor asset is under construction the actual cost is accumulated as work in progress. On completion of the project, assets are recorded at fair value and any difference between the actual cost and the fair value is transferred to the revaluation reserve.
- Freehold land and administrative buildings are stated at fair value as determined by an independent registered valuer. Fair value is determined using market-based evidence where available, or depreciated replacement cost. Land and buildings are revalued at least every five years.
- The cost of developing, purchasing and upgrading software is capitalised. Where the software is an integral part of the hardware (i.e. computer cannot operate without that specific software) it is treated as part of the equipment.
- Vessels are recognised at fair value. Fair value is determined using market-based evidence where available, or depreciated replacement cost. Vessels are revalued at least every five years.
- Cultural assets are shown at estimated replacement cost.
- Heritage Assets: The Department is the custodian of 12,000 historic places situated on public conservation land throughout New Zealand. These assets are held for the duration of their physical lives because of their unique cultural, historical, geographical, scientific, or environmental attributes. In accordance with Financial Reporting Standards

(FRS-3 Property, Plant and Equipment) the Department elected not to revalue these assets in the Statement of Financial Position.

- Infrastructure assets are valued by independent valuers and are stated at fair value at least every five years.

All other fixed assets, or groups of assets forming part of a network which are material in aggregate, costing more than \$5,000 are capitalised and recorded at historical cost. Any write-down of an item to its recoverable amount is recognised in the Statement of Financial Performance.

Any increase in value of a class of revalued assets is recognised directly in the revaluation reserve unless it offsets a previous decrease in value recognised in the Statement of Financial Performance, in which case it is recognised in the Statement of Financial Performance. A decrease in value relating to a class of revalued assets is recognised in the Statement of Financial Performance where it exceeds the increase previously recognised in the revaluation reserve.

When an asset is revalued, the accumulated depreciation of that asset is restated using the latest valuation figures.

### Depreciation

Depreciation of fixed assets, other than freehold land, cultural assets and work in progress, is provided on a straight line basis so as to allocate the cost (or valuation) of assets to their estimated residual value over their useful lives.



The useful lives of assets have been estimated as follows:

Asset	Estimated Useful Life
<b>Visitor Assets</b>	
Amenity areas	10-25 years
Signs	5-10 years
Tracks	6-25 years
Roads (surface only)	10-22 years and 6 months
Campsites	10-20 years
Toilets	20-50 years
Structures	25-50 years
Other buildings	35-50 years
<b>Other Fixed Assets</b>	
<b>Administrative Buildings</b>	
Buildings	20-40 years
<b>Plant, Field and Radio Equipment</b>	
Plant and field equipment	10 years
Radio equipment	5-10 years
<b>Furniture, Computers, Other Office Equipment and Software</b>	
Furniture, computers, other office equipment	5 years
Software	3-5 years
<b>Motor Vehicles</b>	
Vehicles	6 years and 8 months
<b>Vessels</b>	
Electronics	4 years and 2 months
Engines	10 years
Hulls	15 years
<b>Infrastructure</b>	
Industrial fire equipment	45 years
Landscape	44 years
Roads	10-100 years
Sewerage	64 years
Solid waste	38 years
Stream control	98 years
Water supply	60 years

In accordance with FRS-3 Property Plant and Equipment the useful lives of Property, Plant and Equipment are assessed annually to determine whether they are appropriate and the depreciation charge adjusted accordingly. In some circumstances, and particularly for re-valued assets, this may lead to instances where the estimated useful lives vary, but not materially, from the standard policy presented above.

### 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 Non-Departmental Assets. Typically this land includes the National and Forest Parks as well as Crown Reserve Land.

### Statement of Cash Flows

Cash means cash balances on hand and held in bank accounts.

Operating activities include cash received from all revenue sources of the Department and cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

### Goods and Services Tax (GST)

The Statement of Unappropriated Expenditure and the Statement of Departmental Expenditure and Appropriations are inclusive of GST. The Statement of Financial Position is GST exclusive except for payables and receivables. All other statements are GST exclusive.

The net amount of GST payable to the Inland Revenue Department at balance date, being the difference between Output GST and Input GST is shown as a current asset or current liability as appropriate in the Statement of Financial Position.

### Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994.

Accordingly, no charge for income tax has been provided for.

### Donation Receipts

The Department receives unsolicited donations, gifts and grants from individuals, groups and companies. The treatment of these receipts is dependent on their nature:

- Donations which are received without a specific purpose are recognised as revenue in the period of receipt.
- Donations received for specific purposes, where a written agreement specifies the purpose for which the funds must be used, are matched against related expenditure when it has been incurred. Where the expenditure has not been incurred the unspent balance is treated as revenue in advance.
- Donations received for specified purposes under section 33 of the Conservation Act 1987, section 18 of the Walkways Act 1990 or section 78(3) of the Reserves Act 1977 are held in trust accounts established by section 67 of the Public Finance Act 1989. If the Department incurs expenditure in relation to achieving these specific purposes, the funds are transferred to the Department as revenue when the expenditure is incurred.

### Taxpayers' Funds

This is the Crown's net investment in the Department.

### Employee Entitlements

Provision is made in respect of the Department's liability for annual, long service and retirement leave and time-off-in-lieu. Annual leave and time-off-in-lieu are recognised as they accrue to the employee. Retirement and long service leave have been calculated on an actuarial basis based on the present value of expected future entitlements.

### Financial Instruments

The Department is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, accounts payable, and receivables.

All revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are recognised in the Statement of Financial Position at their estimated fair value.

### Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into prior to balance date are disclosed as commitments at the point a contractual obligation exists, to the extent that they are unperformed obligations.

### Contingent Liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

### Comparatives

Certain comparative information has been reclassified in order to conform to the current year's presentation.

### Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited financial statements.

All policies have been applied on a basis consistent with the previous year.

**Statement of Financial Performance** for the year ended 30 June 2005

	Notes	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/04 Actual \$000
<b>Revenue</b>					
Crown		223,083	222,140	223,083	222,846
Other	2	23,225	21,520	23,518	18,281
<b>Total Revenue</b>		<b>246,308</b>	<b>243,660</b>	<b>246,601</b>	<b>241,127</b>
<b>Expenses</b>					
Personnel	3	101,112	94,687	99,144	99,450
Operating	4	83,787	88,924	91,888	85,779
Depreciation	5	24,560	45,595	32,095	25,792
Capital charge	6	29,334	29,454	29,529	30,600
Loss on sale of fixed assets		2,591	0	0	1,395
<b>Total Expenses</b>		<b>241,384</b>	<b>258,660</b>	<b>252,656</b>	<b>243,016</b>
<b>Net surplus/ (deficit) for the year</b>	7	<b>4,924</b>	<b>(15,000)</b>	<b>(6,055)</b>	<b>(1,889)</b>

**Statement of Movements in Taxpayers' Funds** for the year ended 30 June 2005

	Notes	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/04 Actual \$000
<b>Total taxpayers' funds at beginning of year</b>		<b>366,210</b>	<b>360,552</b>	<b>366,210</b>	<b>365,299</b>
Net surplus/ (deficit)		4,924	(15,000)	(6,055)	(1,889)
Revaluation of assets		7,813	0	0	3,194
<b>Total recognised revenues and expenses for the year</b>		<b>12,737</b>	<b>(15,000)</b>	<b>(6,055)</b>	<b>1,305</b>
<b>Distributions to Crown</b>					
Repayment to Crown		(1,122)	0	0	(203)
Provision for payment of surplus	7	(5,193)	0	0	0
Asset transfers to Crown		0	0	0	(191)
<b>Contributions from Crown</b>					
Capital Contribution	8	1,113	9,686	8,124	0
<b>Total taxpayers' funds at end of year</b>		<b>373,745</b>	<b>355,238</b>	<b>368,279</b>	<b>366,210</b>

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

## Statement of Financial Position as at 30 June 2005

	Notes	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/04 Actual \$000
<b>Current assets</b>					
Cash and bank balances	9	14,997	24,255	15,462	4,308
Prepayments		1,586	446	158	158
Inventories	10	1,442	1,256	1,231	1,231
Receivables	11	4,807	4,149	3,633	3,633
Debtor Crown	12	47,199	47,309	35,728	35,728
<b>Total current assets</b>		<b>70,031</b>	<b>77,415</b>	<b>56,212</b>	<b>45,058</b>
<b>Non-current assets</b>					
Fixed assets					
Visitor assets	13	256,558	227,701	260,034	258,346
Other fixed assets	14	87,474	80,595	76,341	87,114
<b>Total non-current assets</b>		<b>344,032</b>	<b>308,296</b>	<b>336,375</b>	<b>345,460</b>
<b>Total assets</b>		<b>414,063</b>	<b>385,711</b>	<b>392,587</b>	<b>390,518</b>
<b>Current liabilities</b>					
Creditors and payables	15	14,865	13,039	6,302	4,679
GST payable		595	785	0	1,617
Provision for employee entitlements	16	7,598	7,497	7,240	7,246
Other provisions	17	639	476	779	779
Provision for payment of surplus	7	5,193	0	0	0
Revenue in advance		1,900	654	857	857
<b>Total current liabilities</b>		<b>30,790</b>	<b>22,451</b>	<b>15,178</b>	<b>15,178</b>
<b>Non-current liabilities</b>					
Loan		0	16	0	0
Provision for employee entitlements	18	9,528	8,006	9,130	9,130
<b>Total non-current liabilities</b>		<b>9,528</b>	<b>8,022</b>	<b>9,130</b>	<b>9,130</b>
<b>Total liabilities</b>		<b>40,318</b>	<b>30,473</b>	<b>24,308</b>	<b>24,308</b>
<b>Taxpayers' funds</b>					
General funds		287,761	286,232	289,074	287,005
Revaluation reserve	19	85,984	69,006	79,205	79,205
<b>Total taxpayers' funds</b>		<b>373,745</b>	<b>355,238</b>	<b>368,279</b>	<b>366,210</b>
<b>Total liabilities and taxpayers' funds</b>		<b>414,063</b>	<b>385,711</b>	<b>392,587</b>	<b>390,518</b>

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



**Statement of Cash Flows** for the year ended 30 June 2005

	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/04 Actual \$000
<b>Cash flows - Operating activities</b>				
<b>Cash was provided from:</b>				
Supply of outputs to				
- Crown	211,612	210,287	223,083	206,470
- Customers	23,064	21,520	23,518	18,501
	<b>234,676</b>	<b>231,807</b>	<b>246,601</b>	<b>224,971</b>
<b>Cash disbursed to:</b>				
Produce outputs				
- personnel	100,362	94,687	99,144	98,583
- operating	76,364	89,241	91,888	95,859
- capital charge	29,334	29,454	29,529	30,600
	<b>206,060</b>	<b>213,382</b>	<b>220,561</b>	<b>225,042</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>28,616</b>	<b>18,425</b>	<b>26,040</b>	<b>(71)</b>
<b>Cash flows - Investing activities</b>				
<b>Cash provided from:</b>				
Sale of fixed assets	874	0	0	807
<b>Cash disbursed to:</b>				
Purchase of fixed assets	17,679	26,963	14,886	20,256
<b>Net cash outflow from investing activities</b>	<b>(16,805)</b>	<b>(26,963)</b>	<b>(14,886)</b>	<b>(19,449)</b>
<b>Cash flows - Financing activities</b>				
<b>Cash provided from:</b>				
Capital contributions	0	9,686	0	0
<b>Cash disbursed to:</b>				
Capital withdrawal	1,122	0	0	203
Repayment of loan	0	0	0	16
	<b>1,122</b>	<b>0</b>	<b>0</b>	<b>219</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(1,122)</b>	<b>9,686</b>	<b>0</b>	<b>(219)</b>
<b>Net increase/(decrease) in cash held</b>	<b>10,689</b>	<b>1,148</b>	<b>11,154</b>	<b>(19,739)</b>
Add opening cash and bank balances	4,308	23,107	4,308	24,047
<b>Closing cash and bank balances</b>	<b>14,997</b>	<b>24,255</b>	<b>15,462</b>	<b>4,308</b>

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

## Reconciliation of Net Surplus/(Deficit) and Net Cash Flows From Operating Activities

for the year ended 30 June 2005

	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/04 Actual \$000
<b>Net surplus/(deficit)</b>	<b>4,924</b>	<b>(15,000)</b>	<b>(6,055)</b>	<b>(1,889)</b>
<b>Add / (less) non-cash items:</b>				
Depreciation	24,560	45,595	32,095	25,792
Bad debts	15	0	0	21
Asset and other write-offs	(7)	0	0	428
<b>Total non-cash items</b>	<b>24,568</b>	<b>45,595</b>	<b>32,095</b>	<b>26,241</b>
<b>Movements in working capital</b>				
Prepayments (increase)/decrease	(1,428)	(288)	0	120
Inventories (increase)/decrease	(211)	(747)	0	(302)
Receivables (increase)/decrease	(131)	(552)	0	220
Debtor Crown (increase)/decrease	(11,471)	(11,853)	0	(16,376)
Creditors and payables increase/(decrease)	10,186	(500)	1,623	(11,852)
GST payable increase/(decrease)	(1,022)	0	(1,617)	832
Prov. for employee entitlements increase/(decrease)	750	1,770	(6)	867
Other provisions increase/(decrease)	(140)	0	0	303
Other liabilities increase/(decrease)	0	0	0	370
<b>Net movement in working capital</b>	<b>(3,467)</b>	<b>(12,170)</b>	<b>0</b>	<b>(25,818)</b>
<b>Add/(less) investing activity items</b>				
Net loss on sale of fixed assets	2,591	0	0	1,395
<b>Total investing activities</b>	<b>2,591</b>	<b>0</b>	<b>0</b>	<b>1,395</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>28,616</b>	<b>18,425</b>	<b>26,040</b>	<b>(71)</b>

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

**Statement of Commitments** as at 30 June 2005

	30/06/05 Actual \$000	30/06/04 Actual \$000
<b>Commitments by category</b>		
<b>Capital commitments</b>		
Other plant and equipment	0	169
Infrastructural assets	0	817
<b>Total capital commitments</b>	<b>0</b>	<b>986</b>
<b>Operating commitments</b>		
Non-cancellable accommodation leases	12,094	15,703
Other non-cancellable leases	876	895
Other commitments	2,652	2,756
<b>Total operating commitments</b>	<b>15,622</b>	<b>19,354</b>
<b>Total commitments</b>	<b>15,622</b>	<b>20,340</b>
<b>Commitments by term</b>		
less than one year	5,492	7,386
one to two years	4,268	4,556
two to five years	3,921	6,360
greater than five years	1,941	2,038
<b>Total commitments</b>	<b>15,622</b>	<b>20,340</b>

In addition to the above, the Department has ongoing science contracts with universities, research institutions and individuals. These contracts are cancellable and extend up to 5 years and amount to \$3.6 million as at 30 June 2005 (2004: \$5.1 million).

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

### Statement of Contingent Liabilities as at 30 June 2005

	30/06/05 Actual \$000	30/06/04 Actual \$000
Public liability claims	33,361	23,064
<b>Total contingent liabilities</b>	<b>33,361</b>	<b>23,064</b>

The public liability claims relate to claims against the Department and are disclosed without prejudice. The Department's contingent liabilities are broken down as follows:

	30/06/05 Maximum Exposure \$000	30/06/04 Maximum Exposure \$000
<b>Court and Tribunal proceedings</b>		
28 Court and Tribunal proceedings of which 9 are quantifiable. The remaining 19 claims cannot be quantified. The contingent liability for the 9 quantifiable claims is shown below.		
• The largest quantifiable claim involves a dispute over Esplanade reserve compensation.	13,800	0
• The claim involves a dispute over access to berthing facilities.	1,750	1,750
• Other Court and Tribunal proceedings.	1,996	2,107
<b>Total Court and Tribunal proceedings</b>	<b>17,546</b>	<b>3,857</b>
<b>Other potential claims</b>		
30 potential claims, 10 of which are quantifiable and these claims are shown below. The remaining 20 claims cannot be quantified.		
• A potential set of claims, involving the handling of certain licence applications.	8,000	8,000
• A contingent liability relates to the risk of lahar damage at Mount Ruapehu. This contingent liability is expected to reduce as further planned mitigation measures are implemented.	7,000	10,000
• Various contingent liabilities for the quantifiable potential claims.	815	1,207
<b>Total other potential claims</b>	<b>15,815</b>	<b>19,207</b>
<b>All quantifiable public liability claims</b>	<b>33,361</b>	<b>23,064</b>

With regard to some potential claims it is not possible to determine potential reimbursements because their circumstances are too remote, or unknown. There may be other unquantifiable claims or contingent liabilities not recognised at this stage by the Department.

#### 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 access, for the public and the staff of the Department, to land managed by the Department.

Indemnities were granted in 2004/05 for public access to five separate locations.

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

**Statement of Expenditure and Appropriations** for the year ended 30 June 2005

(GST inclusive where applicable )	30/06/05 Expenditure Actual \$000	30/06/05 Final Appropriation \$000	30/06/05 Under/(Over) Expenditure \$000	30/06/04 Expenditure Actual \$000
<b>Output Classes</b>				
<b>Vote: Biosecurity</b>				
Policy advice	550	673	123	220
Crown pest/weeds exacerbator costs	2,296	2,325	29	2,249
Indigenous forest biosecurity protection	37	47	10	36
Specific pest and disease responses	118	143	25	224
<b>Sub - total Biosecurity</b>	<b>3,001</b>	<b>3,188</b>	<b>187</b>	<b>2,729</b>
<b>Vote: Conservation</b>				
Management of natural heritage	126,170	126,488	318	119,268
Management historic heritage	5,922	6,503	581	6,248
Management of recreational opportunities	116,558	122,009	5,451	106,667
Conservation with the community	14,934	16,167	1,233	30,325
Policy advice	4,773	5,627	854	6,215
Recreational opportunities review	814	3,500	2,686	1,705
<b>Sub-total Conservation</b>	<b>269,171</b>	<b>280,294</b>	<b>11,123</b>	<b>270,428</b>
<b>Total Output Appropriations</b>	<b>272,172</b>	<b>283,482</b>	<b>11,310</b>	<b>273,157</b>
<b>Capital contributions to the department</b>				
<b>Capital contribution</b>	<b>1,113</b>	<b>8,124</b>	<b>7,011</b>	<b>0</b>

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



## Statement of Unappropriated Expenditure for the year ended 30 June 2005

(GST inclusive where applicable )	30/06/05 Unappropriated Expenditure \$000	30/06/04 Unappropriated Expenditure \$000
<b>Departmental Output Classes</b>		
<b>Vote: Biosecurity</b>		
Indigenous forest biosecurity protection	0	8
<b>Vote: Conservation</b>		
Management of natural heritage	0	1,276
Conservation with the community	0	842
Policy advice	0	535

No unappropriated expenditure was made against departmental output classes in the 2004/05 financial year.

Unappropriated expenditure in the 2003/04 financial year was approved under section 12 of the Public Finance Act 1989. Details can be found in the 2003/04 Annual Report. Unappropriated expenditure covered:

- Bioweb systems development.
- Resource Management Act activity.
- Overheads allocation.

## Statement of Trust Monies for the year ended 30 June 2005

	As at 30/06/04 \$000	Contributions \$000	Distributions \$000	Net Revenue \$000	As at 30/06/05 \$000
Conservation Project Trust	1,218	1,091	(1,027)	44	1,326
Reserve Trust	458	0	(438)	15	35
NZ Walkway Trust	6	0	0	0	6
National Park Trust	36	62	(69)	2	31
Bonds/Deposits Trust	867	6,338	(164)	87	7,128
<b>Total</b>	<b>2,585</b>	<b>7,491</b>	<b>(1,698)</b>	<b>148</b>	<b>8,526</b>

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

There are three sources of receipts:

1. Donations, grants and gifts received for specific purposes under section 33 of the Conservation Act 1987, section 18 of the Walkways Act 1990 or section 78(3) of the Reserves Act 1977, and specific trust money under the National Parks Act 1980.
2. Bonds and deposits from operators working on the Conservation Estate including those contracted by the Department. These are repaid when the operators have been cleared of all obligations.
3. Monies received from the sale of reserves are deposited to the Reserves Trust. The funds are applied for the purpose set out under section 82 of the Reserves Act 1977.

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

## Notes to the Financial Statements for the year ended 30 June 2005

### Note 1: Major Budget Variations

#### Significant changes between the Main Estimates and the Supplementary Estimate Budgets

##### *Statement of Financial Performance*

The Department transferred funding associated with the Recreational Opportunities Review to 2005/06 to reflect the longer implementation timeframes (net transfer impact on 2004/05 was \$11.500 million in output class Recreational Opportunities Review).

The Department increased operating funding to reflect the administration of increasing Crown concessions revenue experienced in 2003/04 (\$2.672 million in output class Recreational Opportunities).

In addition, increased third party revenues and associated expenditure also reflected increases between Main Estimates and the Supplementary Estimates budgets (\$2.000 million with the majority of this going to output class Recreational Opportunities).

#### Significant variances between Actual and Supplementary Estimates Budget

##### *Statement of Financial Performance*

The Department has approved in principle transfers of up to \$4.388 million (GST inclusive) of expected under expenditure. Actual under expenditure against these projects is \$1.951 million, which will be carried forward to 2005/06.

The Recreational Opportunities Review output class is under spent by \$2.686 million. The implementation of the review decisions will be mainly made in future years.

Depreciation is under spent by \$7.535 million primarily in visitor assets and reflects the current profile of useful lives and the replacement program.

##### *Statement of Financial Position*

The budget for creditors and debtor Crown were under estimated at 30 June 2005.

Note 2: Revenue other	30/06/05 Actual \$000	30/06/04 Actual \$000
Recreational charges	8,524	7,790
Leases and rents	352	315
Retail sales	3,115	3,310
Resource sales	1,029	645
Donations - sponsorships	2,806	2,191
Other	7,399	4,030
<b>Total revenue other</b>	<b>23,225</b>	<b>18,281</b>

There have been no significant changes to existing user charges during the year.

Note 3: Personnel expenses	30/06/05 Actual \$000	30/06/04 Actual \$000
Salaries and wages	96,069	93,862
Long service and retiring leave	642	1,825
Superannuation subsidies	1,687	769
Recruitment	488	529
Uniforms	532	656
ACC levies	353	488
Other	1,341	1,321
<b>Total personnel expenses</b>	<b>101,112</b>	<b>99,450</b>

Note 4: Operating expenses	30/06/05 Actual \$000	30/06/04 Actual \$000
Professional fees & contractors	29,361	30,981
Audit fees to the auditors of the financial statements	209	209
Grants	733	2,894
Bad debts write-off	15	21
Other write-offs	23	428
Movement in other provisions	(140)	303
Movement in provision for doubtful debts	4	(51)
Communications and computer expenses	9,473	5,256
Travel	4,942	4,918
Motor vehicle and vessel expenses	3,594	6,277
Accommodation	3,273	2,596
Office supplies	2,658	2,953
Field supplies	12,057	12,151
Lease expenses	11,440	11,369
Printing	1,788	2,109
Other	4,357	3,365
<b>Total operating expenses</b>	<b>83,787</b>	<b>85,779</b>

Note 5: Depreciation	30/06/05 Actual \$000	30/06/04 Actual \$000
Visitor assets	17,008	17,559
Administrative buildings	1,620	1,408
Plant, field and radio equipment	3,459	1,255
Furniture, computers, other office equipment and software	239	2,796
Motor vehicles	1,526	1,399
Vessels	298	864
Infrastructure	410	511
<b>Total depreciation</b>	<b>24,560</b>	<b>25,792</b>

#### Note 6: Capital charge

The Department pays a capital charge to the Crown twice yearly on the balance of taxpayers' funds, including revaluation reserve, as at 30 June and 31 December.

The capital charge rate for the year ended 30 June 2005 was 8.0 % (2004: 8.5%).

Note 7: Provision for payment of surplus	30/06/05 Actual \$000	30/06/04 Actual \$000
Net surplus/ (deficit) for the year	4,924	(1,889)
Less: Donated assets	(545)	0
Plus: Output class deficits	814	1,889
<b>Total provision for payment of surplus</b>	<b>5,193</b>	<b>0</b>

Note 8: Capital contribution	30/06/05 Actual \$000	30/06/04 Actual \$000
Visitor assets	1,113	0
<b>Total capital contribution</b>	<b>1,113</b>	<b>0</b>

Note 9: Cash and bank balances	30/06/05 Actual \$000	30/06/04 Actual \$000
Cash at bank	14,923	4,232
Petty cash floats	74	76
<b>Total cash and bank balances</b>	<b>14,997</b>	<b>4,308</b>

The Department's bankers are Westpac Banking Corporation under an arrangement between Westpac Banking Corporation and the Crown.

Note 10: Inventories	30/06/05 Actual \$000	30/06/04 Actual \$000
Retail	302	836
Nursery	112	109
Fire control supplies	311	18
Wild animal control supplies	339	268
Publications	159	0
Park maps	219	0
<b>Total inventories</b>	<b>1,442</b>	<b>1,231</b>

Note 11: Receivables	30/06/05 Actual \$000	30/06/04 Actual \$000
Accounts receivable	3,580	3,105
Less: Provision for doubtful debts	(96)	(93)
Net accounts receivable	3,484	3,012
Other receivables	1,323	621
<b>Total receivables</b>	<b>4,807</b>	<b>3,633</b>

#### Note 12: Debtor Crown

Cabinet agreed in 2002 to fund the Department adequately for visitor assets over a 20-year period. Initially the cash flow to the Department does not match the revenue flow. As a result, the Department is recognising the Crown as a debtor. The Crown debtor balance is expected to reach \$58.3 million in 2006/07 and then be progressively reduced until 2021/22 when the balance will be completely cleared to zero.

Note 13: Visitor assets	30/06/05 Actual \$000	30/06/04 Actual \$000
Replacement cost at valuation at year end	537,388	533,171
Accumulated depreciation at year end	(284,764)	(278,560)
Net carrying value at year end	252,624	254,611
Items under construction - visitor assets	3,934	3,735
<b>Total carrying amount of visitor assets</b>	<b>256,558</b>	<b>258,346</b>

Visitor assets have been valued at fair value as at 30 June 2005 by valuersnet.nz Limited, an independent registered valuer.

Track forms 25% of the visitor assets. The base formation costs of tracks (\$73 million replacement cost as at 30 June 2002) have been included in the financial statements. Base formation costs for amenity areas and campsites are currently excluded from our financial statements. These vary over different terrain and conditions (flat and hard, flat and swampy, moderate slopes and rocky, moderate slopes and clay etc.). Work is being undertaken to establish the base formation costs for these assets with a view to including them in the financial statements in the future.

Since September 2003, the Department has been consulting with individuals and recreation user groups on what should make up a "core facility network" to be managed by the Department into the future. This network is being decided on the basis of the strategic importance that facilities fulfil within the local and national setting, and what can be afforded within the Department's funding. In October 2004 the Minister of Conservation announced the final management decisions of the Recreational Opportunities Review.

The Department is working through the implementation issues of the review decisions. Community groups are being encouraged to assist in managing facilities if they want more than that funded by the Department. A number of little-used facilities, considered to be of lesser importance, will be phased out over time. The funding of these decisions is represented in output class Recreational Opportunities Review.

Note 14: Other fixed assets	30/06/05 Actual \$000	30/06/04 Actual \$000
<b>Freehold land</b>		
At valuation	5,918	6,081
<b>Land - net book value</b>	<b>5,918</b>	<b>6,081</b>
<b>Administrative buildings</b>		
At valuation	81,806	81,887
Accumulated depreciation	(44,961)	(44,452)
<b>Buildings - net book value</b>	<b>36,845</b>	<b>37,435</b>
<b>Plant, field and radio equipment</b>		
At cost	29,414	26,709
Accumulated depreciation	(16,531)	(14,462)
<b>Plant, field and radio equipment - net book value</b>	<b>12,883</b>	<b>12,247</b>
<b>Furniture, computers, other office equipment and software</b>		
At cost	2,949	2,866
Accumulated depreciation	(2,382)	(2,176)
<b>Furniture, computers, other office equipment and software - net book value</b>	<b>567</b>	<b>690</b>



<b>Motor vehicles</b>		
At cost	17,759	17,398
Accumulated depreciation	(7,781)	(7,401)
<b>Motor vehicles - net book value</b>	<b>9,978</b>	<b>9,997</b>
<b>Vessels</b>		
At valuation	7,782	5,623
Accumulated depreciation	(3,971)	(3,920)
<b>Vessels - net book value</b>	<b>3,811</b>	<b>1,703</b>
<b>Cultural assets</b>		
At valuation	30	30
<b>Cultural assets - net book value</b>	<b>30</b>	<b>30</b>
<b>Infrastructural assets</b>		
At valuation	25,392	21,350
Accumulated depreciation	(11,449)	(11,066)
<b>Infrastructure assets - net book value</b>	<b>13,943</b>	<b>10,284</b>
<b>Items under construction</b>		
Buildings	1,186	414
Plant, field and radio equipment	1,150	2,711
Infrastructure	797	3,570
Furniture, computers, other office equipment and software	63	0
Motor vehicles	91	0
Vessels	212	1,952
<b>Items under construction- net book value</b>	<b>3,499</b>	<b>8,647</b>
<b>Total other fixed assets</b>		
At cost and valuation	174,549	170,591
Accumulated depreciation	(87,075)	(83,477)
<b>Total carrying amount of other fixed assets</b>	<b>87,474</b>	<b>87,114</b>

Freehold land, administration buildings and vessels have been valued at fair value as at 30 April 2003 by valuersnet.nz Limited (registered independent valuers).

Mt Cook infrastructural assets were valued by Crighton Seed and Associates (registered independent valuers) as at October 2002 and this valuation was incorporated into the financial statements as at 30 June 2002.

Infrastructural assets at Whakapapa were valued as at 31 July 2003 and the valuation was included in the financial statements for the year ended 30 June 2003. These assets were valued by Becca Valuations Ltd (registered independent valuers).

Other infrastructural assets and marine vessels were valued by valuersnet.nz Limited (independent valuers) as at 30 June 2003.

Note 15: Creditors and payables	30/06/05 Actual \$000	30/06/04 Actual \$000
Trade creditors	10,711	80
Other payables	4,154	4,599
<b>Total creditors and payables</b>	<b>14,865</b>	<b>4,679</b>

Note 16: Provisions for employee entitlements (current)	30/06/05 Actual \$000	30/06/04 Actual \$000
Accrued salaries and wages	334	6
Current portion of long service & retiring leave (as per note 18)	931	720
Accrued annual leave, time-off-in-lieu, and vested long service leave	6,333	6,520
<b>Total provisions for employee entitlements (current)</b>	<b>7,598</b>	<b>7,246</b>

Note 17: Other provisions	30/06/05 Actual \$000	30/06/04 Actual \$000
Opening balance	779	476
Provision utilised during the year	0	(36)
	779	440
Provision reversed during the year	(263)	0
Provision made during the year	123	339
<b>Closing balance</b>	<b>639</b>	<b>779</b>

The provisions include environmental, unresolved rent reviews and restructuring costs.

The environmental provision is the estimated cost of rectifying the environmental damage in a number of affected or contaminated sites which the Department has an obligation to remedy including:

- Rubbish dump sites that have been contaminated by domestic and asbestos waste.
- Former sheep dip sites that are contaminated and require clean up.
- The restoration of an area of land after logging operations.
- Restoration work on land where mining operations have occurred.

The Department has also made provision for unresolved rent review and restructuring costs.

There are various affected or contaminated sites, not listed above, for which the Department has not provided due to either: the nature of the issues, their uncertainty of the outcome, or the extent to which the Department has a responsibility to a claimant. There may also be other affected or contaminated sites of which the Department is unaware.

Note 18: Provisions for employee entitlements (non-current)	30/06/05 Actual \$000	30/06/04 Actual \$000
Retiring leave	9,424	8,950
Long service leave	1,035	900
	10,459	9,850
Less: Current portion of long service & retiring leave	931	720
<b>Total provisions for employee entitlements (non current)</b>	<b>9,528</b>	<b>9,130</b>

Note 19: Revaluation reserve	30/06/05 Actual \$000	30/06/04 Actual \$000
<b>Visitor assets</b>		
Balance brought forward	52,966	51,593
Unrealised gains/(losses)	7,813	1,468
Revaluation gain/(loss) realised on disposal	0	(95)
<b>Closing balance</b>	<b>60,779</b>	<b>52,966</b>
<b>Freehold land</b>		
Balance brought forward	4,930	4,930
Unrealised gains/(losses)	0	0
Revaluation gain/(loss) realised on disposal	(97)	0
<b>Closing balance</b>	<b>4,833</b>	<b>4,930</b>
<b>Administrative buildings</b>		
Balance brought forward	18,899	17,764
Unrealised gains/(losses)	0	1,206
Revaluation gain/(loss) realised on disposal	(931)	(71)
<b>Closing balance</b>	<b>17,968</b>	<b>18,899</b>
<b>Vessels</b>		
Balance brought forward	522	82
Unrealised gains/(losses)	0	457
Revaluation gain/(loss) realised on disposal	0	(17)
<b>Closing balance</b>	<b>522</b>	<b>522</b>
<b>Office equipment</b>		
Balance brought forward	177	321
Unrealised gains/(losses)	0	0
Revaluation gain/(loss) realised on disposal	0	(144)
<b>Closing balance</b>	<b>177</b>	<b>177</b>
<b>Infrastructure</b>		
Balance brought forward	1,128	1,199
Unrealised gains/(losses)	0	63
Revaluation gain/(loss) realised on disposal	(2)	(134)
<b>Closing balance</b>	<b>1,126</b>	<b>1,128</b>
<b>Radio equipment</b>		
Balance brought forward	556	565
Unrealised gains/(losses)	0	0
Revaluation gain/(loss) realised on disposal	(4)	(9)
<b>Closing balance</b>	<b>552</b>	<b>556</b>

**Field equipment**

Balance brought forward	27	27
Unrealised gains/(losses)	0	0
Revaluation gain/(loss) realised on disposal	0	0
<b>Closing balance</b>	<b>27</b>	<b>27</b>
<b>Total revaluation reserve</b>	<b>85,984</b>	<b>79,205</b>

When assets are revalued any movement in accumulated depreciation is not funded by the Crown. These unfunded depreciation balances are captured in the revaluation reserve. The unfunded depreciation for visitor assets this financial year is \$3.4 million (2004: \$7.8 million). Since 1 July 2002, the cumulative unfunded depreciation amounts to \$14.4 million (2004: \$11.0 million).

Realised gains and losses on revaluation reflect the amount transferred from the revaluation reserve to general funds upon sale or disposal of an asset.

**Note 20: Financial instruments**

The Department is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts payable, and accounts receivable.

**Credit risk**

In the normal course of its business, the Department incurs credit risk from trade debtors, transactions with Westpac Banking Corporation and the New Zealand Debt Management Office (NZDMO).

The Department does not require any collateral or security to support financial instruments with financial institutions that the Department deals with, or with NZDMO, as these entities have high credit ratings. For its other financial instruments, the Department does not have significant concentrations of risk.

**Fair value**

The fair value of the Department's financial assets and liabilities is equivalent to the net carrying value shown on the Statement of Financial Position.

**Currency and interest rate risk**

The Department has no exposure to currency or interest rate risk.

**Note 21: Related party information**

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 numerous transactions with other government departments, Crown agencies and State-owned enterprises on an arm's-length basis. These transactions are not considered to be related party transactions.

Apart from those transactions described above, the Department has not entered into any related party transactions.

**Note 22: Post balance date events**

No significant events which may impact on the actual results have occurred between year-end and the signing of these financial statements (2004: none).

## Non-Departmental Schedules Statement of Accounting Policies

for the year ended 30 June 2005

### Measurement Base

Measurement and recognition rules applied in the preparation of these Non-Departmental schedules are consistent with generally accepted accounting practice and Crown accounting policies.

These Non-Departmental balances are consolidated into the Crown Financial Statements and therefore readers of these statements and schedules should also refer to the Crown Financial Statements for the year ended 30 June 2005. The information included within the Crown Financial Statements includes disclosures relating to the public foreshore and seabed.

### Accounting Policies

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied.

#### **Budget Figures**

The Budget figures are those presented in the Budget Estimates of Appropriation (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

#### **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 and is reported in the financial period to which it relates.

#### **Goods and Services Tax (GST)**

The schedules of Non-Departmental Revenue and Expenses and the Statement of Expenditure and Appropriations are inclusive of GST (where applicable). The Schedules of Assets and Liabilities are exclusive of GST, except for receivables and payables which are GST inclusive.

#### **Receivables and Advances**

Receivables are recorded at estimated realisable value after providing where necessary for doubtful and uncollectible debts.

#### **Fixed Assets**

The rateable value of land was supplied by Quotable Value. These values were reviewed by valuersnet.nz Limited (registered independent valuers) as at 30 June 2005 to ensure that these values comply with Financial Reporting Standard (FRS-3 Property, Plant and Equipment). Land is revalued at least every five years.

Historic buildings used for rental activities were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2005. These buildings were valued at market value based on the highest and best use. Historic buildings are revalued at least every five years.

Infrastructural assets were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2005. These assets are stated at fair value using optimised depreciated replacement cost. Infrastructural assets are revalued at least every five years.

Cultural assets over \$100,000 were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2005 at fair value. These assets are valued at least every five years.



The useful lives of assets have been estimated as follows:

Asset	Estimated useful life
Buildings (Historic)	98-100 years
Infrastructural assets	29-45 years

In accordance with FRS-3 Property Plant and Equipment the useful lives of Property, Plant and Equipment are assessed annually to determine whether they are appropriate and the depreciation charge adjusted accordingly. In some circumstances, and particularly for re-valued assets, this may lead to instances where the estimated useful lives vary, but not materially, from the standard policy presented above.

#### Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments (at the point a contractual obligation arises) to the extent that there are unperformed obligations.

#### Contingent Liabilities

Contingent Liabilities are disclosed at the point at which the contingency is evident.

#### Schedule of Non-Departmental Revenue for the year ended 30 June 2005

	Notes	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/04 Actual \$000
<b>Revenue</b>					
Concessions, leases and licences	1	11,226	8,458	9,864	9,964
Other operational revenue		1,618	1,567	1,517	1,535
Capital receipts		753	800	800	0
<b>Total Non-Departmental Revenue and Receipts</b>		<b>13,597</b>	<b>10,825</b>	<b>12,181</b>	<b>11,499</b>

Non-Departmental Revenues are administered by the Department of Conservation on behalf of the Crown. As these revenues are not established by the Department nor earned in the production of the Department's outputs, they are not reported in the Departmental financial statements. Figures are GST inclusive where applicable.

#### Schedule of Non-Departmental Expenses for the year ended 30 June 2005

(GST inclusive)	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/04 Actual \$000
<b>Vote: Conservation</b>				
Non-Departmental output classes	19,465	24,813	36,176	29,901
Appropriated expenses incurred by the Crown	2,732	3,725	10,128	2,590
Depreciation - buildings	459	0	0	463
Depreciation - infrastructural assets	3,762	0	0	3,762
Bad and doubtful debts	179	0	0	77
Revaluation of infrastructural assets	(14,176)	0	0	21,509
(Gain) / loss on sale of fixed assets	(710)	0	0	(320)
<b>Total Non-Departmental expenses</b>	<b>11,711</b>	<b>28,538</b>	<b>46,304</b>	<b>57,982</b>

The Schedule of Expenses summarises Non-Departmental expenses that the Department administers on behalf of the Crown. Further details are provided in the Schedule of Non-Departmental Expenditure and Appropriations.

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

### Schedule of Non-Departmental Expenditure And Appropriations for the year ended 30 June 2005

(GST inclusive)	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/05 Under/(Over) Expenditure \$000	30/06/04 Actual \$000
<b>Vote: Conservation Appropriation for non-departmental output classes</b>					
Identification and implementation of protection for natural and historic resources	14,372	19,271	27,274	12,902	26,258
Management services for natural and historic places	2,256	1,487	1,624	(632)	1,561
Moutoa Gardens	25	25	25	0	25
NZ biodiversity advice & condition funds	2,812	4,030	7,253	4,441	2,057
<b>Sub-total output classes</b>	<b>19,465</b>	<b>24,813</b>	<b>36,176</b>	<b>16,711</b>	<b>29,901</b>
<b>Appropriation for other expenses to be incurred by the Crown</b>					
Esplanade reserve compensation	0	30	30	30	126
Lake Taupo access fee	769	860	860	91	758
Matauranga Maori fund	478	623	1,314	836	424
Subscriptions to international organisations	238	305	305	67	223
Purchase and development of reserves	468	800	5,579	5,111	309
Payment of rates on properties for concessionaires	640	967	1,900	1,260	611
Waikaremoana lakebed lease	139	140	140	1	139
<b>Sub-total other expenses</b>	<b>2,732</b>	<b>3,725</b>	<b>10,128</b>	<b>7,396</b>	<b>2,590</b>
Other Expenses not requiring appropriation	(10,486)	0	0	10,486	25,491
<b>Total Non-Departmental Expenditure and Appropriations</b>	<b>11,711</b>	<b>28,538</b>	<b>46,304</b>	<b>34,593</b>	<b>57,982</b>
<b>Appropriation for purchase or development of capital assets by the Crown</b>					
Crown land acquisitions	0	0	0	0	9,000
Vested coastal marine areas	0	30	30	30	0
<b>Total capital assets</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>9,000</b>

The Schedule of Expenditure and Appropriations details expenditure and capital payments incurred against appropriations. The Department administers these appropriations on behalf of the Crown. Figures are GST inclusive where applicable.

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

### Schedule of Non-Departmental Unappropriated Expenditure for the year ended 30 June 2005

(GST inclusive)	30/06/05 Unappropriated Expenditure \$000	30/06/04 Unappropriated Expenditure \$000
<b>Vote: Conservation Appropriation for non-departmental output classes</b>		
Management services for natural and historic places	632	74
<b>Total non-departmental expenditure</b>	<b>632</b>	<b>74</b>

In April 2005 the Department became aware of the possibility that there maybe an immediate health hazard due to the deterioration of the asbestos in buildings on Matiu/Somes Island. The island was subsequently closed to the public. The unappropriated expenditure provides for the cost of removal of asbestos. Approval for this expenditure was given under section 12 of the Public Finance Act 1989.

### Schedule of Non - Departmental Assets as at 30 June 2005

	Notes	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/04 Actual \$000
<b>Current assets</b>					
Cash and bank balance		40,349	25,218	3,577	15,251
Receivables and advances	2	5,159	1,800	3,763	3,763
<b>Total current assets</b>		<b>45,508</b>	<b>27,018</b>	<b>7,340</b>	<b>19,014</b>
<b>Non current assets</b>					
Receivables and advances		0	13	0	0
Physical assets	3	3,076,740	1,764,591	1,948,321	1,947,208
<b>Total non current assets</b>		<b>3,076,740</b>	<b>1,764,604</b>	<b>1,948,321</b>	<b>1,947,208</b>
<b>Total non-departmental assets</b>		<b>3,122,248</b>	<b>1,791,622</b>	<b>1,955,661</b>	<b>1,966,222</b>

### Schedule of Non-Departmental Liabilities as at 30 June 2005

	Notes	30/06/05 Actual \$000	30/06/05 Main Estimates \$000	30/06/05 Supp. Estimates \$000	30/06/04 Actual \$000
<b>Current liabilities</b>					
Payables	4	1,118	1,169	762	763
Provisions	5	3,539	2,348	2,845	2,845
<b>Total current liabilities</b>		<b>4,657</b>	<b>3,517</b>	<b>3,607</b>	<b>3,608</b>
<b>Total non-departmental liabilities</b>		<b>4,657</b>	<b>3,517</b>	<b>3,607</b>	<b>3,608</b>

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

**Schedule of Non-Departmental Commitments** as at 30 June 2005

	Notes	30/06/05 Actual \$000	30/06/04 Actual \$000
<b>Capital commitments</b>			
Other capital commitments	6	6,346	9,369
<b>Total commitments</b>		<b>6,346</b>	<b>9,369</b>
<b>Term classification of commitments</b>			
Capital: Less than one year		6,346	9,369
<b>Total commitments</b>		<b>6,346</b>	<b>9,369</b>

**Schedule of Non-Departmental Contingent Liabilities** as at 30 June 2005

	30/06/05 Actual \$000	30/06/04 Actual \$000
Quantifiable guarantees	0	0
<b>Total contingent liabilities</b>	<b>0</b>	<b>0</b>

There were 14 Treaty-related claims for ownership of land, rivers, seabed or foreshore. These Treaty-related claims against the Crown are not currently quantifiable.

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

## Notes to the Schedules

Note 1: Concessions, Leases and Licences	30/06/05 Actual \$000	30/06/04 Actual \$000
Guiding	2,696	2,655
Telecommunications	1,418	1,424
Grazing	1,299	1,058
Tourism occupations	1,367	1,022
Ski areas	841	764
Summer holiday programme charges	46	29
Aircraft landings	813	628
Residential/Recreational	769	674
Other occupations	328	440
Vehicle transport	150	165
Boating	274	187
Filming	189	101
Easements	171	221
Extractions fees	24	32
Miscellaneous	316	172
Recovery of rates	525	392
<b>Total concessions, leases and licences</b>	<b>11,226</b>	<b>9,964</b>
Note 2: Receivables and Advances	30/06/05 Actual \$000	30/06/04 Actual \$000
Receivables	2,795	1,564
Less: Provision for doubtful debts	(795)	(466)
Net accounts receivable	2,000	1,098
Accrued revenue	684	2,658
Other receivables	2,475	7
<b>Total receivables and advances</b>	<b>5,159</b>	<b>3,763</b>

Note 3: Physical Assets	30/06/05 Actual \$000	30/06/04 Actual \$000
<b>Land</b>		
At valuation	2,970,963	1,855,423
<b>Land - net current value</b>	<b>2,970,963</b>	<b>1,855,423</b>
<b>Historic buildings</b>		
At valuation	43,862	40,075
Accumulated depreciation	(20,276)	(19,817)
<b>Buildings - net current value</b>	<b>23,586</b>	<b>20,258</b>
<b>Infrastructure assets</b>		
At valuation	171,952	150,379
Accumulated depreciation	(95,111)	(83,952)
<b>Infrastructure assets - net current value</b>	<b>76,841</b>	<b>66,427</b>
<b>Cultural assets</b>		
At valuation	5,350	5,100
<b>Cultural assets - net current value</b>	<b>5,350</b>	<b>5,100</b>
<b>Total physical assets</b>		
At valuation	3,192,127	2,050,977
Accumulated depreciation	(115,387)	(103,769)
<b>Total carrying amount of physical assets</b>	<b>3,076,740</b>	<b>1,947,208</b>

The Department manages a significant portfolio of fencing assets (infrastructural assets) on behalf of the Crown. The vast majority of the fencing is for boundary purposes. Fencing on land managed by 44 out of 49 Area Offices was sampled and valued by Department of Conservation staff, with the valuation methodology reviewed by an independent valuer. This was extrapolated by Department of Conservation staff to provide a national value.

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 nor are they subject to conditions regarding Treaty of Waitangi claims. Specific areas may, however, be included in the Treaty settlements if the Crown decides to offer those areas to claimants.

Note 4: Payables	30/06/05 Actual \$000	30/06/04 Actual \$000
Payables	555	374
Revenue in advance	563	389
<b>Total payables and advances</b>	<b>1,118</b>	<b>763</b>



Note 5: Provisions	30/06/05 Actual \$000	30/06/04 Actual \$000
Opening balance	2,845	2,845
Provision increased during the year	694	0
<b>Closing balance</b>	<b>3,539</b>	<b>2,845</b>

The provisions include environmental, contaminated sites and Designations.

The environmental provision is the estimated cost of rectifying the environmental damage in a number of affected or contaminated sites in which the Crown has an obligation to remedy as follows:

- The tailings and tunnels in the Maratoto Mine may excrete contaminants into the water.
- There are a number of abandoned coal mines both underground and open cast, within the Benneydale, Mahoenui, Piraongia, Waitewhenua and Ohura coalfields. The risks of contamination are associated with the treatment ponds, trailing dams and underground drives.
- The Crown has responsibility for ensuring the buildings on Matiu/Somes Island are safe from asbestos contamination.
- There is contamination relating to chemicals used for timber treatment in the old timber mill site in the Ongaonga Field Centre.
- There is a requirement to clean up dumped refuse in the Waikanae Conservation area.
- The roofing structure on the old Controlled Mine base on Rangitoto Island contains amounts of white asbestos and needs to be removed.
- There is danger of contaminated water around the Kauaeranga Army Firing Range.
- There is a requirement by the Crown to repair damage to waterways and the surrounding environment from toxic discharge in the Kaimai Range area. The repair is expected to take five years.

There is also a provision made for a potential liability relating to two Designations placed on private land to protect the two properties from commercial development. There is a potential liability that the Crown may need to purchase the properties in future from the current owners.

There are various other affected or contaminated sites for which the Crown has not provided due to either: the nature of the issues, their uncertainty of the outcome, or to the extent to which the Crown has a responsibility to a claimant. There may also be other affected or contaminated sites of which the Crown is unaware.

Note 6: Other Capital Commitments	30/06/05 Actual \$000	30/06/04 Actual \$000
Nature Heritage Fund	2,330	3,669
Nga Whenua Rahui	4,016	5,700
<b>Total other capital commitments</b>	<b>6,346</b>	<b>9,369</b>

#### Note 7: Post balance date events

No significant events which may impact on the actual results have occurred between year-end and the signing of these financial statements (2004: none).

## Additional Financial Information

**Summary of Output Class Expenditure by Output** for the year ended 30 June 2005

	30/06/05 Actual \$000
<b>Vote Biosecurity</b>	
Policy Advice	475
Crown Pest/Weeds Exacerbator Costs	2,038
Indigenous Forest Biosecurity Protection	32
Specific Pest and Disease Response	102
<b>Total Vote Biosecurity</b>	<b>2,647</b>
<b>Vote: Conservation</b>	
<b>Management Natural Heritage</b>	
Fire Control	6,630
Conservation Services Program	1,300
Natural Heritage Restoration	1,297
Possum Control	13,133
Deer Control	1,473
Goat Control	6,012
Other Terrestrial Animal Pests	7,583
Other Aquatic Pests	532
Island Management and Restoration	3,503
Fencing (Stock Control)	810
Inventory and Monitoring	1,743
Weed Control	14,165
Legal Protection of Areas and Sites	12,982
RMA Advocacy and Coastal Planning	4,907
Species Conservation Programmes	32,572
Mainland Island Sites	2,489
CITES	1,013
<b>Total Management Natural Heritage</b>	<b>112,144</b>
<b>Management of Historic Heritage</b>	
Historic Heritage	5,255
<b>Total Management of Historic Heritage</b>	<b>5,255</b>

<b>Management of Recreational Opportunities</b>	
Huts	15,295
Booked Accommodation	1,000
Campsites	3,582
Tracks	36,154
Amenity Areas and Community Services	9,618
Roads and Carparks	10,087
Visitor Centres	8,456
Visitor Information	2,826
Recreation Concessions	4,515
Recreation Planning and Import Monitoring	6,073
Taupo Sports Fisheries	2,958
Non Recreation Concessions	2,599
<b>Total Management of Recreational Opportunities</b>	<b>103,163</b>
<b>Conservation with the Community</b>	
Participation	6,568
Education and Communication	6,228
International Obligations	396
<b>Total Conservation with the Community</b>	<b>13,192</b>
<b>Policy advice and Ministerial servicing</b>	
Policy Advice	1,334
Ministerial Services	13
Management Planning	1,129
Statutory Bodies	1,693
<b>Total Policy advice and Ministerial servicing</b>	<b>4,169</b>
<b>Recreational Opportunities Review</b>	
Recreational Opportunities Review	814
<b>Total Recreational Opportunities Review</b>	<b>814</b>
<b>Total Vote Conservation</b>	<b>238,737</b>
<b>Total Output Appropriations</b>	<b>241,384</b>

**Expenditure by Conservancy** for the year ended 30 June 2005

(excluding GST)	30/06/05 Actual \$000	30/06/04 Actual \$000
<b>Conservancy</b>		
Northland	14,605	14,198
Auckland	13,340	13,234
Waikato	12,767	11,370
Bay of Plenty	8,271	7,472
Tongariro/Taupo	13,009	11,256
Wanganui	11,339	10,906
East Coast/Hawke's Bay	11,790	11,569
Wellington	10,629	10,670
Nelson/Malborough	15,827	15,495
West Coast	17,053	16,469
Canterbury	18,014	16,953
Otago	14,281	12,712
Southland	16,773	15,388
Northern Regional Office	198	2,276
Central Regional Office (including RD&I)	4,831	6,129
Southern Regional Office	148	815
Head Office	58,509	66,104
<b>Total expenses per Statement of Financial Performance</b>	<b>241,384</b>	<b>243,016</b>

## Performance of Reserve Boards as at 30 June 2004

Reserve Board	Type	Revenue \$	Expenditure \$	Net Assets \$
<b>Northland</b>				
Oakura +	Recreation	8,820	7,530	1,040,000
Tamaeterau ***	Recreation	560	1,100	0
Waikiekie	Recreation	10,008	7,791	129,903
Ruakaka Central	Hall	10,018	3,571	175,000
Waipu Cove	Recreation	493,805	340,108	1,402,168
Ruakaka	Recreation	241,970	248,416	405,784
Whatitiri	Recreation	3,356	6,543	106,376
Taurikura	Hall	6,807	6,936	144,876
Coates Memorial Church	Local purpose	447	186	111,000
<b>Auckland</b>				
Glorit *	Hall	5,697	7,474	5,378
<b>Bay of Plenty</b>				
Awakaponga	Hall	2,014	2,594	167,632
Matata	Recreation	36,519	35,252	43,200
Lake Rotoiti	Scenic	23,337	12,032	40,098
<b>Wanganui</b>				
Papanui **	Hall	2,078	2,078	1,000
Poukioie	Recreation	5,340	3,861	58,915
Tiriraukawa	Hall	2,590	614	36,300
Moutoa Gardens	Historic	32,936	18,094	220,750
<b>Wellington</b>				
Ruawhata	Hall	126	311	3,266
Horowhenua	Recreation	1,286	1,023	36,507
Whitireia Park	Recreation	22,310	34,661	148,970
<b>Nelson/Marlborough</b>				
Homewood	Hall	743	2,658	82,157
Kaiteriteri	Recreation	3,210,503	2,828,860	3,366,246
<b>West Coast</b>				
Charleston	Hall	1,680	3,203	84,856
Millerton	Hall	6,346	5,110	31,080
Granity	Recreation	2,648	2,510	46,908
Nelson Creek	Recreation	1,960	1,135	30,861

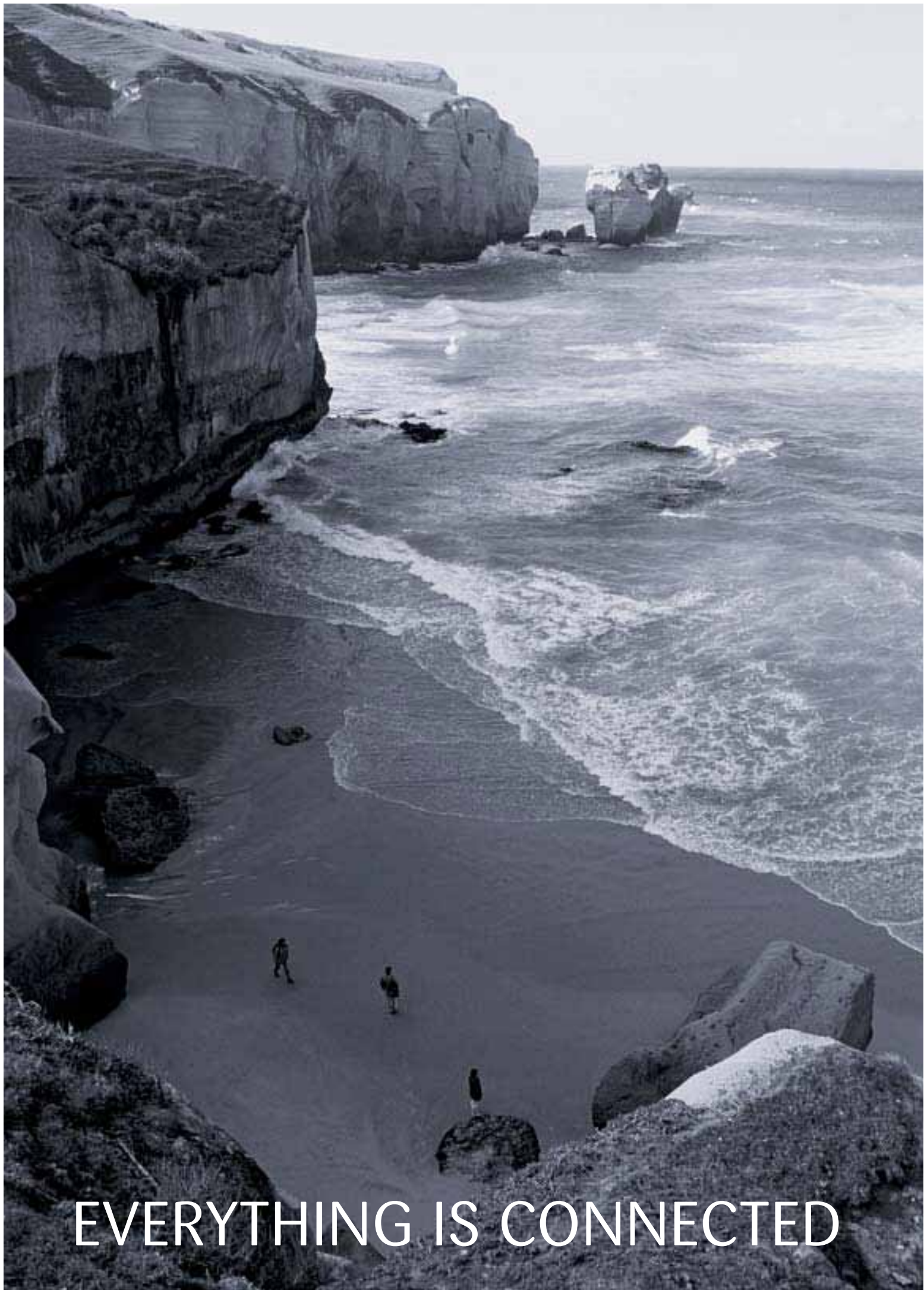
The details above are dated to 30 June 2004 as they are based on audited reports of the Reserve Boards which are often not available until after the deadline for the preparation of this annual report.

\* The figures for the Glorit board are as at April 2005.

\*\* The net assets include land and fencing improvements – the hall building has been removed from the reserve.

\*\*\* This reserve along with the Ngunguru Recreation Reserve was vested in the Whangarei District Council in September 2003.

+ These figures are estimates.



EVERYTHING IS CONNECTED



# Appendices

Otago's striking Tunnel Beach is one of the places where hoiho, the yellow-eyed penguin, come ashore.

PHOTOGRAPHER: NEVILLE PEAT, DOC

A hoiho moves amongst taupata. Unique to New Zealand and thought to be the world's rarest penguin, hoiho connect the land with the sea.

PHOTOGRAPHER: NEVILLE PEAT, DOC



## The Department of Conservation's structure

The Department of Conservation has a decentralised organisational structure, reflecting the nature of its work. Field work and conservation outputs are delivered mainly from the far-flung network of 50 Area Offices. The areas are grouped into 13 conservancies, each with a Conservancy Office which provides support to the areas. The conservancies are led and managed by two General Managers Operations working from the Northern Regional Office in Hamilton and the Southern Regional Office in Christchurch.

The Department's Head Office in Wellington develops national policies, and provides national service and support functions.

The Department employs about 1580 permanent staff and between 350 and 650 temporary staff depending on the season, as well as contractors.

Chief Executive	General Managers	
Director-General Hugh Logan	<b>General Manager Northern Operations</b> Barbara Browne (covering 8 conservancies, including 28 areas)	Field Operations (About 1300 staff)
	<b>General Manager Southern Operations</b> John Cumberpatch (covering 5 conservancies, including 22 areas)	
	<b>General Manager Research, Development and Improvement</b> John Ombler	Head Office service and support (About 300 staff)
	<b>General Manager Business Management</b> Grant Baker	
	<b>General Manager External Relations</b> Vacant	
	<b>General Manager Strategy and Policy</b> Al Morrison	
	<b>Tumuaki, Kāhui Kura Taiao</b> (General Manager Maori Issues) Tata Lawton	
	<b>General Manager People and Organisational Development</b> Felicity Lawrence (from September 2005)	

## Contacting DOC offices

### Head Office

P O Box 10 420  
Wellington  
Tel: 04 471 0726

### Regional Offices

#### Northern Regional Office

P O Box 112  
Hamilton  
Tel: 07 858 0000

#### Southern Regional Office

P O Box 13049  
Christchurch  
Tel: 03 353 0508

### Conservancy Offices

#### Northland Conservancy

Department of Conservation  
P O Box 842  
Whangarei  
Tel: 09 430 2470

#### Auckland Conservancy

Department of Conservation  
Private Bag 68908, Newton  
Auckland  
Tel: 09 307 9279

#### Waikato Conservancy

Department of Conservation  
Private Bag 3072  
Hamilton  
Tel: 07 838 3363

#### Bay of Plenty Conservancy

Department of Conservation  
P O Box 1146  
Rotorua  
Tel: 07 349 7400

#### Tongariro/Taupo Conservancy

Department of Conservation  
Private Bag  
Turangi  
Tel: 07 386 8607

#### East Coast/Hawke's Bay Conservancy

Department of Conservation  
P O Box 668  
Gisborne  
Tel: 06 869 0460

#### Wanganui Conservancy

Department of Conservation  
Private Bag 3016  
Wanganui  
Tel: 06 348 8475

#### Wellington Conservancy

Department of Conservation  
P O Box 5086  
Wellington  
Tel: 04 472 5821

#### Nelson/Marlborough Conservancy

Department of Conservation  
Private Bag 5  
Nelson  
Tel: 03 546 9335

#### West Coast/Tau Poutini Conservancy

Department of Conservation  
Private Bag 701  
Hokitika  
Tel: 03 756 8282

#### Canterbury Conservancy

Department of Conservation  
Private Bag 4715  
Christchurch  
Tel: 03 379 9758

#### Otago Conservancy

Department of Conservation  
P O Box 5244, Moray Place  
Dunedin  
Tel: 03 477 0677

#### Southland Conservancy

Department of Conservation  
P O Box 743  
Invercargill  
Tel 03 214 4589

#### Website:

[www.doc.govt.nz](http://www.doc.govt.nz)

### Department of Conservation Offices

- Head office
- Regional office
- Conservancy office
- Area office



## Land Environments of New Zealand

For management purposes, the Department uses a terrestrial ecological classification system to map all of New Zealand's landmass into 20 different types of "Environment" - places which are more similar to each other environmentally than they are to other places. The classification system has been developed by Landcare Research and is called "Land Environments of New Zealand" (LENZ).

LENZ sorts factors such as climate, landform, and soil properties that are known to be correlated to forest, shrub and fern distribution, and allows areas of similar environments to be grouped together.

One way in which the Department uses this information is to ensure a more comprehensive range of terrestrial environments is legally protected. The table below provides details about the area of land within each of the 20 groups that is currently legally protected. The highlighted text shows the eight environments that are least represented in the protected areas network.

*The eight Environment types marked with \* are those least represented in the protected areas network.*

### Area of Natural Heritage under Legal Protection – by Environment Type

Name	Area Protected July 2004 (hectares)	Area Protected July 2005 (hectares)	Total Area LENZ Lv1 (hectares)	Change of Protected Area End June 2004 to End June 2005 (hectares)	Change of Protected Area End June 2004 to End June 2005 (%)	Total Environment Legally Protected End June 2005 (%)
Northern Lowlands*	86594	87793	1853745	1199	1.38	4.74
Central Dry Lowlands*	5794	5957	691433	163	2.81	0.86
Western and Southern North Island Lowlands*	5508	5578	635918	70	1.27	0.88
Northern Hill Country	400668	400604	2099624	-64	-0.02	19.08
Central Dry Foothills	195457	221514	1323675	26057	13.33	16.73
Central Hill Country and Volcanic Plateau	980163	978161	5241270	-2002	-0.20	18.66
Northern Recent Soils*	23865	24453	338680	588	2.46	7.22
Central Sandy Recent Soils	27862	27862	135282	0	0.00	20.60
Central Poorly-drained Recent Soils*	3229	3232	120994	3	0.09	2.67
Central Well-drained Recent Soils*	3879	4031	293580	152	3.92	1.37
Central Upland Recent Soils	26930	27522	160716	592	2.20	17.12
Southern Lowlands*	57056	59355	801165	2299	4.03	7.41
Western South Island Recent Soils	109358	109317	220345	-41	-0.04	49.61
Eastern South Island Plains*	12587	13079	2044508	492	3.91	0.64
Western South Island Foothills and Stewart Island	1164468	1164275	1414258	-193	-0.02	82.32
Central Mountains	2181691	2205866	3248591	24175	1.11	67.90
Southeastern Hill Country and Mountains	556499	580367	3271981	23868	4.29	17.74
Southern Alps	1797754	1795980	1926881	-1774	-0.10	93.21
Ultramafic Soils	31067	31245	33476	178	0.57	93.34
Permanent Snow and Ice	152935	152901	157015	-34	-0.02	97.38
Other	37690	37984	211363	294	0.78	17.97
<b>Total</b>	<b>7861054</b>	<b>7937076</b>	<b>26224500</b>	<b>76022</b>	<b>0.97</b>	<b>30.27</b>

## Relevant legislation, regulations, bylaws and international agreements

### Legislation administered by the Department of Conservation

- Conservation Act 1987 (includes Conservation Law Reform Act 1990)
- Canterbury Provincial Buildings Vesting Act 1928
- Harbour Boards Dry Land Endowment Revesting Act 1991
- Hauraki Gulf Marine Park Act 2000
- Kapiti Island Public Reserve Act 1897
- Lake Wanaka Preservation Act 1973
- Marine Mammals Protection Act 1978
- Marine Reserves Act 1971
- Mount Egmont Vesting Act 1978
- National Parks Act 1980
- Native Plants Protection Act 1934
- New Zealand Walkways Act 1990
- Queen Elizabeth the Second National Trust Act 1977
- Queenstown Reserves Vesting and Empowering Act 1971
- Reserves Act 1977
- Stewart Island Reserves Empowering Act 1976
- Sugar Loaf Islands Marine Protected Area Act 1991
- Trade In Endangered Species Act 1989
- Tutae-Ka-Wetoweto Forest Act 2001
- Waitangi Endowment Act 1932
- Waitangi National Trust Board Act 1932
- Waitutu Block Settlement Act 1997
- Wild Animal Control Act 1977
- Wildlife Act 1953

### Regulations and Bylaws administered by the Department of Conservation:

- Abel Tasman National Park Bylaws 1981
- Abel Tasman National Park Waters Control Bylaws 1990
- Anaura Bay Recreation Reserve Bylaws 1999
- Arthur's Pass National Park Bylaws 1981
- Buller River Mouth Wildlife Refuge Order 1993
- Cape Rodney-Okakari Point Marine Reserve Order 1975
- Cape Rodney-Okakari Point Marine Reserve Bylaws 1989
- Chatham Islands Wildlife Notice 1977
- Christchurch City (Reserves) Empowering Act (Ministerial Responsibility) Order 1989
- Egmont National Park Bylaws 1981
- Fiordland National Park Bylaws 1981
- Grey-Faced Petrel (Northern Muttonbird) Notice 1979
- Fish and Game Council Elections Regulations 1990
- Freshwater Fisheries Regulations 1983
- Game Licences, Fees, and Forms Notice 2004
- Glory Bay Scenic Reserve Bylaws 2005
- Hart's Creek Wildlife Refuge Order 1973
- Huka Falls Scenic Reserve Bylaws 1995
- Kaiteriteri Bay Grant of Control Bylaws 1977
- Lake Grassmere Wildlife Refuge Order 1968
- Lake Rotomahana Wildlife Refuge Order 1967
- Lake Orakai, Tutira, and Waikopiro Wildlife Refuge Order 1973
- Lake Rotorua (Motutara) Wildlife Refuge Order 1993



- Little Shag Notice 1955
- Marine Mammals Protection Regulations 1992
- Marine Mammals Protection (Auckland Islands Sanctuary) Notice 1993
- Marine Mammals Protection (Banks Peninsula Sanctuary) Notice 1988
- Marine Reserve (Auckland Islands-Motu Maha) Order 2003
- Marine Reserve (Kapiti) Order 1992
- Marine Reserve (Kermadec Islands) Order 1990
- Marine Reserve (Long Bay-Okura) Order 1995
- Marine Reserve (Long Island-Kokomohua) Order 1993
- Marine Reserve (Piopiotahi (Milford Sound)) Order 1993
- Marine Reserve (Motu Manawa-Pollen Island) Order 1995
- Marine Reserve (Pohatu) Order 1999
- Marine Reserve (Poor Knights Islands) Order 1981
- Marine Reserve (Te Angiangi) Order 1997
- Marine Reserve (Te Awaatu Channel (The Gut)) Order 1993
- Marine Reserve (Te Tapuwae o Rongokako) Order 1999
- Marine Reserve (Tonga Island) Order 1993
- Marine Reserve (Tuhua (Mayor Island)) Order 1992
- Marine Reserve (Te Matakū) Order 2005
- Marine Reserve (Wharawhara (Ulva Island)) Order 2004
- Marine Reserve (Westhaven (Te Tai Tapu)) Order 1994
- Marine Reserve (Whanganui A Hei (Cathedral Cove)) Order 1992
- Marine Reserves Regulations 1993
- Mount Aspiring National Park Bylaws 1981
- Mount Cook National Park Bylaws 1981
- New Zealand Walkways Bylaws 1979
- New Zealand Game Bird Habitat Stamp Regulations 1993
- Noxious Animals in Captivity Regulations 1969
- Onekaka Inlet Scenic Reserve Bylaws 1995
- Opossum Regulations 1953
- Palmerston North Showgrounds Order 1991
- Paynes Ford Scenic Reserve Bylaws 1995
- Poor Knights Islands Marine Reserve Bylaws 1989
- Rakiura National Park Order 2002
- Revocation of Resource Management (Marlborough Sounds Coastal Tendering – Marine Farming) Order 1999
- Rimutaka State Forest Park Traffic Bylaws 1981
- State Forest Parks and Forest Recreation Regulations 1979
- South East Otago Reserves Foreshore and Waters Control Bylaws 1984
- Sports Fish Licences, Fees, and Forms Notice 2004
- Taupo Fishery Regulations 2004
- Taupo Landing Reserve Regulations 1938
- Taupo District Trout Fishery Licences, Fees, and Forms Notice 2004
- Titi (Muttonbird) Islands Regulations 1978
- Titi (Muttonbird) Notice 2005
- Tongariro Hatchery Anglers' Camping Ground Regulations 1954
- Tongariro National Park Bylaws 1981
- Trade in Endangered Species Order 2003
- Trade in Endangered Species Regulations 1991

- Tuhua (Mayor Island) Marine Reserve Notice 1993
- Urewera National Park Bylaws 1981
- Waitangi National Trust Board Bylaws 1981
- Whitebait Fishing Regulations 1994
- Whitebait Fishing (West Coast) Regulations 1994
- Wellington City Exhibition Grounds Act (Consent to Borrow) Order 1989
- Westland National Parks Bylaws 1981
- Wildlife (Farming of Unprotected Wildlife) Regulations 1985
- Wildlife Management Reserve (Westhaven (Whanganui Inlet)) Order 1994
- Wildlife (Peafowl) Notice 1961
- Wildlife Regulations 1955
- Whanganui National Park Bylaws 1995

**International environmental agreements under which the Department of Conservation has an obligation**

- Antarctic Treaty
- Apia Convention on the Conservation of Nature in the South Pacific
- CITES: Convention on International Trade in Endangered Species of Wild Flora and Fauna
- Convention on Biological Diversity
- Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR)
- Convention on the Conservation of Migratory Species of Wild Animals
- Convention on the Conservation of Southern Bluefin Tuna

- International Convention for the Regulation of Whaling
- Protocol on Environmental Protection.
- Ramsar Convention on Wetlands of International Importance
- UN Convention on the Law of the Sea
- United Nations Open-ended Informal Consultative Process on Oceans and the Law of the Sea
- World Heritage Convention



The strange and wonderful giant tusked weta, *Motuweta isolata*, evolved on the islands in the Mercury Group, near the Coromandel Peninsula. Decimated by introduced mammals, it was first found in 1970 clinging to its last tiny refuge, Middle Island, near Whitianga. That made the species very vulnerable to being wiped out by accidental fire or if predators invaded the island.

No giant tusked weta survived on nearby Red Mercury Island, but when the Department made this rat-free, it became a potential home to the extremely rare animal.



*Note: One weta icon represents 10 weta.*

In 2000, the Department released 50 giant tusked weta onto the Red Mercury island sanctuary.



The latest survey, in 2005, show the weta thriving in their new island home, with between 100 - 500 now living and breeding on the island.



### Treasuring our extraordinary heritage

This large, fierce-looking insect gets its name from the elephant-like tusks of the adult male, which curve forward and cross at the tips.

One of the challenges in managing tusked weta is that they are active only at night - by day they shelter in sealed underground chambers. Not only that, because they live on islands riddled with tuatara and seabird burrows, we can't easily walk around without destroying these animals' homes. This all makes giant tusked weta very hard to count. It means we can only search at night, and estimate the population size based on the number of animals we find during every hour we spend looking for them.

Between 1998 and 2000, only four animals were found on Middle Island in 65 nights of searching – that's just one weta for every 75 hours of looking.

To reduce the threat of extinction, in 2000, giant tusked weta were bred in captivity and transferred to nearby rat-free Red Mercury and Double islands. The news for this vulnerable species is now good. In 2003, we found a first generation of offspring from the released animals. And in April 2005, a second generation was found.