

Department of Conservation

Statement of Intent 2009-2012



Department of Conservation
Te Papa Atawhai

Department of Conservation

Statement of Intent 2009-2012

Cover: Prices Creek tunnel near Hyde, Otago Rail Trail, March 2009.
Photo: Robin Thomas.

© Copyright May 2009, New Zealand Department of Conservation

ISSN 1175-5601 (hardcopy)

ISSN 1178-394x (web PDF)

TABLE OF CONTENTS

Foreword: Minister of Conservation	5
Statements of responsibility	7
1. The nature and scope of the Department's functions	8
2. Strategic direction—outcomes and impacts	9
2.1 The Department's operating environment	9
2.1.1 The Government's priorities	9
2.1.2 The wider context	10
2.2 The Department's strategic direction, approaches and outcomes	11
2.2.1 Strategic direction	11
2.2.2 Strategic approaches	11
2.2.3 The outcome	12
2.2.4 Impacts and intermediate outcomes	14
3. Operating intentions	16
3.1 Natural heritage	16
3.2 Historic heritage	22
3.3 Engagement	24
3.4 Recreation	25
3.5 Business opportunities	27
3.6 Policy advice	29
3.7 Ministerial services, management planning, and servicing statutory and ministerial bodies	29
3.8 Cost-effectiveness	30
4. Managing in a changeable operating environment	31
4.1 External drivers, current risks and mitigation strategies	31
4.2 The Department's risk management framework	31
5. Organisational health and capability	33
5.1 Organisational culture	33
5.2 Leadership	34
5.3 Systems for people and organisational development	34
5.4 Relationships and communications systems	34
5.5 The natural heritage management system	35
5.6 Knowledge and its application	35
5.7 Equal employment opportunities	36

6.	Departmental capital and asset management intentions	37
6.1	Asset management capability	37
6.2	Performance of physical assets	37
6.3	Capital expenditure intentions	38

Foreword: Minister of Conservation

This Statement of Intent sets out how the Department of Conservation will contribute to the wellbeing and prosperity of New Zealanders over the medium term. The central premise is that conservation is an economic investment, not simply a 'social good' cost. This premise builds on the already well-accepted social values of conservation that are reflected in the Conservation Act 1987, in particular the intrinsic worth of natural and historic heritage. And it takes this further by showing the interdependencies between nature's systems, social systems and the economy. In its totality, conservation plays a critical role in validating the 'clean pure' brand that is the market advantage on which our producers rely.

It is increasingly clear that sound management of our natural areas produces the life-sustaining ecosystem services on which our lifestyle and prosperity depend. These are services such as freshwater yield and storage, soil fertility and stability, and carbon storage. Tourism is New Zealand's largest single foreign exchange earner, and the destinations for both domestic and international visitors are primarily around public conservation lands and waters. The businesses that support and complement tourism are major contributors to our regional economies and local communities.

Once we recognise these interdependencies, we can start to capitalise on them to achieve social, economic and conservation gains. This gives meaning to the term, 'the conservation economy'. Conserving natural and historic heritage and providing opportunities for recreation remain fundamental, and this work provides vital infrastructure and jobs for communities.

This work does not have to be done by the Department alone, and we know that the scale of the conservation task is such that this would not be possible. By looking for opportunities to work with business, the Department can both achieve conservation gains and contribute to New Zealand's wellbeing and prosperity. Similarly, working with iwi, private landowners, local authorities and community groups creates a broader conservation front and helps build resilient communities. My Department will be reviewing all of the non-departmental funds it administers to ensure they provide the most effective support for this broader conservation effort.

New Zealand is in difficult economic times, and this Statement of Intent reflects the part that the Department of Conservation will play in responding to the Government's priorities to create a better future for New Zealanders.

In particular, I have directed my Department to investigate ways in which it can evolve its approach to tourism. This includes working to streamline the statutory processes in the granting of concessions. It is also about planning and developing

its recreation infrastructure in ways and in places that are most likely to stimulate and support tourism, including by shifting the focus to more heavily populated areas. Initiatives underway include planning for the development of multi-day walks: the 'Kauri to Coast Trail' on Great Barrier Island (Aotea Island), a new 'Great Walk' at Cape Reinga, and the Tarawera trail, as well as planning for the 'Big Trees Experience' centred on the large kauri of Waipoua forest, and for a new national park in Northland.

A handwritten signature in black ink, appearing to read 'Tim Groser', with a horizontal line above it.

Hon Tim Groser

Responsible Minister for the Department of Conservation

Statements of responsibility

Ministerial statement of responsibility

I am satisfied that the information on future operating intentions provided by the Department of Conservation in this Statement of Intent is in accordance with sections 38 and 40 of the Public Finance Act 1989, and is consistent with the policies and performance expectations of the Government.



Hon Tim Groser

Responsible Minister for the Department of Conservation

Director-General's statement of responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Department of Conservation. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations 2009–2010 Estimates Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



Alastair Morrison

Director-General



countersigned by

Christeen Mackenzie

Chief Financial Officer

1. The nature and scope of the Department's functions

The Department of Conservation is the central government organisation charged with promoting conservation of the natural and historic heritage of New Zealand on behalf of, and for the benefit of, present and future New Zealanders.

The Minister of Conservation is the Responsible Minister, and the Department's work is funded through Vote Conservation.

The Department was established by the Conservation Act 1987, and its key functions are set out in that Act. It also has functions under a number of other Acts, including the National Parks Act 1980, the Reserves Act 1977, the Wild Animal Control Act 1977, the Wildlife Act 1953 and the Marine Mammals Protection Act 1978.

The Department interprets and administers the Conservation Act to give effect to the principles of the Treaty of Waitangi in accordance with section 4 of the Act.

Much of the Department's work takes place on the more than 8 million hectares of conservation land and 33 marine reserves¹ (covering almost 1.28 million hectares) that it manages. The conservation land makes up about one-third of the country, and includes national parks, high country parks, forest parks, offshore and subantarctic islands, historic sites, and walkways.

The Department is responsible for encouraging recreation opportunities on the lands and waters it manages. To that end, it provides and manages visitor facilities, including walking, biking and four-wheel-drive tracks, huts, campsites, and visitor centres.

The Department works within the statutory concessions framework to authorise tourism operators and other third party activities and uses on public conservation lands and waters. These include grazing rights and telecommunication sites.

Some of the Department's functions go beyond the boundaries of public conservation lands and waters. It protects marine mammals, indigenous freshwater fisheries, recreational fisheries and freshwater habitats, and is responsible for conserving indigenous wildlife wherever it lives. It advocates generally for the conservation of natural and historic resources, provides conservation information, and promotes the economic, environmental and social benefits of conservation.

The Department provides policy advice to the Minister of Conservation. This includes advice on the Minister's responsibilities under the Resource Management Act 1991 for the coastal and marine environment.

The Department works across the central government sector, primarily but not exclusively through the natural resources sector group. It works with tangata whenua, landowners, regional and local government, science providers, recreation, outdoor and conservation organisations, community groups, and businesses. Section 3 provides further information on the main organisations and sectors with which the Department works towards the achievement of the intermediate outcomes set out in this Statement of Intent.

¹ As at 31 March 2009.

2. Strategic direction— outcomes and impacts

2.1 THE DEPARTMENT'S OPERATING ENVIRONMENT

2.1.1 The Government's priorities

The Government's driving goal is to grow New Zealand's economy in order to deliver greater prosperity, security and opportunities to all New Zealanders, and ultimately a stronger society for New Zealanders.

The Department contributes both directly and indirectly to economic growth, as outlined in the foreword from the Minister of Conservation.

In response to the Government's economic priorities, the Department is investigating new forests for carbon sequestration. This has the potential to create employment in provincial areas through supplying and planting trees, building fences, and controlling pests. It also has potential to increase markets that provide an incentive for businesses to invest in environmental projects.

The Department is taking initiatives to strengthen its contribution to tourism, including streamlining statutory processes, as outlined in the Minister's foreword. As a further contribution to the 'clean pure' brand, renewable energy generation is being installed in selected visitor huts and serviced campgrounds.

Policy and legislative proposals will be progressed to amend the Marine Reserves Act 1971 to meet the Government's policy commitments.

The Government has signalled that it expects departments to focus their resources on maintaining frontline services, demonstrating performance and value for money in these services, and operating more collaboratively with other agencies. The Department continues to focus on organising its resources so it can do the most important work in the most important places. Prioritisation and reporting on performance will be enhanced through continued development of the Department's ability to measure its impacts on the condition and status of natural heritage, as outlined in section 3.1.1. It continues to be active in specific whole-of-government initiatives, such as improving the management of New Zealand's freshwater.

The Department continues to participate in the Treaty of Waitangi settlement negotiations process to help work towards the Government's goal of achieving just and durable settlements of historical Treaty claims by 2014.

The Department will work to enhance its relationship with hunters through creating a nationally focused hunting advisor position, reviewing hunting permit requirements, enhancing communications and relationships with hunters, and monitoring the impacts of these initiatives.

Other government policies and systems that set the Department's operating environment include the New Zealand Biodiversity Strategy, and supporting MAF Biosecurity New Zealand's management of biosecurity.

2.1.2 The wider context

The Department's context is also set by a statutory planning framework: the Conservation General Policy, the National Parks General Policy, and the strategies and plans that sit below these policies. A series of Conservation Management Strategies (CMSs) identify the places the Department manages on behalf of New Zealanders, and establish 'outcomes at places' and high-level objectives that provide guidance for the management of public conservation lands and waters.

The wider environment creates both opportunities and challenges. Native plants, animals and ecosystems continue to decline, and human demand continues to place pressure on natural resources and the ability of ecosystems to continue to deliver ecosystem services. Climate change will exacerbate these issues.

The Department's response is to work more effectively with what it has, and to be proactive in collaborating with others. This includes building on the increasing public interest in conservation and willingness to do conservation work, and building on the markets that are emerging around the 'clean pure' brand and carbon offsets. Treaty of Waitangi settlements will increase opportunities for partnerships with tangata whenua.

The significance of the world economic downturn for the Department's work is yet to be fully realised. It is likely to put pressure on some concessionaires and associated tourism businesses. It may result in a decrease in sponsorships and other private sector contributions to conservation, and may put greater pressures on the natural environment from short-term extractive industries. There are, however, significant opportunities for the Department to contribute to New Zealand's economic prosperity, particularly as outlined in the foreword from the Minister of Conservation and in section 2.1.1.

Demographic forecasts indicate challenges and opportunities, both for staff recruitment and retention and for the ways the Department interacts with New Zealanders, who are becoming increasingly diverse and urban. Section 3 'Operating intentions' and section 5 'Organisational health and capability' discuss work underway to respond to these issues.

The operating environment is also influenced by unpredictable and/or unmanageable events (such as fire, adverse weather, biosecurity incursions and volcanic eruptions), which could compromise natural heritage, or the ability to deliver recreation and outdoor opportunities.

2.2 THE DEPARTMENT'S STRATEGIC DIRECTION, APPROACHES AND OUTCOMES

2.2.1 Strategic direction

Taking account of its operating environment, the Department has set its strategic direction. The strategic direction states:

New Zealanders want their natural and historical heritage conserved.

In order to foster this commitment to conservation, people must see there is value in it, for itself, and for people's enjoyment and benefit, now and for future generations.

The overarching purpose of the Department is to increase the value that New Zealanders attribute to conservation.

This leads to enhanced care of New Zealand's unique heritage for people to benefit from and enjoy.

To do this:

- The Department will seek to entrench conservation as an essential part of the sustainable social and economic future of New Zealand.
- The Department will be recognised as an effective manager of the lands, waters, species, historic places, and roles entrusted to it.
- The Department will lead, guide, and facilitate conservation gains throughout New Zealand, wherever conservation is most needed.
- The Department will weigh society's values, nature's inherent qualities, and scientific criteria in its decision-making.
- The Department will actively promote outdoor recreation for New Zealanders, especially through fostering recreation, use, and enjoyment on conservation land.

2.2.2 Strategic approaches

Four strategic approaches help deliver the strategic direction in the medium term. They express the style and emphasis the Department will apply, and guide capability development.

Approach 1: Promoting the benefits and value of conservation

The more people know, understand and experience the full value and benefits of conservation, the more they will support it. The Department will take the opportunity to promote the value and benefits of conservation in its everyday work, and specifically through communications and relationship management.

Approach 2: Demonstrating that conservation contributes to economic prosperity

As with the first approach, this is about increasing awareness, understanding and support, and this will be done through everyday work, and through communications and relationship management.

Approach 3: Achieving conservation results through collaboration

Two mutually reinforcing factors make this a priority. First, the 2006 review of the New Zealand Biodiversity Strategy showed that, despite gains made, the task ahead remains immense, and much of New Zealand's threatened biodiversity is outside public conservation lands and waters. Second, New Zealanders are increasingly doing conservation themselves. The Department will be outward-looking and responsive, recognising and valuing different perspectives, and working well with others.

Approach 4: Demonstrating excellence in conservation knowledge and practice, and sharing it with others

To continue to make progress in conservation, the Department has to be good at what it does, keep getting better, and work with others to identify mutual interests, and to give, receive and develop knowledge. Testing and applying new tools and techniques are also vital.

2.2.3 The outcome

The outcome statement expresses the value that the Department works to add over the longer term.

New Zealanders gain environmental, social and economic benefits from healthy functioning ecosystems, from recreation opportunities, and from living our history².

The assumption is that managing towards healthy natural ecosystems will deliver the life-sustaining ecosystem services produced by a healthy natural environment, and preserve natural heritage for its own sake and for the benefit of current and future generations.

Providing recreation opportunities will create physical, mental and spiritual benefits, help improve health and wellbeing, and create a sense of achievement.

The Department's work will create opportunities for Māori, as tangata whenua, to exercise kaitiakitanga with respect to the natural world and cultural sites, and to maintain and revitalise cultural practices.

The economic benefits that flow from conservation are those outlined in the foreword from the Minister of Conservation.

These combined benefits not only enhance the lives of individual New Zealanders and their families, but also contribute to the viability and resilience of local communities, and to New Zealand's international reputation.

² This outcome expands on the ideas presented in the outcome statement used in the *Statement of Intent 2008-2011*.

The Department will track progress towards this outcome through the following monitoring.

Tracking changes in native vegetation cover across New Zealand as a whole, by environment type and level of protection

This indicator provides a measure of the 'healthy functioning ecosystems' aspect of the outcome. It uses both the Land Environments of New Zealand (LENZ) database and the Land Cover Database (LCDB), combining maps of the different types of environment in New Zealand with interpretations of land cover types (for example, forest, shrub and pasture) derived from satellite imagery.

This indicator was reported on for the first time in the Annual Report for the year ended 30 June 2006. The next report is due in 2009, pending the completion and availability of the Ministry for the Environment's 5-yearly update of the LCDB. Comparative maps will demonstrate the change over time. Following the next report, this indicator will be tracked every 5 years.

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

This indicator uses a telephone survey to assess the connections New Zealanders make between conservation and benefits. It was first reported on as an indicator for the previous appreciation outcome in the Annual Report for the year ended 30 June 2006, and was reported on again in 2008. The next report is due in 2011.

The desired trend is that over time New Zealanders will cite a wider range of benefits, and that the proportions citing economic and social benefits will increase. Between 2006 and 2008, the main benefits identified remained relatively unchanged: 'to protect New Zealand's clean green image' (identified by around 60% in both surveys), and 'to protect and preserve the natural environment for future generations/for children' (around 50% in both surveys). Two new benefits were mentioned in 2008: 'protecting our economy/economic wellbeing' (6%), and 'free access to conservation land, the ability to enjoy free activities and/or natural activities' (4%).

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

This indicator has been developed from the 2006–2007 values survey and a conservation values monitor trial, reported on in the Annual Report for the year ended 30 June 2008. The indicator will be further developed as a repeatable survey to track changes over time. The next report is due in 2010.

The results to date suggest that New Zealanders attribute high value to conservation. In both 2006 and 2008, around 80% of those surveyed considered conservation as 'extremely important' or 'very important' to them. The most highly valued outcomes in both surveys were 'preserv[ing] natural land and water habitats', 'protect[ing] national parks and nature reserves', and 'protect[ing] native plants and animals'.

2.2.4 Impacts and intermediate outcomes

The Department works towards achieving the outcome through seven intermediate outcomes³ that express the impacts the Department seeks to make through its interventions. These are:

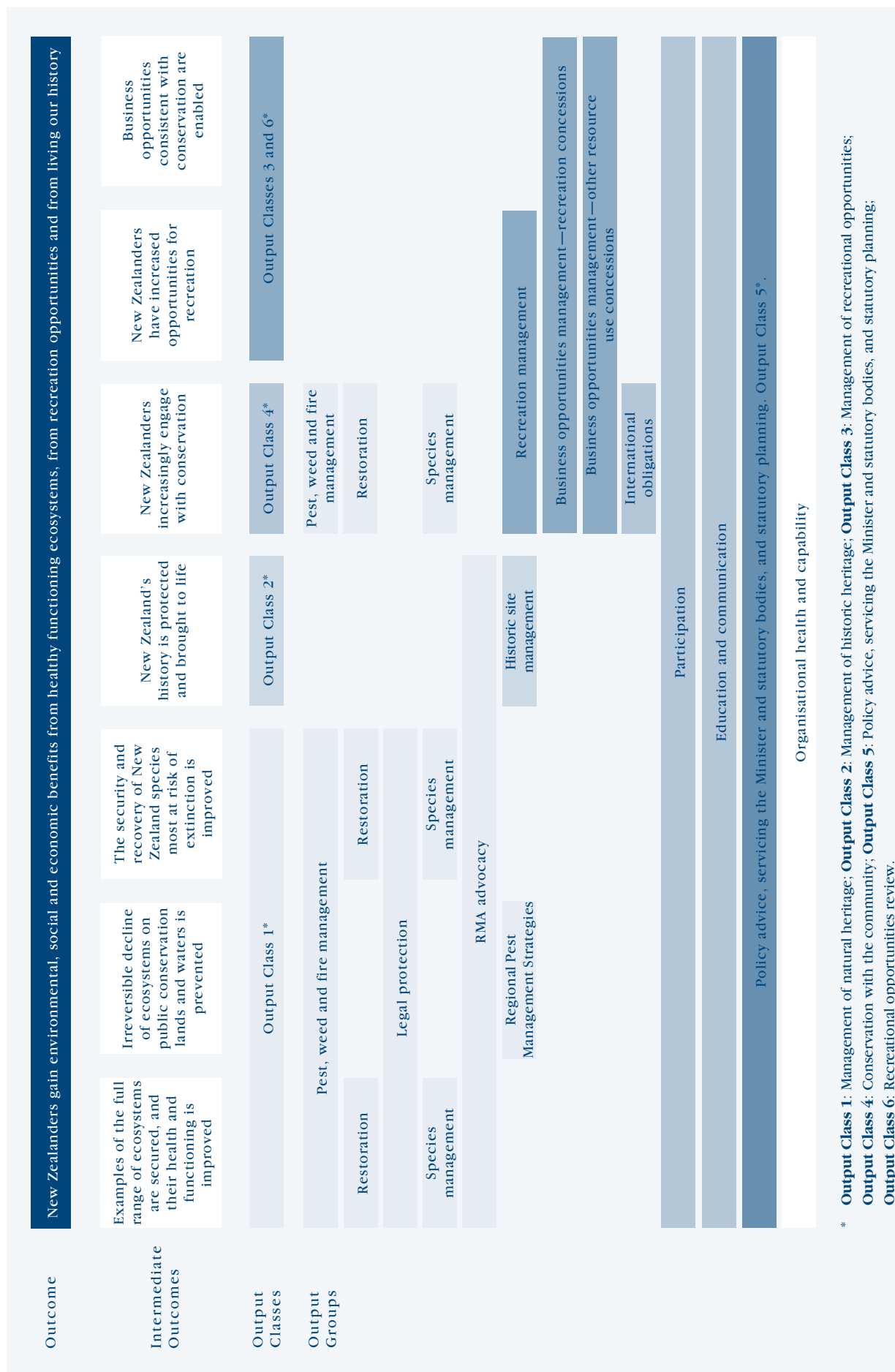
1. Examples of the full range of ecosystems are secured, and their health and functioning is improved.
2. Irreversible decline of ecosystems on public conservation lands and waters is prevented.
3. The security and recovery of New Zealand species most at risk of extinction is improved.
4. New Zealand's history is protected and brought to life.
5. New Zealanders increasingly engage with conservation.
6. New Zealanders have increased opportunities for recreation.
7. Business opportunities consistent with conservation are enabled.

Although the intermediate outcomes each have a specific focus, they are not mutually exclusive. For example, conserving natural heritage provides opportunities for recreation and for businesses, which all helps to increase engagement.

The Department seeks to give effect to the principles of the Treaty of Waitangi in the work it does towards each of these intermediate outcomes. This means engaging with tangata whenua to protect Māori cultural values. It includes supporting Māori communities to fulfil their customary duty as kaitiaki of taonga, and encouraging their participation in conservation delivery and support for conservation.

Figure 1 sets out the outcome and intermediate outcomes, and shows the linkages with the output classes and output groups.

³ These intermediate outcomes have been developed from the set of intermediate outcomes used in the *Statement of Intent 2008–2011*, with some changes to sharpen the focus on the difference the Department seeks to make.



* **Output Class 1:** Management of natural heritage; **Output Class 2:** Management of historic heritage; **Output Class 3:** Management of recreational opportunities; **Output Class 4:** Conservation with the community; **Output Class 5:** Policy advice, servicing the Minister and statutory bodies, and statutory planning; **Output Class 6:** Recreational opportunities review.

Figure 1. How the Department's work supports its outcome and intermediate outcomes.

3. Operating intentions

3.1 NATURAL HERITAGE

The Department's three natural heritage intermediate outcomes are all focused on maintenance of ecological integrity.

Intermediate outcome 1

Examples of the full range of ecosystems are secured, and their health and functioning is improved

What we are seeking to achieve and why

The best possible examples of each native ecosystem type will be legally protected and managed towards a standard of health and functioning that is high enough to provide long-term security for each ecosystem type. The desired state for these ecosystems is that the native species, the non-living parts such as sunlight, temperature and water, and the natural processes such as nutrient cycling all function together in sustainable communities, habitats and landscapes.

Further examples of ecosystems will be protected and managed to provide greater security.

Securing examples of the full range of ecosystems is a key means to address the ongoing depletion of New Zealand's natural heritage. This work contributes to the New Zealand Biodiversity Strategy. It delivers benefits as outlined in section 2.2.3.

What we will do to achieve this

Work to maintain and improve the health and functioning of ecosystems involves activities such as fencing, reinstating water levels, replanting, controlling pest animals and weeds, and reintroducing native species to restore and maintain natural ecosystem processes. On degraded sites, intensive management is required to enable natural processes to become re-established.

The natural heritage management system (NHMS), outlined in section 5.5, is supporting this work. An ecosystem optimisation tool is being developed to assist with selections of the best possible examples of terrestrial and freshwater ecosystems. Best possible examples are those where the most cost-effective and feasible suite of work can be undertaken.

Irrespective of where the ecosystem examples are, the Department works actively with others to achieve this intermediate outcome. This means encouraging input wherever possible, and sharing knowledge, skills, information and resources.

Where the best possible examples of ecosystems are not on public conservation lands and waters, the Department collaborates with others to secure these ecosystems. This includes providing training, information and assistance with equipment, and operating shared pest management programmes. It includes working with organisations such as QEII National Trust and Ngā Whenua Rāhui

to support landowners to legally protect their lands. Support is also provided through the contestable Biodiversity Condition and Advice Funds that the Department administers with the Ministry for the Environment, through the Terrestrial and Freshwater Biodiversity Information System (TFBIS) administered by the Department, and through two funds serviced by the Department—Ngā Whenua Rāhui and the Nature Heritage Fund. Where necessary, the Department will be involved in Resource Management Act 1991 processes to advocate the protection of these ecosystems. The tenure review process in the South Island high country also contributes to this intermediate outcome.

In the marine environment, all marine reserves are considered priorities, and efforts are focused on giving effect to the Marine Protected Areas Policy and Implementation Plan (MPA policy) as a means to feasibly protect examples of coastal ecosystems and habitats. This work is progressed with the Ministry of Fisheries, local authorities, tangata whenua and local communities through regional marine protection planning forums. Ongoing support work includes describing and mapping the marine environment, and classifying coastal ecosystems and habitats. Within marine reserves, a particular focus is on ensuring that the protected status is respected through education and ensuring legal compliance.

The Department provides ongoing advice to the Minister of Conservation to support the Minister's coastal responsibilities under the Resource Management Act 1991 and the Foreshore and Seabed Act 2004. The Department works with local authorities and the Ministry for the Environment to ensure policies for protecting indigenous biodiversity from the effects of private land management are implemented, and to improve management of marine and freshwater ecosystems.

The output groups through which the Department works towards achievement of this intermediate outcome are set out in Figure 1. The Department's performance measures for delivery of these outputs are focused on fire control, restoration, pest and weed control, and legal protection of areas and sites.

How we will demonstrate our success

The measurement of progress towards all three natural heritage intermediate outcomes is discussed in section 3.1.1.

Intermediate outcome 2

Irreversible decline of ecosystems on public conservation lands and waters is prevented

What we are seeking to achieve and why

The natural heritage of these ecosystems will be protected by ensuring that human activity, pest animals, weeds and other pressures are not such that they bring about accelerated deterioration that significantly compromises the natural heritage of these ecosystems and their ability to provide ecosystem services.

Whereas the examples of ecosystems managed to contribute to intermediate outcome 1 are the best examples and are intensively managed, the ecosystems that contribute to intermediate outcome 2 are the remainder of public conservation lands and waters that are managed less intensively.

This work contributes to the New Zealand Biodiversity Strategy. It delivers benefits as outlined in section 2.2.3.

What we will do to achieve this

The ecosystems covered by this intermediate outcome will be monitored, and where strong signs of irreversible decline are detected, judgements will be made on whether and how to intervene. Intervention will normally take the form of broad-scale techniques to alleviate that decline, for instance controlling deer and goats, or weed invasions that threaten to exclude native species. Managing fire, ensuring legislative compliance and undertaking law enforcement are ongoing activities for these ecosystems.

Work towards this intermediate outcome is supported by the natural heritage management system (NHMS) programme of work outlined in section 5.5. In the medium term, further work will test the relationship between ecosystem health and functioning, and the quality and quantity of ecosystem services delivered.

These ecosystems provide places where others, including community groups, tangata whenua and businesses, may wish to contribute resources and work with the Department.

The output groups through which the Department works towards achievement of this intermediate outcome are set out in Figure 1. The Department's performance measures for delivery of these outputs are focused on fire control, pest and weed control, and legal protection of areas and sites.

How we will demonstrate our success

The measurement of progress towards all three natural heritage intermediate outcomes is discussed in section 3.1.1.

Intermediate outcome 3

The security and recovery of New Zealand species most at risk of extinction is improved

What we are seeking to achieve and why

Conservation of New Zealand species will be improved through enhancing both security from extinction and the longer term recovery of as many species as possible. A species would be considered secure when at least one population of the species is protected to the extent that the species will be present as a viable population in 50 years' time. The aim with recovery is to buffer populations of species against the types of events (for instance, loss of genetic diversity) that threaten species populations over much longer time frames (100–300 years). The focus is on species that naturally occur in New Zealand, including species that have been self-introduced, but not those introduced by humans.

Species are conserved for their contribution to biodiversity and for their role in indigenous ecosystems. This work contributes to the New Zealand Biodiversity Strategy. It delivers benefits as outlined in section 2.2.3.

What we will do to achieve this

The techniques used to secure and recover threatened species vary according to the species and the nature of the threats it faces. Pest management is a major focus. Other techniques include habitat restoration, captive breeding, supplementary feeding, or establishing predator-free areas.

The Department will increasingly focus on achieving security of the greatest number of New Zealand species that are most threatened. This approach is necessary given that over 2000 indigenous species of plants, animals and other life-forms are threatened with extinction⁴.

To assist with this prioritisation, the species optimisation project has produced a ranked list for species security. The rankings are based on urgency, feasibility, cost and the relative uniqueness of the species. The tool is being piloted in the field. Work is underway on a ranked list for recovery of threatened species. The two lists will be brought together to develop a combined decision support tool.

As well as actively managing priority species, the Department supports the protection of a wide range of New Zealand's plants and animals, including priority marine species, through promoting legal protection (for instance, under the Wildlife Act 1953) and promoting compliance.

In the marine environment, the Department continues to work with the fishing industry and the Ministry of Fisheries to avoid, remedy or mitigate bycatch of protected marine species. The Department is also working with the Ministry of Fisheries to resolve unclear jurisdiction over freshwater fisheries, in order to ensure that species are managed appropriately.

The Department collaborates with others to secure priority threatened species, both on and off public conservation lands and waters, using the range of means outlined in the discussion of intermediate outcome 1.

The output groups through which the Department works towards achievement of this intermediate outcome are set out in Figure 1. The Department's performance measures for delivery of these outputs are focused on fire control, restoration, pest and weed control, legal protection of areas and sites, the conservation services programme, and species management.

How we will demonstrate our success

The measurement of progress towards all three natural heritage intermediate outcomes is discussed in section 3.1.1.

3.1.1 Measuring the impact that the Department makes in its management of natural heritage

Measurement of the difference the Department makes is much more challenging than measuring the outputs produced. As part of the natural heritage management system (NHMS), the Department is working towards improving its ability to measure and report on the impacts of its management, including cost-effectiveness, and to demonstrate the status of New Zealand's natural heritage and how it is changing.

Measurable objectives have been defined, each with a suite of indicators to assess performance. These indicators apply across terrestrial, freshwater and marine ecosystems and species. Some of these indicators are under development or being piloted, whereas others are already implemented. Further development of supporting systems such as the biodiversity inventory and national monitoring framework, as outlined in section 5.5, will permit expansion of the suite of indicators used to assess performance. The Department's annual reports will

⁴ Hitchmough, R.; Bull, L.; Cromarty, P. (compilers) 2007: New Zealand Threat Classification System lists—2005. Department of Conservation, Wellington. 194 p.

report on progress with development of these indicators and on the monitoring results.

These objectives and their performance indicators will generally show progress towards more than one of the intermediate outcomes. For example, if exotic pest and weed dominance is reduced, ecosystem processes are maintained or improved, thus enhancing the health and functioning of ecosystems under intermediate outcome 1. For ecosystems managed towards intermediate outcome 2, the expectation would be that the indicator shows that exotic pest and weed dominance has not increased. Equally, if exotic pest and weed dominance is reduced at species management sites, declines in threatened species will be reduced or prevented, thus contributing to intermediate outcome 3.

Objective 1: Maintaining ecosystem processes

Progress is monitored through three indicators:

- *Productivity*—measured by mast flowering (occasional heavy flowering, resulting in more fruit and more predators) and fruit production. This indicator and the following one are new, and measurement methodologies are under development.
- *Ecosystem disruption*—measured by the number, extent and control of fires.
- *Land cover*—measured as land under indigenous vegetation. Reporting against this indicator is supported by updates of the Land Cover Database (LCDB), as outlined in section 2.2.3. The next report is due in 2009. Comparative maps will demonstrate the change over time.

Objective 2: Reducing the spread and dominance of invasive exotics

- The *exotic weed and pest dominance* indicator is measured by the distribution and abundance of selected exotic weeds and pests considered a threat. Development of the methodology for this indicator has been part of a 3-year work programme with Landcare Research. It is due to be reported on in 2011.

Objective 3: Achieving security and recovery of managed species

Progress is monitored through three indicators:

- *Extinct species*—measured through trends in the number of indigenous species that are extinct
- *Status of threatened species*⁵ and *status of at risk species*⁶—measured through trends in:
 - The number of species in each category
 - The number of species in each category under active management
 - The security of species in each category under active management
 - The demographic response to management at population level for selected species in each category

⁵ 'Threatened species' are those likely to become endangered in the foreseeable future. Threatened species have been further classified as 'acutely threatened', 'chronically threatened', and 'at risk'.

⁶ 'At risk species' have either restricted ranges or small scattered sub-populations and do not meet the criteria of acutely threatened or chronically threatened. Although not currently in decline, these species could be rapidly depleted by a new threat.

Assessments of the threat status of species are made using the New Zealand Threat Classification System, with the status of all species reviewed over a 3-year cycle. The system methodology was revised in 2008 to improve its utility. The indicators are scheduled to be reported on in June 2011, when the current review cycle is expected to be completed.

Objective 4: Maintaining or restoring ecosystem composition

- The *composition* indicator is measured through trends in:
 - Size-class structure of selected canopy dominants. Development of the methodology for this indicator and the next two has been part of a 3-year work programme with Landcare Research. They are due to be reported on in 2011.
 - Representation of plant functional types, such as aquatic plants and palatable plants.
 - Demography of selected widespread animal species, including fish and invertebrates.
 - Extent of potential range occupied by indigenous species of particular interest. Reporting against this indicator is dependent on completion of species maps currently under development.

Objective 5: Improving ecosystem representation

- The *environmental representation and protected status* indicator is measured through trends in:
 - Proportion of environmental unit under indigenous cover
 - Proportion of environmental unit under indigenous cover and protected
 - National change in extent and integrity of threatened naturally uncommon and significantly reduced habitats
 - Proportion of threatened naturally uncommon and significantly reduced habitats protected
 - Proportion of environmental unit in marine protected sites

These indicators build on previous indicators of trends in percentage of the most at risk environment types under legal protection. The percentage of lowland forest in protection in 2008 was about 64%. There has been little change in this over the last 5 years. The percentage of wetland areas in protection was reported for the first time in 2008. About 63% of nationally mapped wetlands were protected on land administered by the Department.

3.2 HISTORIC HERITAGE

Intermediate outcome 4

New Zealand's history is protected and brought to life

What we are seeking to achieve and why

Opportunities will be provided for people to connect to places and stories from New Zealand's past, to know about these, and to value them as part of their national identity. All known historic sites on public conservation lands and waters will be protected from avoidable harm from human activity. Sites recognised by the Department or the community as having particular historical significance (key heritage sites) will be restored. Some of these sites, known as Icon sites, will be developed to a higher standard so they tell an important story of New Zealand identity and provide an outstanding visitor experience.

This work delivers benefits as outlined in section 2.2.3. Conservation of places and stories also contributes to community wellbeing through shared experiences in conserving, visiting and enjoying. Bringing historic heritage to life provides business opportunities, with resulting economic benefits as discussed under intermediate outcome 7.

What we will do to achieve this

The Department encourages New Zealanders to visit key heritage sites on public conservation lands and waters, and to actively contribute to the conservation and interpretation of heritage.

The Department is working to refine its approach to this area of its business. This includes more fully developing the framework for the Icon sites programme. Another focus is on increasing public access to information about key heritage sites.

The Department will continue to:

- Develop and promote the Icon sites, of which there are currently 20.
- Actively manage a further 644 key heritage sites, by working to record their history and to have a work programme in place for each to minimise deterioration.
- Protect all other known historic sites on public conservation lands and waters (approximately 12 000 sites). This is assisted by the ongoing programme to train staff to identify historic sites when they are planning work such as track development and plantings.
- Complement the work of others, including the Ministry for Culture and Heritage, local authorities and the New Zealand Historic Places Trust.

The output groups through which the Department works towards achievement of this intermediate outcome are set out in Figure 1. The Department's performance measures for delivery of these outputs are focused on active management of heritage sites (measures of remedial work, regular maintenance and heritage assessment reports).

How we will demonstrate our success

Three interlinked elements describe historic heritage. These are stories (the history of a site), fabric (the physical substance of a site), and culture (how society interacts with a site). The following monitoring picks up on all three elements.

The first two indicators focus on the 664 key heritage sites⁷, including the 20 Icon sites. The second two focus on the 20 Icon sites.

Increase in the number of key heritage sites at which the core history is safeguarded, the values are identified, and these values are communicated

Site heritage assessment reports preserve the stories, identify the values, and make the information available to the public. The measure is the number of heritage assessment reports completed and made available to the public on the internet.

This builds on the previous indicator: 'change in the number of sites for which key history has been safeguarded'. The number of sites was 222 in 2007, and 299 in 2008. The goal is to achieve this for 656 sites by 2010.

Change in the percentage of key heritage sites that are categorised as stable or deteriorating

Each site has an annual maintenance programme and may also have an upgrade work programme, which may extend over several years. A site is assessed as stable when the annual programmed maintenance is completed to standard (as determined by the site objectives) and, where there is an upgrade programme, the entire programme has been completed to standard. In other cases, the site is assessed as deteriorating.

This builds on the previous indicator: 'change in the percentage of historic assets in "improving", "stable" and "degrading" categories'. In 2007, 22 sites were assessed as improving, 86 as stable and 548 as degrading. 'Improving' is now included in the 'stable' category.

Change in visitor numbers at Icon sites in the context of departmental and whole of New Zealand visitor numbers

The assumption is that numbers of visitors will increase over time if an outstanding visitor experience is provided. In recognition that visitor numbers will be impacted by wider trends, especially economic factors, the visitor numbers to Icon sites are given context by reference to wider trends in both international and domestic visitor numbers. This indicator is measured by on-site visitor counting at Icon sites, compared with visitor counting at other departmental sites and wider information from the tourism industry. This indicator is new.

Increase in New Zealanders' aspiration to visit Icon sites

Measuring aspiration to visit a site complements actual visitor numbers by providing an indication of the extent to which New Zealanders value a site and the history it represents, even if physical, time or financial constraints mean they have not been able to get there. This indicator takes as its baseline the Automobile Association (AA) '101 must do' survey, which identifies the top 101 places that New Zealanders most aspire to visit. The current '101 must do' list

⁷ The number of key heritage sites may vary by a small percentage over time.

is based on a 2006 survey. Six heritage sites on public conservation lands and waters were voted onto this first list⁸. This indicator is new and will be measured through a survey at 5-yearly intervals, with the next survey in 2013. The desired trend is that over time there will be an increase in the number of heritage sites on public conservation lands and waters that are voted onto the list.

3.3 ENGAGEMENT

Intermediate outcome 5

New Zealanders increasingly engage with conservation

What we are seeking to achieve and why

New Zealanders will engage with conservation in a range of ways, including by learning about conservation and its benefits, experiencing natural and historic heritage, exercising kaitiakitanga, working on conservation projects, and contributing to debates and decisions about conservation issues.

Engagement delivers benefits as outlined in section 2.2.3. Engagement also promotes understanding and valuing of conservation, and behaviours that support conservation. Engagement can also extend opportunities for conservation-based businesses. The combined impact is stronger and more prosperous communities, and better results for natural and historic heritage.

What we will do to achieve this

The Department will continue to improve its ability to inform and target efforts to engage New Zealanders with conservation, and to enhance the current set of indicators.

Work will continue to:

- Provide opportunities to learn about and get actively involved in conservation
- Promote the full range of values and benefits of conservation
- Undertake international representation and advocacy
- Collaborate with others for shared conservation gains

The output groups through which the Department works towards achievement of this intermediate outcome are set out in Figure 1. The Department's performance measures for delivery of these outputs are focused on promotion activities (measured through numbers of education and communication initiatives and participants' responses to these), and on collaboration and participation (measures of volunteer participation, partnerships and partners' responses to working with the Department).

How we will demonstrate our success

There are three indicators to monitor progress towards the intermediate outcome.

Change in New Zealanders' understanding of important conservation issues

The impact of the Department's efforts to increase awareness of conservation is tracked through quantitative surveys that show trends from year to year. This

⁸ The six sites were: Otago rail experience (16), Cape Reinga (30), Arrowtown, Chinese settlement (44), Karangahake Gorge (51), the Bridge to Nowhere (64), and Devonport and North Head (89). For further information on the AA '101 must dos' see www.aatravel.co.nz/101/index.php.

indicator was reported on for the first time in the Annual Report for the year ended 30 June 2006, and is reported on annually.

The issues identified as the most important conservation issues facing the country remained largely consistent between 2007 and 2008. These were protection of native flora and fauna, pollution, and recycling. However, the percentage of respondents identifying 'protection of waterways' fell away markedly between 2007 and 2008. The desired trend is that more respondents are able to identify a wider range of issues.

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

This indicator uses surveys to seek feedback. It was reported on for the first time in the Annual Report for the year ended 30 June 2006, and is reported on annually.

In 2006, 53% of respondents had a 'favourable' or 'somewhat favourable' opinion of the Department. In 2007, the equivalent result was 68%, followed by a similar result in 2008. The desired trend is for increased favourability levels.

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

This indicator uses surveys to seek feedback. It was reported on for the first time in the Annual Report for the year ended 30 June 2006, and is reported on annually.

The percentage of respondents reporting that they are 'very satisfied', 'more than satisfied' or 'satisfied' has been in the range of 71% to 88% over the 3 years. The desired trend is for increased satisfaction levels.

3.4 RECREATION

Intermediate outcome 6

New Zealanders have increased opportunities for recreation

What we are seeking to achieve and why

New Zealanders will be able to enjoy outdoor activities on public conservation lands and waters through a range of opportunities. This range covers the spectrum of outdoor activities from hunting, diving, tramping, walking, mountain biking, camping and motorised recreation, through to activities such as picnicking and sightseeing. The range of opportunities will be increased through improving people's awareness of, access to and use of recreation opportunities provided by the Department. Opportunities will be extended partly as a result of the Department partnering with or complementing others in the provision of recreation facilities and services.

Providing recreation opportunities will deliver benefits to New Zealanders as outlined in section 2.2.3. These include the employment and revenue that flow into communities from recreation concessions. Additional benefits are the contribution that outdoor recreation makes towards the New Zealand Health Strategy's⁹ population health objective of increasing the level of physical activity and reducing obesity.

⁹ *New Zealand Health Strategy*, Ministry of Health Manatū Hauora, Wellington, December 2000, pp. 9–12. Available on website: www.moh.govt.nz.

What we will do to achieve this

Recreation planning is informed by the needs and preferences of New Zealanders, including the general public, tangata whenua and commercial recreation providers, by the limitations of the land and the purposes for which it is held, and by the Department’s capabilities. Where possible and practicable, the Department will eliminate potential barriers to participation.

The Department is revisiting the current approach to management of recreation opportunities to take account of the changing operating environment, including the substantial growth in international visitors, changing population demographics and the increasing role of the private sector in the provision of recreation infrastructure and services. This exercise aims to ensure that the recreation opportunities provided will continue to deliver substantial social, economic and personal benefits to New Zealanders, including stimulating and supporting tourism.

The Department will continue to:

- Progress planning for multi-day walkways at Cape Reinga, on Great Barrier Island (Aotea Island) and at Lake Tarawera, for the ‘Big Trees Experience’ in Waipoua forest, for cycle opportunities in the North Island, and for a new national park in Northland
- Build its relationship with hunters, particularly through the national hunting advisor, as outlined in section 2.1.1
- Plan, manage and enable public access and use through the network of visitor facilities and services
- Work with a range of stakeholders, including the tourism sector, to provide a broad range of recreation opportunities
- Provide information about the range of opportunities and how to access them
- Develop its capital asset management capability

The output groups through which the Department works towards achievement of this intermediate outcome are set out in Figure 1. The Department’s performance measures for delivery of these outputs are focused on information provision (measures of publications), and on management of visitor facilities (measures of huts, tracks and structures that meet required standards).

How we will demonstrate our success

There are three indicators to monitor progress towards the intermediate outcome.

Change over time in New Zealanders’ awareness of the Department of Conservation as a recreation provider

This indicator is new. If people are aware that the Department provides recreation opportunities, the assumption is that they are also aware that they can recreate on public conservation lands and waters, should they wish to. This will be measured annually through a telephone survey that measures both unprompted and prompted awareness of the Department’s various functions.

Change over time in New Zealanders' participation in recreation on public conservation lands and waters

This indicator is developed from the participation aspect of the previous recreation indicator. Participation measures the uptake of recreation opportunities. The number of people taking part, and especially the trends over time, indicate the relevance of the available opportunities. The results are expressed as an estimate of the proportion of New Zealanders who have visited any place on public conservation lands and waters in the previous 12 months. This is measured annually through a telephone survey. In 2008, the survey showed that 40% of New Zealanders aged over 15 had visited an area managed by the Department. The desired trend is an increase over time.

Change over time in New Zealanders' satisfaction with the quality of recreation opportunities provided

This indicator is developed from the satisfaction aspect of the previous recreation indicator. It is measured annually by asking people who have visited public conservation lands and waters about their satisfaction with the facilities and services provided at the last visited location. The degree of reported satisfaction indicates whether the level of infrastructure and services enables a good or satisfying experience. It is measured annually through a telephone survey. In 2008, 84% of visitors were either 'satisfied' or 'very satisfied'. The desired trend is to increase visitor satisfaction over time.

3.5 BUSINESS OPPORTUNITIES

Intermediate outcome 7

Business opportunities consistent with conservation are enabled

What we are seeking to achieve and why

Businesses and the Department will be able to operate together in ways that deliver environmental, social and economic benefits to New Zealanders.

These benefits include the employment and revenue that flows into communities, and the revenue, carbon credits and branding benefits that businesses receive. Additional environmental benefits include the contributions to conservation that come from resources generated by business opportunities and from wider recognition of the links between conservation and successful businesses and of the economic value that flows from conservation-based business. A wider range of people will have a stake in conservation. Conservation management will benefit from the different ideas and initiatives likely to come from interactions with the commercial sector.

Recreation concessions help to broaden the range of recreation opportunities available, and so help to meet the needs and preferences of a wider range of people. Other benefits flow from concessions that enable activities such as telecommunications transmission, grazing and prospecting.

What we will do to achieve this

Business opportunities are enabled through concessions and through business agreements. Concessions are granted under the Conservation Act 1987, Part 3B, which allows someone to carry out a trade, occupation or business on areas managed by the Department, or in relation to protected species (e.g. marine mammals). Statutory criteria apply, including provisions in statutory planning documents and the purpose for which the area is held. Business agreements are partnerships, sponsorships and arrangements made for conservation purposes. They could relate to activities such as pest control, reforestation, recreational opportunities or communication initiatives.

As outlined in the foreword from the Minister of Conservation and in section 2.1.1, the Department is investigating opportunities to support investment in tourism infrastructure and establishment of new forests. As part of these initiatives, opportunities will be sought to work with businesses. In the concessions management area, improvements continue to focus on making processes simpler and more streamlined, whilst protecting significant conservation values.

The Department is also working with other government agencies to support achievement of sustainable growth in aquaculture, whilst ensuring that environmental effects are appropriately managed and Treaty of Waitangi settlements are not undermined.

This work will be supported by the commercial framework developed during 2008–2009 to support the Department's efforts to foster commercial activity consistent with conservation outcomes. The framework established overarching principles, and these are being used to identify where and how to maximise the value of business opportunities that already exist and of potential new opportunities. The framework includes ensuring a cohesive national approach to key industries, applying transparent commercial disciplines and a customer focus, identifying the required skills and capacity, and ensuring the goals in this area are aligned with the overall direction of the Department. During 2009–2010, the focus will be on implementing this framework.

The output groups through which the Department works towards achievement of this intermediate outcome are set out in Figure 1. The Department's performance measures for delivery of these outputs are focused on management and monitoring of both recreation concessions and other resource use concessions.

How we will demonstrate our success

Now that the overall principles and framework have been established, the Department will develop and trial a reporting system to measure progress towards this intermediate outcome. This system will be ready for use for the 2010–2011 year.

3.6 POLICY ADVICE

The Department contributes to government priorities and the intermediate outcomes through effective policy advice on major initiatives, Treaty of Waitangi settlement and foreshore and seabed agreement negotiations, and advice on proposals for amending legislation and regulations.

Priorities in the medium term include:

- Streamlining of concessions and other statutory processes
- Progressing amendments to marine reserves legislation
- Reviewing the non-departmental funds that support conservation efforts
- Contributing to whole-of-government policy processes for natural resources, and in particular those relating to freshwater, climate change, bio-prospecting, biosecurity, and review of the Foreshore and Seabed Act
- Contributing to Treaty of Waitangi settlements, and foreshore and seabed agreements
- Completing the review of the New Zealand Coastal Policy Statement

3.7 MINISTERIAL SERVICES, MANAGEMENT PLANNING, AND SERVICING STATUTORY AND MINISTERIAL BODIES

Ministerial services

Providing effective services to the Minister of Conservation includes writing submissions, drafting replies to Ministerial correspondence and Parliamentary questions, and responding to Ministerial requests for information.

Statutory and ministerially appointed bodies

The New Zealand Conservation Authority (NZCA) and the regional conservation boards are independent bodies established under the Conservation Act 1987¹⁰.

The NZCA advises the Minister and the Director-General, and approves statements of general policy for national parks, conservation management strategies and plans, and national park management plans.

There are 14 conservation boards, each with a defined geographical area and up to 12 members. The boards are involved in conservation planning, policy and management advice.

The Department provides services to two ministerially appointed advisory committees: Ngā Whenua Rāhui and the Nature Heritage Fund. The Department also services a number of other statutory bodies with local responsibilities, such as the Guardians of Lakes Manapouri, Monowai and Te Anau, the Taupo Fishery Advisory Committee, and the Joint Management Committee established under the Ngāti Awa Claims Settlement Act 2005.

¹⁰ The NZCA is established under section 6A, and the conservation boards under section 6L.

Management planning

The Department prepares, reviews and amends national park management plans, conservation management strategies and conservation management plans before their approval by either a conservation board or the New Zealand Conservation Authority (NZCA). During 2009–2010, work will continue on 11 conservation management strategies, four national park management plans, and several conservation management plans. This work is aided by guidelines that encourage a consistent approach to content and simpler, shorter documents.

3.8 COST-EFFECTIVENESS

Work to assess and report on the cost-effectiveness of the interventions the Department delivers began with identifying the main interventions delivered by the Department across its main output classes and linking these with the intermediate outcomes that they support.

In the natural heritage area, the further step has been taken to identify measurable objectives and a suite of indicators, as discussed in section 3.1.1. These are at various stages of testing and development.

Two final phases are envisaged in the main output classes. The intention is for the most important interventions to be fully costed, and with the help of the monitoring information derived from the indicators, cost-effectiveness ratios will be developed for these interventions over the long term. These ratios will then be available to guide selection of the most cost-effective interventions towards gains in intermediate outcomes. A model of how this works in natural heritage can be seen in the species optimisation project, as discussed in section 3.1 in relation to intermediate outcome 3.

4. Managing in a changeable operating environment

4.1 EXTERNAL DRIVERS, CURRENT RISKS AND MITIGATION STRATEGIES

An assessment of the main external drivers, the risks and the opportunities they pose, and the Department's response to these is outlined in section 2.1.2.

4.2 THE DEPARTMENT'S RISK MANAGEMENT FRAMEWORK

Risk management is part of the accountability of all managers and staff, and is embedded in departmental systems. Each general manager runs a risk register for their own functional areas, and any critical risks are brought to the monthly meeting of the Executive Leadership Team (the Director-General and the eight general managers), and if appropriate placed on the Executive Leadership Team risk register.

The Legislative Compliance Register identifies key legal risks with extreme consequences and a high likelihood of occurring. General managers, conservators, and managers in the Research and Development Group must annually attest through a 'letter of representation' that the key legislative requirements within their areas of accountability have been complied with.

Executive Leadership Team meetings include a joint environmental scan. This focuses both on key issues relating to each general manager's functional area, and on issues relevant or potentially relevant to the Department overall. Three times each year, the Executive Leadership Team meets for two high-level planning days. These include a more comprehensive environmental scan.

Internal audit

The Department's chief internal auditor reports to an independent Risk and Assurance Committee. The committee provides advice to the Director-General to help him exercise oversight of the integrity of the financial, operational, internal control, risk management and legislative compliance systems.

Risk management in annual work planning

The risk management system built into business planning specifies categories of risk specific to the Department's operating environment. Managers are required to identify potential risks and assess both the likelihood of the risk materialising and the possible consequences if it does. Risks are managed by selecting the best option, considering the potential cost of the risks involved and the aim of achieving work plan outcomes. Identifying and measuring risks, and developing mitigation options, are also part of the life cycle of any work plan, particularly when there is a major change in circumstances that will affect the work.

Health and safety

The nature of the Department's work is inherently hazardous, both in the tasks undertaken and in the locations. To manage and mitigate these risks, accountability for health and safety is placed with line management. This allows line managers to exercise personal judgement within a system of consistent procedures and guidelines. Health and safety management is further assisted by monitoring work units against management standards.

5. Organisational health and capability

This section focuses on the main initiatives the Department is taking to strengthen its ability to work towards achievement of the outcome and the seven intermediate outcomes. It includes a report on equal employment opportunities. The context is set by the current operating environment, likely changes in the future and the six Development Goals for the State Services¹¹.

In addition to the particular initiatives outlined in this section, the Department continues to ensure that its information technology and financial management systems are fit for purpose and foster ongoing improvements in efficiency and effectiveness.

The Department continues to take practical action to reduce its impact on the environment where this makes economic sense. It has an efficiency plan aimed at reducing energy costs through initiatives such as encouraging use of technology instead of travel, improving energy efficiency and replacing vehicles with lower fuel-use models. To improve both efficiency and frontline services, and contribute to New Zealand's 'clean pure' brand, renewable energy generation will be installed in selected visitor huts and serviced campgrounds. This will reduce reliance on helicopters, which are currently used to transport in the natural gas.

Other areas of capability development are: refining the approach to historic heritage management (see section 3.2), revisiting the current approach to management of recreation opportunities (see section 3.4), implementing the commercial framework (see section 3.5), and continuing to improve biosecurity awareness and capability within the Department.

A prioritisation process has been developed and is being used in business planning. This will form the basis for the development of a rolling 5-year plan of key initiatives.

The process of reviewing standard operating procedures will continue. The review aims to manage risk through a simplified system that supports the exercise of judgement and accountability.

5.1 ORGANISATIONAL CULTURE

The Executive Leadership Team will work on further clarifying the behaviours and ways of working that make up a constructive and collaborative culture. Further work will be done to embed these behaviours and ways of working throughout the Department.

During 2008, the Department participated in an organisation-wide staff engagement survey, run by the Gallup organisation. The results will form a component of shaping the future culture, and the survey will be re-run as a repeatable indicator of staff engagement.

¹¹ Goal 1: Employer of Choice. Goal 2: Networked State Services. Goal 3: Value-for-money State Services. Goal 4: Coordinated State Agencies. Goal 5: Accessible State Services. Goal 6: Trusted State Services.

5.2 LEADERSHIP

Effort will focus on improving leadership capability through:

- Defining, communicating and reinforcing the values, behaviours and practices expected of leaders.
- Developing a leadership framework to identify and develop leaders. This will include formal and informal learning, coaching, and transferring learning into the workplace.
- The leadership development programme started in November 2008, with the first cohort of 20 participants, and two programmes and a programme review planned for 2009-2010.

5.3 SYSTEMS FOR PEOPLE AND ORGANISATIONAL DEVELOPMENT

Effort will focus on:

- Refreshing and re-issuing the *People Plan 2012* to reinforce its role as a guiding document for staff development, leadership and culture setting
- Integrating the recruitment, retention and development systems to create and maintain a pool of talent to draw on over the long term
- Integrating succession planning into standard management systems
- Continuing to improve recruitment processes
- Continuing to develop more flexible and responsive employment models
- Deliberately working to identify the preferences of the next generation of staff
- Finalising the cross-organisation learning and development framework, and its supporting system

5.4 RELATIONSHIPS AND COMMUNICATIONS SYSTEMS

During 2008-2009, the Department commenced a staged approach to building its relationships capability. Strategic and priority relationships have been identified, and the focus is now on design and development of a relationships guideline.

Positive and enduring relationships with iwi are becoming increasingly critical as more Treaty of Waitangi settlements are reached. During 2008-2009, the Māori cadetship scheme (Tauria Kaitiaki Taiao Conservation Cadetship) was launched in collaboration with Te Puni Kōkiri and Ngā Whenua Rāhui. The programme enables 15 young Māori to learn practical conservation skills over a period of 21 months, with a view to working with either the Department or their iwi.

As mentioned in section 3.3, the Department will continue to improve its ability to engage New Zealanders with conservation through relationships, communications and marketing.

5.5 THE NATURAL HERITAGE MANAGEMENT SYSTEM

The natural heritage management system (NHMS) is being progressively developed and implemented to support the Department's work towards the natural heritage intermediate outcomes. The monitoring and evaluation aspect of NHMS, and the benefits it will bring, have been outlined in section 3.1.1.

The first step is to confirm clearer goals for natural heritage work, as expressed in the intermediate outcomes. Existing natural heritage information is being collated into a biodiversity inventory and will be held in a digital database. Hand-held data collection devices (data loggers) will be used to collect new information in digital form.

The information is being used to create maps of key pests, weeds and native species. Progress has been made on developing vegetation classifications for forests and shrublands, and classifications have been completed for freshwater, marine and coastal environments. An ecosystem optimisation tool and ranked lists to support threatened species management are being developed, as described in section 3.1 (intermediate outcomes 1 and 3).

An inventory and monitoring toolbox is operational for birds, animal pests and bats, and is being further developed to support monitoring of invertebrates, plants, vegetation impact and herpetofauna (reptiles and amphibians), and monitoring in the marine environment. The toolbox promotes standardisation of data collection, and supports implementation of the national monitoring framework and managed place monitoring standards. The framework provides a common platform for assessing status and trends in the health and functioning of ecosystems and species, and for monitoring the effectiveness of management actions. Aspects of the framework were piloted in 2008–2009, and the intention is to progressively implement national sampling to support the monitoring discussed in section 3.1.1.

While work on building tools and a database continues, the focus is also moving towards integrating these into the Department's everyday business. Systems and culture changes will be needed to support and value standardised collection and use of information, and a greater degree of national prioritisation as the context for business decisions. As part of this process, a suite of 20 natural heritage training courses integrated with the NHMS tools is being rolled out.

5.6 KNOWLEDGE AND ITS APPLICATION

To achieve ongoing conservation gains, the Department must continue to develop its knowledge base, and tools and techniques to utilise this knowledge wisely. Investment and knowledge generation are maximised through strong strategic alliances with other science providers, and with the international science and conservation community. In particular, the Department has participated as an end user in the eight long-term outcome based investment (OBI) programmes funded through the Foundation for Research, Science and Technology.

An innovation fund supports several projects that take advantage of rapid advances in new technical thinking. The objectives are to devise new methods, reduce costs, increase accuracy and efficiency, and expand the area that can be effectively managed.

Work will continue to improve science investment decisions and to improve the transfer of new knowledge into operational activities. Ongoing research includes research into pest animal and weed ecology, development of more efficient and safer methods to control pests and weeds, and application of remote sensing technologies to increase fieldwork efficiency.

5.7 EQUAL EMPLOYMENT OPPORTUNITIES

The findings of the Department's 2007 Employment Equity Review mainly related to the participation of women in the workforce. Work is occurring in the areas of career development, pay equity and recruitment to address these issues and to increase participation generally.

A Māori capability framework is being progressed, with a particular focus on recruitment, planned development and interventions that meet the specific needs of Māori staff.

6. Departmental capital and asset management intentions

The Department continues to work closely with The Treasury on the Capital Asset Management (CAM) initiative. It is classified as Tier 1—Capital Intensive as it manages over \$5 billion in assets.

Total non-current assets managed by the Department equate to over \$6 billion, 93% of which are Crown-owned assets and 7% Department-owned assets. The significant assets of interest at this time under CAM are the Public Conservation Estate (\$5.5bn) and Visitor Assets (\$276m).

6.1 ASSET MANAGEMENT CAPABILITY

The Asset Management Information System (AMIS) went live in July 2008. AMIS facilitates improved monitoring, control, reporting and planning for asset management. In time, it is envisaged that all departmental and Crown assets will be managed using this system to maximise the benefits it provides.

The Department is moving to consider how current asset management practices could evolve in line with the pre-defined levels of CAM, which are core, moderate and advanced. This requires careful consideration of the key asset groups in terms of their scale and criticality.

6.2 PERFORMANCE OF PHYSICAL ASSETS

CAM has four predefined non-financial performance measures: availability, utilisation, functionality and condition. A high-level assessment of these measures was made for the first time in 2008–2009 in relation to the Department's two most critical assets—the Public Conservation Estate (Asset Group: Land) and Visitor Assets (Asset Group: Specified Cultural and Heritage).

The results demonstrate a high rate of availability and utilisation for these assets. The functionality and condition of most asset classes within Visitor Assets is classified as very good. However, improvement is needed in the area of tracks, roads and carparks. The Public Conservation Estate asset group by its very nature consists of fragile and 'at risk' ecosystems. Given the unique nature of this asset, its condition and functionality have been assessed as inadequate.

Other non-financial performance measures are in place by way of the standard indicator set to monitor the achievement of intermediate outcomes. Of particular interest in this area are intermediate outcomes 1 and 2, which relate to the Public Conservation Estate asset group (see section 3.1), and intermediate outcome 6, which relates to the Visitor Assets group (see section 3.4).

6.3 CAPITAL EXPENDITURE INTENTIONS

The forecast period represented in Tables 1–3 is for the years 2009–2010 through to 2011–2012 (Crown and departmental assets combined).

TABLE 1. FORECAST CAPITAL EXPENDITURE.

	FORECAST (\$m)		
	2009-10	2010-11	2011-12
Computer software	5.2	2.1	2.1
Furniture & fittings	0.1	0.1	0.1
Infrastructure assets	2.5	1.4	1.0
Land	10.3	10.3	10.3
Motor vehicles	3.8	3.9	3.8
Non-residential buildings	4.3	2.1	2.1
Plant & equipment	2.5	2.5	3.0
Residential buildings	0.2	0.2	0.2
Specified cultural & heritage	30.4	30.9	33.0
Total capital intentions	59.3	53.5	55.6

TABLE 2. FORECAST DEPRECIATION EXPENDITURE.

FORECAST (\$m)		
2009-10	2010-11	2011-12
26.6	27.1	27.7

TABLE 3. FORECAST ASSET-RELATED OPERATING EXPENDITURE.

FORECAST (\$m)		
2009-10	2010-11	2011-12
139.6	139.8	139.9

