

Department of Conservation

Annual Report

FOR THE YEAR ENDED 30 JUNE 2006



Department of Conservation
Te Papa Atawhai

Treasuring our
extraordinary heritage

Everybody's business



Department of Conservation

Annual Report

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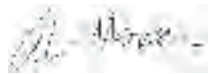
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The Minister of Conservation

Pursuant to section 44(1) of the Public Finance Act 1989, I am pleased to submit this report on the operations of the Department of Conservation for the year ended 30 June 2006.



Alastair Morrison

ACTING DIRECTOR-GENERAL

Cover and Inside cover

Caption: Couple at Wharariki Beach, Golden Bay. Photographer: Arno Gasteiger

Photographs

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Paper

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Table of Contents

Director-General's Overview	8	The context, challenges and opportunities	110
Our Organisation	12	What we achieved in 2005/06	111
Our Strategic Direction	17	People's perceptions	112
Our Work for Conservation: Protection	19	Steps along the way	114
Managing Natural Heritage	20	Connected and involved	114
The context, challenges and opportunities	21	Increasingly aware	117
What we achieved in 2005/06	23	Our stories	119
Changes in vegetation cover	23	Measuring how community projects make a difference	119
What New Zealanders think	27	International obligations	121
Steps along the way	29	Working with Māori	123
Maintaining natural character	29	Statement of Service Performance	125
Our stories	34	Supporting Our Work for Conservation	129
Controlling animal pests	34	Policy and Services	130
Plant pests: an ever-growing problem	40	Collaborative policy work with other government agencies	131
Fire: a major threat to natural heritage	42	Policy work on marine issues	131
Freshwater: a precious heritage	43	New Zealand Biodiversity Strategy review	131
Protecting marine environments	45	Treaty settlements	132
Intervening for the future of indigenous species	50	Servicing the Minister	132
Threatened species: reducing the risk	53	Statutory bodies	132
Wildlife diseases: being prepared	60	Statement of Service Performance	133
Island biosecurity: protecting our investment	61	Building Capability	135
Broadening the palette	62	What we achieved in 2005/06	136
Encouraging others through advocacy	67	Planning for future capability needs	136
Statement of Service Performance	68	Developing the workforce: aligning systems	136
Biosecurity	76	Improving and learning	138
What we achieved in 2005/06	77	Creating the work place of the future	138
Technical advice and support	77	Strategies to improve capability	139
Our stories	78	Environmental report	139
Working together to review the NPPA	78	Financial Statements	143
Statements of Service Performance	80	Statement of Responsibility	144
Conserving Historic Heritage	82	Audit Report	145
What we achieved in 2005/06	83	Statement of Accounting Policies	147
Our stories	84	Non-Departmental Schedules Statement of Accounting Policies	172
Setting priorities with the community	84	Additional Financial Information	182
Progress this year	84	Maps	
Statement of Service Performance	88	Map 1: Public conservation land	15
Our Work for Conservation: Appreciation	91	Map 2: Marine protected areas	16
Recreation	92	Map 3: Distribution of Environment threat categories	25
What we achieved in 2005/06	93	Map 4: Rate of loss of native vegetation cover over five years to 2001/02	26
Our stories	93	Map 5: The six forests providing data sets to measure trends	31
Conservation's economic contribution	93	Map 6: Mohua distribution and areas under active management	55
Conservation and tourism working together	94	Map 7: Department of Conservation offices	189
Challenges in providing a range of opportunities	96	Appendices	187
The public's views shape the system	97	Contacting DOC Offices	188
Meeting standards and managing risk	98	Land areas under legal protection	191
Providing information	99	Relevant legislation and other instruments	193
Living with the weather	99		
Statement of Service Performance	106		
Engaging with Others: Conservation with Communities	109		

Everybody's business

By monitoring shellfish at Te Matuku Marine Reserve, Waiheke Island, students of Te Huruhi Primary School learn how the health of our land and seas are intertwined.
Photographer: Fiona Olipbant, DOC.



Director-General's Overview

The coast and sea loom large in our identity as New Zealanders.

Photographer: Dave Hansford.



Director-General's Overview

In introducing this year's Annual Report, I want to highlight two features of the Department's work over 2005/06. First, the core work of conservation continues and this report writes another chapter on progress. Second, the General Management Team released a Strategic Direction statement that will provide a touchstone for the Department's approach to conservation work in the longer term.

The Strategic Direction is the culmination of an intense period of thinking across the Department in the light of trends, increasing knowledge and a broadening awareness of the multiple values that conservation work contributes to the economic, social and environmental wellbeing of New Zealanders. The statement is presented in full on page 17 and will be incorporated into a revision of the Statement of Intent.

Three key factors led us to this Strategic Direction.

1. When the Department of Conservation was established nearly 20 years ago, it was in a climate of activism where environmental concerns, including conservation activity, provoked radical campaigns that divided public opinion. Greater awareness of the value of conserving our natural, historic and cultural heritage, and the associated building of a high level of public support for conservation work, has fostered a change from protest to engagement. Today, regional and local government, iwi, corporates, trusts, community groups and individuals are involved in conserving and protecting our heritage across the country. The Department is now a major player amongst many others.

2. This trend has been accompanied by a growing realisation that conservation work contributes to a broad range of values and opportunities, including:

- The importance of a protected natural world for its own sake, and, within that, providing for recreation and tourism activity.
- The importance of nature-based tourism as a contributor to regional economies and as a major foreign exchange earner for New Zealand. This creates both pressures and opportunities.
- The growing realisation overseas and in New Zealand of the link between healthy parks and healthy people. Conservation has a major role to play in the physical, mental, cultural and spiritual health of New Zealanders.
- The critical role healthy ecosystems play in maintaining the supply and quality of freshwater, flood control, soil health and stability, carbon storage and so on, known collectively as "ecosystem services". The impacts of unsustainable environmental practices and climate change have focused attention on the vital importance of sustaining these services.

I am of the view that, rather than being considered a cost to society, we are beginning to see a new recognition of conservation work as an investment in the present and future social and economic wellbeing of New Zealanders, justified on the basis of social values and good citizenship. Historical and present-day tragedies, born of poor environmental management, demonstrate the high costs of neglect.

3. This year, an independent review of the New Zealand Biodiversity Strategy helped identify what has been learned over the first five years of the strategy (2000–2005). Two major issues emerged. First, while much has been achieved, the objective of the strategy will remain merely aspirational if we do not develop new technologies that are less resource-intensive than present methods of pest control. Second, while there are many challenges that remain to be met on public conservation land, there is urgent conservation work beyond the land the Department administers, and being a good manager of the lands entrusted to us is not enough. We need to work more broadly across the sector.

The thinking that grew from these three factors led to the Strategic Direction statement which will guide our work over the longer term. Putting the statement into practice presents a number of challenges for the Department.

The Strategic Direction was approved by the then Director-General, Hugh Logan, who left the Department in May 2006 to take up a position as Chief Executive and Secretary for the Environment. In his nine years as Director-General, Hugh cemented the Department as a leader in conservation work. During this last year he filled two vacancies in the General Management Team. Felicity Lawrence, a former consultant, brings a strong strategic and systemic view to the table, while Sue Paterson built a reputation with the Royal New Zealand Ballet for her ability to widen its audience and funding base.



Meantime, the core work of the Department continues and this Annual Report describes how our work over the last year delivers on our Statement of Intent 2005–2008.

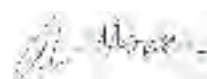
Six years ago the Department was voted funds specifically to develop our ability to work with communities and our progress has been reported on annually. This year I asked General Managers to provide case studies that illustrate the work we are typically engaged in. I note that in both our Protection and Appreciation reporting, most case studies describe working partnerships between the Department and others. Our Strategic Direction reinforces and amplifies the need for such relationships.

Our technical work continues to make progress. Mainland islands enable us to develop and demonstrate better practices as we improve the complex work of monitoring and measuring ecosystem changes. As we develop our skills in this area, we appreciate and understand more about the size and complexity of the task in front of us, and the questions that we need to ask and answer. We now know much more about the enormity of the task of saving New Zealand's biodiversity than when the New Zealand Biodiversity Strategy was released in 2000. Reflecting the Strategic Direction, our Natural Heritage Strategy is almost complete and, together with the evolving natural heritage management system (NHMS), will be a fundamental tool in guiding our decision-makers on where scarce resources are best invested. A highlight was confirmation by an overseas peer review team that NHMS is a robust approach and should continue to be developed. The implications of developing our monitoring expertise will become apparent in reading the section on Protection.

Our reporting on Appreciation highlights the increasing pressure that the tourism industry places on our natural resources. This provides a good example of the increasing complexity of decisions managers will have to make in the future as they work to increase the value that conservation can provide to our economy and the business sector.

In recreation, the Department continues to build a deserved good reputation for the quality of infrastructure it provides. We are working to meet the needs of an increasingly diverse range of visitors.

Looking forward, the challenge is to broaden and deepen the values that New Zealanders attach to conservation and its critical role in maintaining the ecosystem services that determine the quality and quantity of our air, soil, water and other essentials that fuel sustainable economic and social wellbeing.



Alastair Morrison
ACTING DIRECTOR-GENERAL

Our purpose

The Department is in transition from working to the Mission and Vision statements in the 2005-2008 Statement of Intent (which we report against in this Annual Report), and the new Strategic Direction statement, which will be our high-level statement in the future. Because it falls in the transition period, this Annual Report incorporates all the statements.

The Department of Conservation was set up under the Conservation Act 1987, and has powers and functions under other acts. The Conservation Act defines conservation as: "the preservation and protection of natural and historic resources for the purpose of maintaining their intrinsic values, providing for their appreciation and recreational enjoyment by the public, and safeguarding the options of future generations".

The Department's key functions under the Conservation Act (described in section 6 (a)(g)) are summarised as:

- Manage, for conservation purposes, all land and other natural and historic resources held under the Conservation Act.
- Preserve, so far as practicable, all indigenous freshwater fisheries.
- Protect recreational freshwater fisheries and freshwater fish habitats.
- Advocate the conservation of natural and historic resources generally.
- Promote the benefits to present and future generations of the conservation of natural and historic resources.
- Prepare, provide, distribute, promote and publicise conservation information.

- Foster recreation and allow tourism, to the extent that the use of any natural and historic resource is not inconsistent with its conservation.
- Advise the Minister on matters relating to any of the above functions or to conservation generally.

The Department also 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.

The Department has powers and functions under a number of other acts (see the appendices for a list of relevant legislation, regulations, other instruments and international agreements).

The Department directly and indirectly contributes toward achieving the Government's priorities for the coming decade:

- Economic transformation
- Families - young and old
- National identity

The Conservation Act 1987, other associated legislation and the Government goals provide the framework for our work. Within this framework, the Director-General and General Management Team have set the Strategic Direction which focuses the Department on increasing the value of conservation to New Zealanders.

Our Organisation



Acting Director-General
Alastair Morrison



**General Manager
Northern Operations**
Barbara Browne



**General Manager
Southern Operations**
John Cumberpatch



**General Manager
Research, Development
and Improvement**
John Ombler



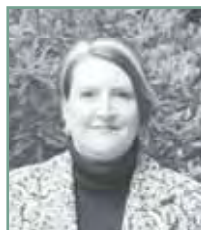
**General Manager
Business Management**
Grant Baker



**General Manager
External Relations**
Sue Paterson



**Acting General
Manager Policy**
Doris Johnston



**General Manager People and
Organisation Development**
**Acting General
Manager Strategy**
Felicity Lawrence



**Tumuaki, Kāhui
Kura Taiao (General
Manager Maori Issues)**
Tata Lawton

The Department of Conservation has a decentralised organisational structure which reflects the nature of our work. Fieldwork 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 to provide support. 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 procedures, and provides national service and support functions.

At the end of June, the Department employed 1670 permanent full-time equivalent staff. During the year, between 310 and 620 temporary full-time equivalent staff were also employed (depending on the season), as well as contractors.

CHIEF EXECUTIVE	GENERAL MANAGERS	
<p>Acting Director-General Alastair Morrison</p>	<p>General Manager Northern Operations Barbara Browne (covering 8 conservancies, including 28 areas)</p>	<p>Field Operations About 1400 staff</p>
	<p>General Manager Southern Operations John Cumberpatch (covering 5 conservancies, including 22 areas)</p>	
	<p>General Manager Research, Development and Improvement John Ombler</p>	<p>Head Office service and support About 300 staff</p>
	<p>General Manager Business Management Grant Baker</p>	
	<p>General Manager External Relations Sue Paterson</p>	
	<p>General Manager Strategy and Policy Doris Johnston: <i>Acting General Manager Policy</i> Felicity Lawrence: <i>Acting General Manager Strategy</i></p>	
	<p>Tumuaki, Kāhui Kura Taiao (General Manager Maori Issues) Tata Lawton</p>	
	<p>General Manager People and Organisation Development Felicity Lawrence</p>	

Our vision

Our legislation and mission provide us with a vision for the overall outcome we are working towards. That is, that New Zealand's natural and historic heritage is protected; people enjoy it and are involved with the Department in its conservation.

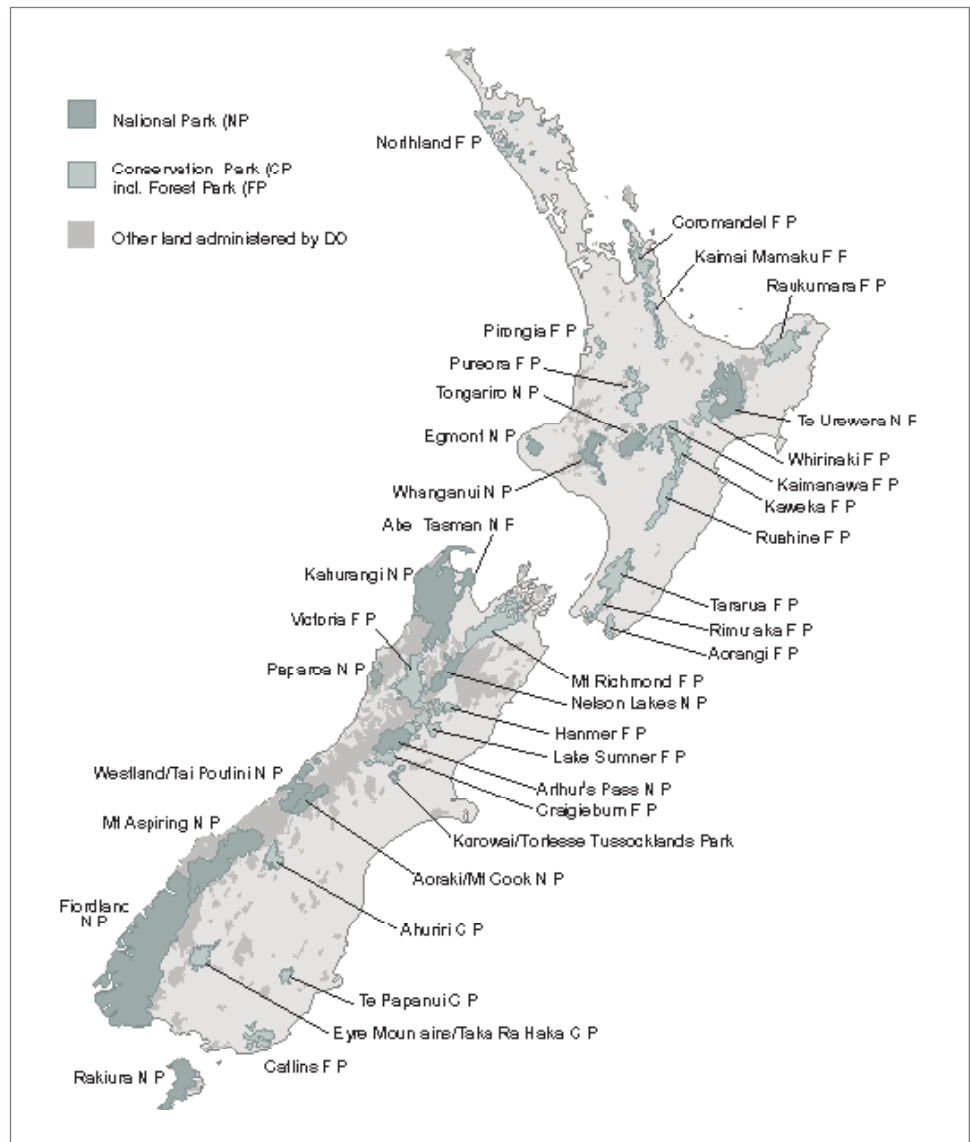
Kei te mahi ngatahi te Papa Atawhai me nga iwi whanui ki te whakaute, te manaaki me te tiaki i nga taonga koiora me nga taonga tuku iho o Aotearoa hei painga mo te katoa.

Our outcomes

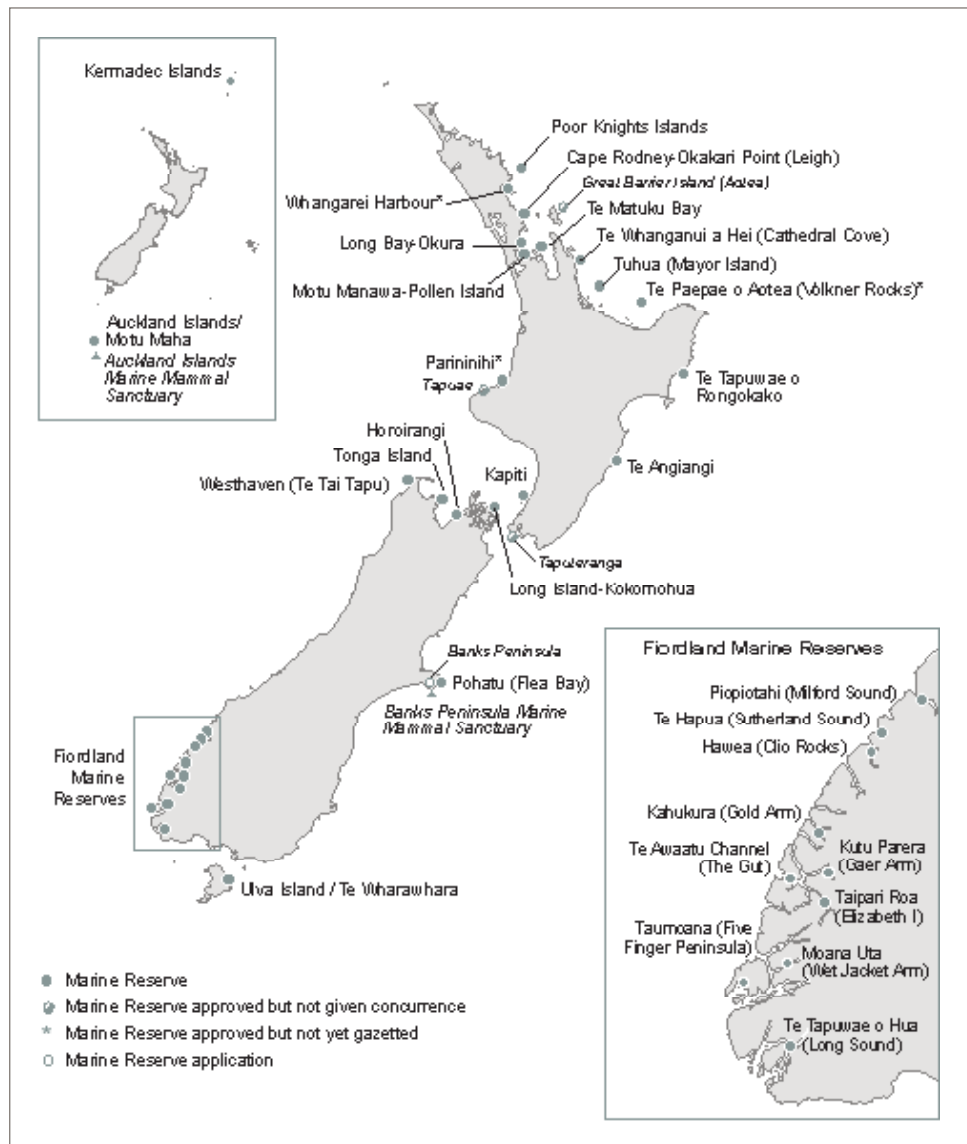
To help achieve this vision and fulfil our legislated conservation responsibilities, the Department has identified two interrelated high-level outcomes:

1. Protection: New Zealand's natural and historic heritage is protected and restored.
2. Appreciation: People enjoy and benefit from New Zealand's natural and historic heritage and are connected with conservation.

MAP 1: PUBLIC CONSERVATION LAND



MAP 2: MARINE PROTECTED AREAS



Our Strategic Direction

In March 2006, we unveiled our long-term Strategic Direction statement. It provides the compass setting for all our work to deliver on our statutory responsibilities.

The Strategic Direction says that:

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 of conservation to New Zealanders. 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.



Planting days are one way to facilitate conservation gains.

Photographer: Greg Martin, DOC.

Everybody's business

Electric fishing helps identify the health of New Zealand's freshwater streams and rivers.

Photographer: Trevor Johnston, DOC.



Our Work for Conservation: Protection

Shortjaw kokopu (*Galaxias postvectis*) in deep forest pool.
Photographer: Rob Suisted.



Managing Natural Heritage

IN BRIEF

- Conservation is a job for all New Zealanders, not just the Department. We are making progress, but the more we learn the bigger we know the job is.
- We are building a suite of integrated natural heritage management systems which will identify trends and changes over time so that we can better understand and report on long-term biodiversity outcomes.
- We are increasingly looking to monitor our interventions to establish which deliver the greatest conservation benefit at the lowest cost.



Populations of pukeko (brown teal) increase when introduced predators are controlled.

*Photograph:
The New Zealand Herald.*

The context, challenges and opportunities

Isolated by oceans for tens of millions of years, and with very few mammals on board, the New Zealand archipelago developed unique and varied plants and animals, many of which are found nowhere else in the world.

The changes brought about by the arrival of new species (including humans) have been enormous and irreversible. Whether by accident or design, people have been hugely destructive to New Zealand's native plants and animals. Increasingly, awareness of these impacts is coming to the fore, and many people are choosing to alter their behaviour.

The Department's role in helping bring about the needed changes, on and outside the land and marine environments it manages, carries huge responsibilities and challenges. And there are some big questions. How can we better understand the consequences of the changes humans have brought about in New Zealand; how we can reduce their negative effects, improve the chances for our native plants and animals, and involve more people in learning and taking action?

The more we learn, the more we understand the size of the challenge and the limits we face - the job of conservation is complex and huge. Our knowledge of New Zealand's extraordinary natural heritage, while ever growing, is still limited, and the resources to manage it are finite. This means setting priorities is vital and we will always have to make choices about what we do to give the best results for the fewest resources. There are, and always will be, areas and species that will receive little or no specific management.

The two main constraints we face in this work are technology and resources. The biggest threat our native animals face is being killed by introduced animal pests, so making progress in developing conservation technologies is vital - in particular, new methods are needed to effectively control major pests, such as stoats, over a wide area.

There is an ongoing tension between our ability to maintain existing activities, and finding resources to develop new technologies that will enable us to become more efficient and make savings. Finding smarter and less labour intensive ways of working will free up resources that can then be re-allocated to other priority threatened species - it's an obvious way forward.

One recent innovation is the kiwi "smart transmitter" which can remotely sense the onset of incubation in a North Island brown kiwi nest. Until now, monitoring kiwi breeding outcomes has been a high-cost activity because of the labour input required - a conservative estimate for each brown kiwi nesting attempt is seven person days. Smart transmitters can potentially reduce that to one person day, producing an estimated saving of \$250,000 and freeing staff for other priority threatened species work. We will further test the field application of smart transmitters during 2006.

To do the best possible for natural heritage and contribute the most to the New Zealand Biodiversity Strategy's goal of halting the decline in native biodiversity, our main focus is on species and ecosystems that (1) differ most from what is already secure, and (2) are at the greatest risk of permanent loss. Our work should make the biggest possible difference to the security of the greatest variety of species and ecosystem types.

However, at present the Department relies significantly on the judgement of its managers and has limited capability for the systematic conservation planning needed to focus our efforts on the highest priorities. Conservation managers need ways to measure and report on the differences made by the work they do, and this is not easy. Nature is complex and not easily boxed into a neat series of answers or numbers, and in some cases it can take years before the effects of our actions can be known. New Zealand is not alone with this problem.



Counting cockles at Pauatahanui Inlet helps monitor the health of the estuary.

*Photographer:
Dave Hansford.*

The Department is making progress. We are putting a lot of effort into improving our capability by developing a Natural Heritage Strategy and a suite of supporting systems (the Natural Heritage Management System (NHMS)) to integrate all our natural heritage management processes, standards and tools.

The programme to develop NHMS has progressed well beyond the conceptual stages towards building the key elements field managers will use. When complete, NHMS will provide a picture of what is needed to report effectively on the state of New Zealand's biodiversity, and trends and changes over time, both within areas managed by the Department and in the wider New Zealand context. It will help managers decide which work is most important. Over the coming two years (July 2006–June 2008), refined procedures for prioritising sites will be developed and, as these are applied, they may confirm or change our focus and work programmes. This work will see a gradual but consistent improvement in our ability to prioritise work based on sound natural heritage data, and to report meaningfully at an outcome level.

Our plans for the NHMS programme have been peer reviewed by two highly respected international scientists from Scottish Natural Heritage and English Nature. Their feedback strongly endorsed the direction we are taking and provided some useful advice.

Progress has also been made with freshwater classification systems, and with the framework and tools to inventory and monitor land and freshwater life.

What we achieved in 2005/06

The protection outcome we aim to achieve is that New Zealand’s natural and historic heritage is protected and restored.

To show whether our natural heritage work is on track toward this high-level outcome, the Department is reporting on two outcome indicators, and each is discussed below.

We are also reporting on nine intermediate outcome indicators for natural heritage. The results for 2005/06 are presented alongside relevant stories and case studies.

Changes in vegetation cover

LENZ can produce information at a number of levels of detail. The Department uses it to identify 20 types of “Environment” across New Zealand – places that are grouped together because they are more similar to each other environmentally than they are to other places.

During 2005/06, to establish a baseline of information, we combined three national spatial datasets to produce maps showing: (i) the overall changes in New Zealand’s native vegetation cover by Environment type; and (ii) changes in the amount of native cover protected on conservation land, also by Environment type.

The threat categories for Environment types (Table 1) relate to the percentage of environments legally protected and/or the per cent of remaining native cover. Using this measure, there are five categories of threat and one category where we judge there to be no current threat. Environment types in the threatened categories are likely to contain some of our most severely reduced and poorly protected ecosystems, habitats and species.

OUTCOME INDICATOR

- To track trends in the Protection outcome, we are using the national Landcover Database to look at the extent of different types of vegetation across New Zealand as a whole. This will be tracked every five years and will show changes in percentage cover of indigenous vegetation over the whole country by different Environments as recorded in Land Environments of New Zealand (LENZ).

To develop a baseline against which to measure vegetation trends and changes, we are using the Land Environments of New Zealand (LENZ) database, developed by Landcare Research and managed by the Ministry for the Environment. LENZ classifies New Zealand’s terrestrial environment based on 15 climate and landform variables that, combined, influence where species live. This allows LENZ to provide a good indication of what New Zealand’s land-based ecosystems are, and where they are, along with the biodiversity that is likely to live there.

TABLE 1: LENZ ENVIRONMENT THREAT CATEGORIES, AND DEFINING CRITERIA.

CATEGORY	CRITERIA
Acutely threatened	<10% indigenous cover remaining
Chronically threatened	10-20% indigenous cover remaining
At risk	20-30% indigenous cover remaining
Critically under-protected	>30% indigenous cover remaining <10% legally protected
Under-protected	>30% indigenous cover remaining 10-20% legally protected
No threat category	>30% indigenous cover remaining >20% legally protected

Map 3 shows the distribution of the Environment threat categories listed in Table 1, based on the percentage of vegetation loss and the percentage under legal protection. Map 4 shows the rate of loss of indigenous cover across New Zealand in the five years from 1996/97 to 2001/02, based on data from the Landcover Database. In this map, LENZ is applied at a very detailed level, to show 500 different land Environments.

These quantitative data on Environment types, their degrees of representation in protected areas, and their threat status, will help conservation managers consider opportunities for protection. For example, if a landowner wants to sell or covenant an area of land, the question arises whether that Environment type is already well represented in protected areas and therefore a low priority, or whether it is a highly-threatened Environment type and therefore a high priority for protection.

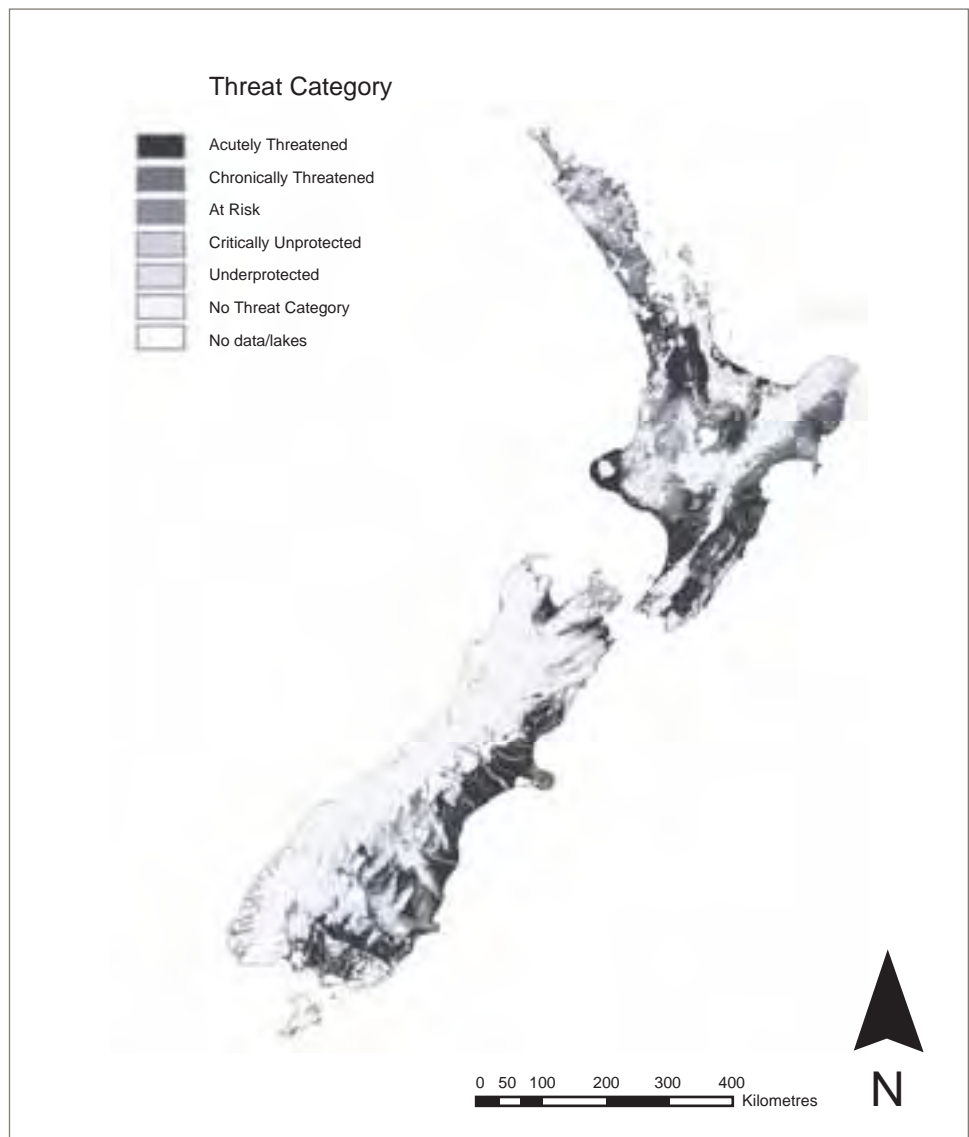
It needs to be noted that the data informing these trends have variable quality standards, and have been collected at different dates. For example, the Ministry for the Environment is currently updating Landcover Database version 2 (based on 2001/02 imagery), to produce version 3. This progressive improvement in data quality means some changes reported on in future Annual Reports will be due to real changes in vegetation pattern, while others may reflect improvements in database quality.



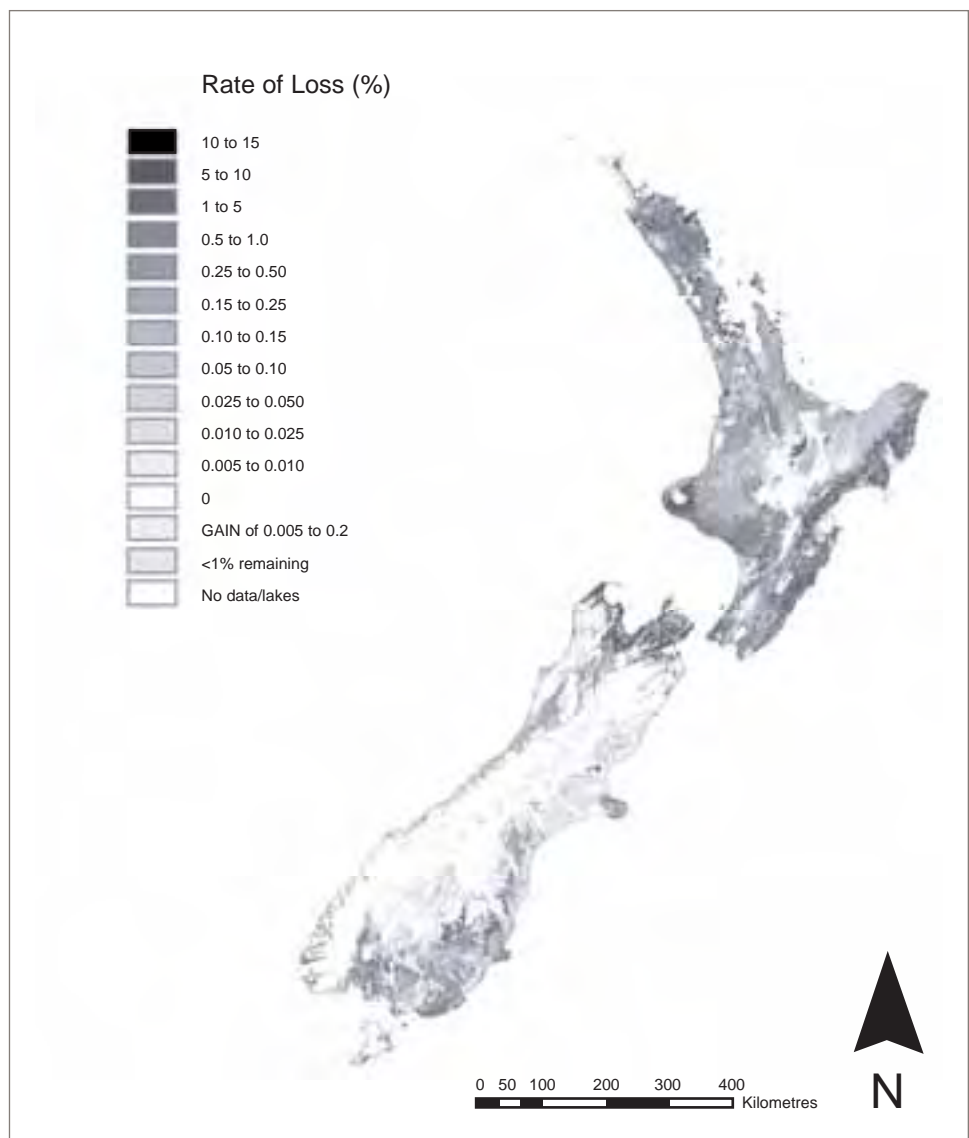
Mount Burnett, Golden Bay, is a special environment, with more endemic plant species than anywhere else in New Zealand.

Photographer: Simon Walls, DOC.

MAP 3: DISTRIBUTION OF ENVIRONMENT THREAT CATEGORIES



MAP 4: RATE OF LOSS OF NATIVE VEGETATION COVER ACROSS NEW ZEALAND IN THE FIVE YEARS TO 2001/02



What New Zealanders think

OUTCOME INDICATOR

- New Zealanders' views on the condition of our heritage, whether protection has improved, whether the Department made a valuable contribution.

In addition to the annual quantitative survey, focus groups were used this year to improve our understanding of levels of awareness, engagement and benefits that people sought from conservation and heritage.

Is the condition of heritage improving, declining or stable?

Overall, 27.5% of people believe that New Zealand's natural environment and natural heritage is improving, close to half (47%) think it is stable, and a quarter (25.5%) believe it is declining.

Arbor Day planting,
Northland.

Photographer:
Pete Grabam, DOC.



Some people noted that, while problems in the environment were getting worse, they were happening at a slower rate than other problems in New Zealand. The quantitative survey showed mixed perceptions, with 16% of respondents believing the environment would become better over the next five years, 42% thought it would be worse, and 39% said it would stay much the same.

Have protection levels increased or not?

Focus groups and quantitative data indicate that people view "protection levels" relative to other countries and believe these are high in New Zealand. The focus groups revealed that people do not perceive a difference between "conservation" and "the environment", often citing environmental activities like recycling when asked about conservation. Respondents also reported they have little information on which to judge protection levels, or the Department's contribution to them. They were, however, aware of action being taken by various government agencies to manage and protect the environment. Actions mentioned specifically were fisheries management, pest management and maintenance of parks and reserves.

A number of participants in the focus groups felt that New Zealand was looking after its environment much better than many other countries. Some participants felt that the fact they could still enjoy recreational areas indicated that the environment was in adequate condition.

What contribution do people think the Department has made to this change in the environment?

Most New Zealanders recognise the Department's involvement in conservation, with 81.5% stating, unprompted, that it is involved in conservation activities. Most New Zealanders rate the Department's contribution well, with 65% of people rating its overall performance during the last 12 months as 7 out of a possible top score of 10. Fifteen per cent of people rated the Department's performance as excellent, and only 4% of people rated it negatively.

In a November 2005 quantitative survey of perceptions of government department performance, 29% said we are doing a fair (22%) or poor (7%) job, and 66% said they thought we were doing a good or excellent job - the second highest rating for any government department. When this was discussed in focus groups, most people stated they feel unable to provide an accurate performance rating for the Department. People often do not know enough about conservation issues or the roles of the various agencies involved to make an accurate judgement; however, general perceptions of our performance remain positive.



Action-based environmental education programmes, such as the Whitebait Connection, help bring New Zealanders up close and personal with their natural heritage.

*Photographer:
Ylita Sawitzki.*

Steps along the way

In its Statement of Intent 2005–2008, the Department has five intermediate outcomes to show the steps we need to take toward achieving our high-level goal of protecting and restoring New Zealand’s natural and historic heritage:

- The natural character of managed places is maintained or improved.
- The damage from harmful organisms established in New Zealand is reduced.
- Managed threatened species have a lower risk of extinction.
- A representative range of New Zealand’s environments is protected.
- A representative range of New Zealand’s historic and cultural heritage is protected, restored and interpreted.

To report on these, we need robust, scientifically valid indicators that assess the status of New Zealand’s heritage and track progress in halting its decline. To find out whether we are on track toward achieving these steps, this section of the 2005/06 Annual Report provides feedback on nine intermediate outcome indicators. These are located throughout this part of the Annual Report.

MAINTAINING NATURAL CHARACTER

Table 2 shows the net loss of native cover over the five years from 1996/97 to 2001/02. The two sets of figures show Environment types across all of New Zealand, and on land we manage.

The data show that the overall rate of loss of native vegetation cover on land administered by the Department was 4.2% of the average rate of loss on lands we do not administer.

The data informing these trends has variable quality standards and has been collected at different dates. Progressive improvement in data quality is planned, so changes in future Annual Reports may arise because of these improvements, as well as from real changes in vegetation.

INTERMEDIATE OUTCOME INDICATOR

- Change in indigenous vegetation cover on conservation land, by Environment type.

We used the national Landcover Database to assess the extent of changes to different types of vegetation within conservation areas. This baseline information will be tracked every five years to show changes in the percentage cover of native vegetation by different LENZ Environments.

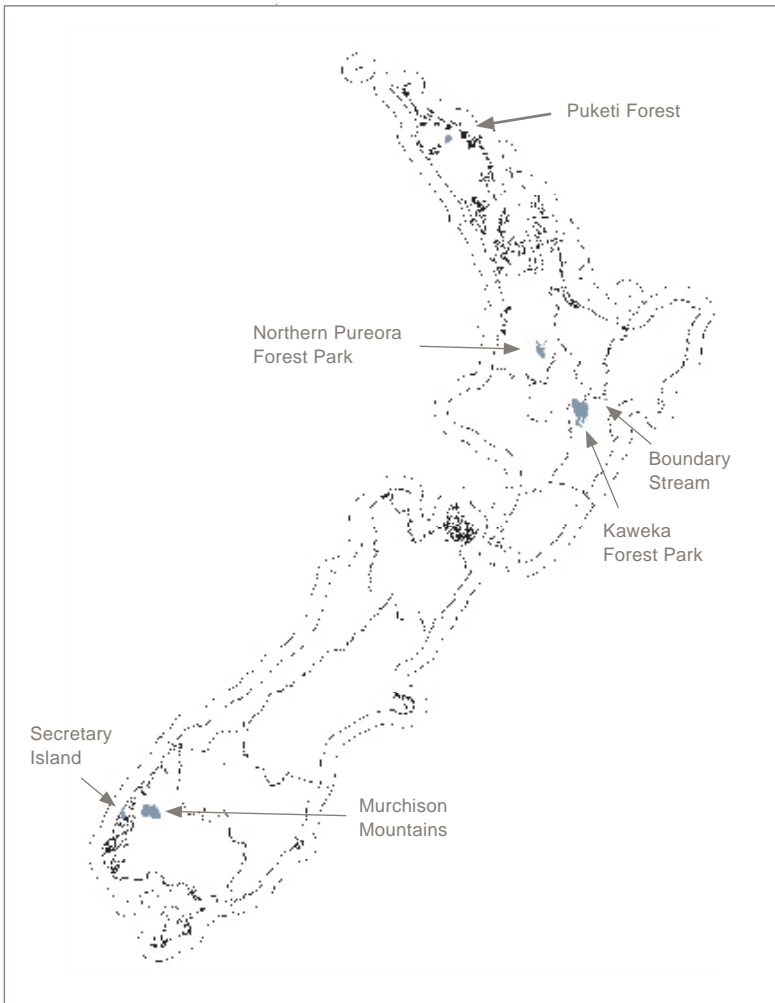
TABLE 2: NET LOSS OF NATIVE COVER IN THE LENZ ENVIRONMENT THREAT CATEGORIES, ACROSS ALL OF NEW ZEALAND, AND ON LAND ADMINISTERED BY THE DEPARTMENT.

CATEGORY	NET LOSS OF INDIGENOUS COVER (HECTARES)		RATE OF LOSS RELATIVE TO NON-DOC-MANAGED LAND (%)
	ALL OF NEW ZEALAND	LAND ADMINISTERED BY THE DEPARTMENT	
Acutely threatened	1,127	13	6.9
Chronically threatened	2,529	34	7.9
At risk	2,207	20	2.3
Critically under-protected	2,406	47	18.7
Under-protected	1,214	120	27.5
No threat category	7,720	816	4.5
Total	17,203	1,050	4.2

INTERMEDIATE OUTCOME INDICATOR

- Changes in size-class structure of selected indigenous dominants in particular places within forests on conservation land.

MAP 5: THE SIX FORESTS PROVIDING DATA SETS TO MEASURE TRENDS.



Last year we worked with Landcare Research to evaluate two potential indicators which measure trends in the make-up of forests (their structure and composition) and have the potential to show the influence of pest species. For example, pests that browse on leaves can cause a change in the number of species they prefer to eat, or even wipe them out of an area altogether.

The potential indicators were tested using data sets collected from six forests within the past six years (see Map 5) and are described below.



A brushtail possum, *Trichosurus vulpecula*.
Browsing possums affect the structure and composition of forests.

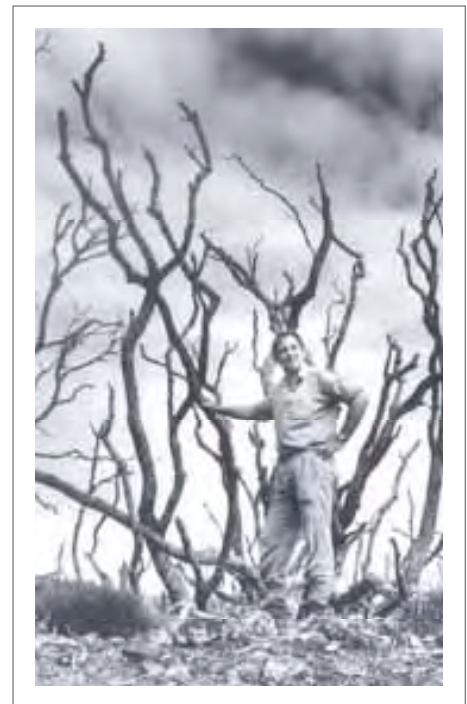
Photograph: DOC.

The two indicators we tested were:

1. Size-class structure: This measures the distribution of tree species in a forest according to their size and age. It operates under the assumption that when there is a natural balance between new seedlings germinating and old trees dying, the normal processes in the forest will maintain the forest ecosystem's integrity. That means if pest species are having an impact by browsing on the vegetation, this may show up in the trees having a non-natural size distribution. The indicator can be useful at both national and local scales. Declines in dominant native tree species can be reported and assessed using the following process:

- Demonstrating that the species is out of natural balance in the forest – too many or too few.
- Testing whether the imbalance is because of a high number of deaths or low seedling recruitment.
- Establishing whether the imbalance is local, regional or national.
- Establishing what the consequences are for the ecosystem if a tree species is out of balance.
- Establishing whether the imbalance is due to human disturbance.
- Looking to see if there are any feasible techniques to intervene and re-create a balance.

2. Representation of specific species or functional groups (such as species preferred by deer and possums, or climate sensitive species): The functional group approach assumes that species with similar traits and life history features have a common response to environmental factors (such as browsing or climate change). Threats that have an impact on the recruitment and survival of these species are in turn assumed to indicate similar threats to other species, and the maintenance of ecological integrity in general.



Before a 10-year animal pest control programme, the forest structure on Rangitoto Island clearly showed the impacts of possums and wallabies.

Photograph: The New Zealand Herald.



Rangitoto Island,
10 years later.

*Photograph:
The New Zealand Herald.*

A national evaluation of canopy tree populations showed that, on average:

- Trees die and are recruited more rapidly in the northern part of New Zealand.
- There was no evidence of an imbalance between the number of seedlings being recruited and the number of older trees dying for the dominant tree species evaluated.
- Populations of kamahi, a widespread species common in possum diets, were in balance in three of the forests, but showed high rates of mortality in another (Pureora Forest). This higher rate of turnover (mortality exceeding recruitment) may reflect the fact that forests in Pureora are still in a process of succession.

We concluded that both of the potential indicators can deliver useful information and report on the current status and trends in native forests at local and national scales. However, to do this effectively, consistent national standards need to be applied. Since changes in tree populations and species composition may result from a range of causes (such as, browsing by deer and/or climate change), additional information needs to be collected to allow us to interpret the data better. For example, data are needed on vertebrate browsers (such as goat and deer numbers) as a potential driver of the patterns observed. Future work under the Natural Heritage Management System's (NHMS) inventory and monitoring programme will progress development of these indicators. This includes sampling strategies for their implementation, and improved interpretation through work funded by the Cross Departmental Research Pool.

In the marine environment, although marine reserves are being monitored for changes resulting from legal protection, we are still working on standardising how we measure condition changes in this environment. A standard operating procedure should be ready for use by staff in 2006/07.

Our stories

As always, our work this year was a combination of long-term planned priority work, and responding to reactive and urgent situations as they arose. The latter includes predicted rat and stoat plagues in South Island beech forests, wildfires and increasing deer numbers, especially in southwestern New Zealand. Some of our important stories are told here.

CONTROLLING ANIMAL PESTS

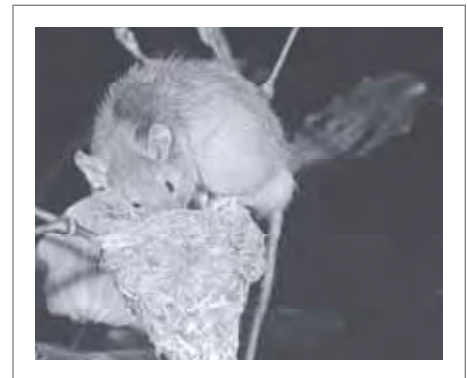
IN BRIEF

- The long-term sustainability of pest control depends on having the right tools available. One of the important tools used to control animal pests in New Zealand is sodium monofluoroacetate (1080). With the Animal Health Board, we jointly prepared and submitted an application for the reassessment of 1080 under the Hazardous Substances and New Organisms Act 1996.
- Supporting and helping community groups and landowners to protect their natural habitats from pests is an important part of our work. This now happens on more than 100 sites around New Zealand.



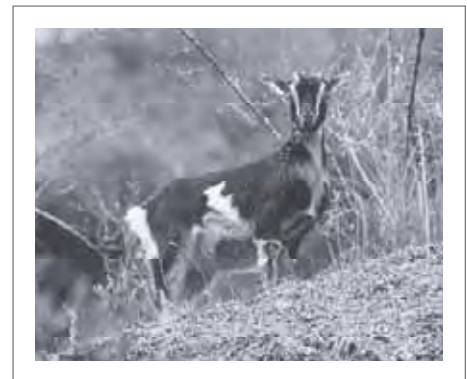
A DOC 150 trap is an important part of stoat control on Secretary Island, Fiordland.

Photographer: Darren Peters, DOC.



Rats are devastating for New Zealand's native birds. Here, a ship rat (*Rattus rattus*) attacks a fantail nest.

Photographer: David Mudge.



A wild goat (*Capra bircus*), Marlborough. Browsing goats can alter the structure and composition of native plant communities.

Photograph: DOC.

One of the main threats to New Zealand's natural heritage comes from introduced animal pests that kill or eat native plants and animals. The problem is particularly acute because our native plants and animals live longer, and grow and breed slower than introduced species. As a result, a large part of our work involves controlling animal pests.

Wide-scale animal pest control is both complex and very expensive. For pests that are already well established and difficult (if not impossible) to eradicate using current technology and knowledge, our only option is long-term pest control. This is much more expensive than preventing pests from arriving on our shores in the first place, or, where possible, eradicating them so they are no longer a problem. Research continues in New Zealand to find new technologies that will deliver long-lasting cost-effective solutions for animal pest control across whole landscapes (including for possums and stoats), but in the meantime current programmes must continue to try and stem the tide at local sites.

One area in which the Department is internationally respected is in eliminating animal pests from islands. However, the battle on the mainland is very different - it is where most of our indigenous species will continue to live, and where we are less able to control the movement and spread of animal pests. One of the biggest long-term conservation challenges is how to apply what we learn on offshore islands and intensively-managed mainland sites to the rest of New Zealand.

We continue to develop and improve our approach to animal pest control by shifting the focus from individual pest species to an integrated "site-led" approach where we evaluate all issues and pests at a place and set priorities for how best to deal with them as a whole. The aim is to achieve the desired conservation outcomes for a particular site and all its native species. One important driver for the shift is that, as we learn more about how complex native environments work, it is clear that controlling just one animal pest species can lead to an increase in another with similar, or even more damaging, effects on native plants and animals.

Because not all animal pest control operations are after the same outcomes (for example, some protect a single threatened species, while others aim to protect an entire threatened ecosystem), our integrated pest management programmes also vary, and will continue to do so. They sit along a continuum, from those that focus on a single pest to those that intensively target a whole range of animal pests. Animal pest control that targets a whole range of pests to protect a whole ecosystem will deliver a more natural environment, but is also more expensive. Pristine areas, where the influence of humans and animal pests are limited, will always be only a small part of the lands the Department is responsible for managing.



Sam Vette Gibson sets a DOC 200 trap, part of a trial comparing these new traps with old-style Fenn and Victor traps. Results show the DOC traps catch significantly more stoats and rats.

*Photographer:
Darren Peters, DOC.*

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. Among the programmes being developed for NHMS over the coming two years is a monitoring toolkit with standardised methods to collect information and compare results.

IN SUMMARY

This Year's Pest Control

- Approximately 1.06 million hectares of public conservation land is under sustained management for possum control. One-third of this area received treatment this year.
- The area of public conservation land under sustained management for goat control is around 2.4 million hectares. Goats were controlled in approximately 1.4 million hectares of this area.
- The area under sustained management for deer on public conservation land is around 650,000 hectares. This year, approximately 348,000 hectares were treated for deer.
- The number of weed-led weed control programmes completed was 98, down a little on the planned number of 106.
- Site-led weed management was greater than expected, mainly because tenure review negotiations added to public conservation land. More than 1.2 million hectares are under sustained weed control using a site-led approach, of which around 450,000 hectares received treatment.
- In conjunction with the Animal Health Board, the Department lodged a 1080 reassessment application with the Environmental Risk Management Authority.

CASE STUDY

Mount Burnett – a tiny pocket of natural wonder

Within New Zealand, no other site is considered to have a greater number of endemic plant species (they are found nowhere else), or biogeographic significance, than a tiny area on Mount Burnett, north of Collingwood. Of its more than 20 endangered native plant species, three are found only on Mount Burnett, and another 14 are restricted to northwest Nelson. This small patch also provides habitat to an endangered species of *Powelliphanta*, New Zealand's giant land snail.

As part of its integrated pest management, the Department carries out possum, goat and weed control in the Burnett Range. Since 1994, three highly successful aerial 1080 possum control operations have occurred, and goat and weed control happens each year.

Before the first aerial 1080 operation, staff found, on average, only three live *Powelliphanta* in every 100 square metres. By 2003, searchers were finding more than 13 live snails over the same area. The impacts of animal pests browsing on native plants has also been reduced.

Golden Bay Dolomite Limited (of Omya NZ Limited), has a licence to mine part of the area around Mount Burnett. In 2005, the Minister of Conservation approved a 25-year access agreement to the quarry, and the company agreed to fund the preparation of a Pest Plant Management Strategy. The company now controls weeds within the access agreement area and provides \$15,000 each year to control weeds on surrounding land as part of co-ordinated management of the site. It also funds restoration and rehabilitation. There has been strong co-operation between Omya NZ Limited and the Department throughout this process.

Over the coming year, other concessionaires who use the site (such as owners of radio and television towers), will be asked to work to the Pest Plant Management Strategy, particularly to carry out risk management procedures, such as cleaning vehicles to minimise the spread of weeds.



Powelliphanta gilliesi is one of the species which makes Mount Burnett a hot-bed of endemism.

Photograph: DOC.

CASE STUDY

Freeing Fiordland's islands from animal pests

Fiordland's coast, with its many islands, provides an excellent opportunity to systematically trial and refine pest control techniques, particularly for stoats and deer. Our work means the local biodiversity on five islands has benefited greatly, and what we are learning will help us improve how we manage stoats and deer on progressively larger islands and the mainland.



Murray Willens (left) and Darren Peters offload stoa trapping tunnels for Secretary Island's predator control programme.

*Photographer:
Phil Waddington, DOC.*

Since it began in 1999, the programme has developed strong connections with the community. A donation from local fishermen funded the eradication of stoats from Pigeon Island (in Dusky Sound), and two private charitable trusts now manage integrated pest programmes on Coal Island (in Preservation Inlet) and Pomona Island (in Lake Manapouri). The trusts do not merely look to the Department for advice and methods - their pest control operational plans include specific trials that are expanding our knowledge and capacity and will help improve our work.

The biodiversity gains have been considerable, in part because none of the islands had the full range of animal pests found on the mainland. In each case, there have been no more than three pest species.

Secretary Island (8140 hectares) is the largest island currently under management, while preparations to remove animal pests from Resolution Island (20,860 hectares) are well advanced. Both islands are close to the mainland so the pest control techniques being developed are focused on preventing pests from re-invading. Because the value of islands to endangered species management increases exponentially with size, Secretary and Resolution islands will become key biodiversity refuges for local and mainland species.



Giant weta are flourishing since kiore were removed from Little Barrier Island (Hauturu).

Photographer: J.L. Kendrick.

CASE STUDY

Little Barrier Island – officially kiore-free

Little Barrier Island (Hauturu), in the Hauraki Gulf, has the largest remaining area of northern forest undisturbed by browsing mammals. It supports a diversity of native birds and reptiles unseen on any of our other islands and is a stronghold for many of our rarest and most endangered native plants and animals. However, kiore (Pacific rats) were putting the ongoing survival of many rare species at risk.

A \$500,000 operation to remove kiore from Little Barrier Island was carried out in June and July 2004. Now, two years later, intensive monitoring has shown the eradication was successful and the Minister of Conservation officially declared the island rat-free in June 2006.

The island is now able to revert to a state close to when humans first arrived and changes are already beginning to appear. The Cook's petrel population has taken off with more than 70% of burrows producing chicks over the last two summers. When kiore were present, as few as 5% of chicks survived. Giant weta (wetapunga) now appear everywhere, where before they were hard to find, and the numbers of skinks and geckos are on the increase. Tuatara, caged for the past decade to protect them from kiore, are due to be released to naturally repopulate the island.

At 3083 hectares, Little Barrier is the largest island in the world from which kiore have been removed. The rat eradication was the Department's second largest successful operation of this type.

PLANT PESTS: AN EVER-GROWING PROBLEM

IN BRIEF

- The direct and indirect costs to New Zealand of dealing with weeds is about \$100 million a year.
- There are 329 harmful weed species already in the wild, and two more jump the garden fence each year.

The cost to the New Zealand economy of dealing with weeds, including lost production and the price of preventative measures, is estimated to be \$100 million a year.

While some important gains have been made, the number of weeds is growing faster than animal pests. Today there are 329 weed species with a significant negative impact on conservation land and, on average, two new species jump the garden fence and spread into the wild each year.

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

Because of the size of the job, weed management targets places where important conservation values are at stake and we can hold the line. Three strategies have been adopted for managing weed pests:

- Preventing them from reaching our shores in the first place (the responsibility of Biosecurity New Zealand).
- A "weed-led" approach - which means finding and eradicating, or containing, new weed pests before they become widespread.
- A "site-led" approach - targeting weeds on high priority conservation sites once they have become widespread.

CASE STUDY

Eradicating *Spartina* from South Island waters

The joint efforts of the Department, local councils and private landowners are on track to rid the South Island of *Spartina*. This marine grass was introduced to New Zealand early last century to help reclaim land in estuaries and intertidal areas, but its habit of forming dense swards has modified and destroyed habitat for a wide range of marine life, including native fish and wading birds.

An argo was used to treat *Spartina* on the edges of Kaituna Estuary, Havelock Harbour.

Photographer: Phil Clerke, DOC.



Spartina control began in the 1970s and has dramatically reduced the size of *Spartina* infestations. The selective herbicide Gallant, sprayed from a helicopter, has enabled large beds to be destroyed with no risk to native plant and animal communities. Southland Conservancy received international recognition for its knockdown of *Spartina*, which protected thousands of hectares of estuary habitat. Similar success has now been achieved at Havelock estuary in a joint programme between the Department and the Marlborough District Council. Over the past three years, the last big infestation in the South Island, covering more than 100 hectares, has also received knockdown control.

While the results are positive, so far complete eradication of *Spartina* has been achieved at three small sites only. Eradication is feasible, but will only be achieved with a concerted effort to search out and destroy the last individual plants.



Large infestations of *Spartina* in Kaituna Estuary, Havelock Harbour, were treated by helicopter.

Photographer: Phil Clerke, DOC.

FIRE: A MAJOR THREAT TO NATURAL HERITAGE

IN BRIEF

- The arrival of didymo (rock snot) has increased the cost of fire fighting in the South Island.
- An experimental tussock burn is providing information on the effect of fire on tall tussock grasslands.



Decontaminating a vehicle after a Canterbury Conservancy fire training day, to avoid the spread of didymo.

Photographer: Don Bogie, DOC.

Fire poses a huge risk to vulnerable native plants and animals - which means preventing and controlling it is a high priority for our work. Our responsibilities are huge, covering the management of life, property and natural values on one-third of New Zealand's land area.

This past year was busy in the Canterbury and Otago conservancies. Drought conditions over the winter were compounded by early spring's rapid drying period. To make matters worse, rain throughout spring, summer and early autumn never reached levels sufficient to reduce the drought, and much dry vegetation remained.

The arrival and spread of the freshwater alga, didymo, meant the five South Island conservancies needed to develop action plans to deal with decontaminating equipment if didymo-infested waterways had to be used as water supplies to fight fires. This added costs to our fire operations.

In response to changes in fire legislation, the Department produced a National Fire Plan covering the "4 Rs" of emergency management - reduction, readiness, response and recovery. Conservancies, except those included within a Rural Fire District, also produced their own response/action plan to manage local fire readiness and response.

The remaining tussock burns at Mount Benger, which form part of the Tussock Fire Ecology project, were completed this year. The aim of the project is to examine the impacts of fire on tall tussock grasslands in the Otago high country - in particular, the consequences for native plants and animals, and for the fertility and longer-term sustainability of pastoral production. The study is a collaborative venture between Landcare Research, the Department of Conservation, AgResearch and Ensis. Results of the burns will be analysed and written up in 2006/07. The results will contribute to the development of a New Zealand Fire Behaviour Prediction System, and build understanding of the impact of fire on insects, soils, nutrient pools and vegetation. Ongoing monitoring by Landcare and AgResearch is planned.

Fire-fighting capability was maintained and developed via training for staff and volunteers, and by maintaining fire equipment to the standards required by the Department and the National Rural Fire Authority.

FRESHWATER: A PRECIOUS HERITAGE

IN BRIEF

- The Freshwater Environments of New Zealand classification system has allowed us to extend the known range of a rare native fish, the lowland longjaw kokopu.
- The Department is involved in protecting precious South Island places and native species from the impacts of the alga, didymo. A number of lowland longjaw kokopu are now being held in captivity as a contingency, in case wild populations disappear.

Wetland ecosystems and waterways on and from land administered by the Department are of major importance to New Zealand and provide vital services, such as good water quality and regulated flows. In all, New Zealand has about 70 major river systems, with 4 million kilometres of channel, and 770 lakes larger than 9 hectares in size. Wetlands now cover about 10% of their original area before land was drained for human uses.

Our role is to actively manage freshwater sites within protected areas, to advocate positive outcomes for significant freshwater ecosystems outside these areas, and to manage most native freshwater species.

However, the Department is but one player in a somewhat fragmented freshwater management scene that spreads responsibilities across several agencies, and can make co-ordination difficult. This year, we have been working with the Ministry of Fisheries on a major review of the legislation affecting freshwater fisheries to clarify and update the acts and regulations under which both parties operate.



Electric fishing is used to identify pest fish in the Manawatu River.

Photographer: Ross Henderson, DOC.

Most of our freshwater effort to date has gone into building understanding of freshwater systems, as this will be the cornerstone of effective conservation work.

The Department has been a core participant in the Sustainable Water Programme of Action, which is developing improved methodologies to identify and maintain natural heritage values in water bodies. The Waters of National Importance work on river and wetland natural heritage values was largely completed during 2005/06, and the results are being incorporated into specific Water Programme of Action actions. Site prioritisation systems and related technical work are expected to be made available to councils to use for regional planning.

We have continued to focus on wetland systems by identifying and describing existing wetlands (and their catchments), as well as those that existed in the past. A wetland “typology” has been developed to identify the full range of wetland types that exist within New Zealand.

Progress has also been made in developing a lake typology, which, when complete, should enable us to identify nationally important lakes.

Finally, a river environmental classification system has been used to refine the list of rivers of national importance. This consolidates the first steps towards developing what is known as the Freshwater Environments of New Zealand (FWENZ) classification, of which rivers are an important component.

At an operational level, we are using FWENZ to predict possible translocation sites for a rare native fish species, the lowland longjaw kokopu, and to target likely sites for survey. As a result, we have been able to increase their known range. Surveys in the last year have also extended the known range of the Chatham Islands mudfish and Canterbury mudfish.

Compared with land-based ecosystems, few entire freshwater catchments are protected and/or managed by the Department. Consequently, we must often rely on advocacy (sometimes using statutory advocacy through the Resource Management Act), and work with local communities to ensure important freshwater places and species are considered when management decisions are made.

In Waikato Conservancy, we have worked closely with Environment Waikato and the Waipa District Council, with support from the National Institute of Water and Atmospheric Research, on the management of Lake Serpentine. This co-ordination between different agencies with different objectives has seen promising recovery of the lake's aquatic plant ecosystems. Information from joint investigations into ways to reduce nutrient levels can be used to plan future actions.

Preventing the spread of invasive freshwater plant and fish species is a priority for the Department because they can be extraordinarily damaging to native freshwater species and, once established, are extremely difficult to eradicate.

The Department is active in protecting precious places and native species in the South Island from the impacts of the alga, didymo. A number of lowland longjaw kokopu are being held in captivity as a contingency, in case wild populations disappear.

In Nelson and Marlborough, surveillance in 2005/06 confirmed four of five sites treated for gambusia (mosquito fish) in the previous year are free of this pest. One site had to be treated again and one new site was located and treated. The South Island is now almost free of gambusia.

At a national scale, the Department's National Aquatic Pest Awareness Co-ordinator has put in place a national interagency group, and developed activities with communities to raise awareness of pest fish and plants that affect freshwater.

PROTECTING MARINE ENVIRONMENTS

IN BRIEF

- The Ministers of Conservation and Fisheries jointly announced a new Marine Protected Areas Policy in January.
- Marine Protected Area planning is under way on the West Coast of the South Island, in the Hauraki Gulf and for the subantarctic islands.
- Three marine reserves were fully approved (Parininihi in Taranaki; Te Paepae in the Bay of Plenty; and sites in Whangarei Harbour) and await gazettal before coming into effect.
- One marine reserve was gazetted and came into effect in north Nelson.



The West Coast Conservancy is partnering with locals to put the Marine Protected Areas Policy in place.

From shallow inshore reefs to extraordinarily deep trenches and underwater vents and volcanoes, New Zealand's vast marine environments are a fascinating natural world. Scientists estimate around 10% of the world's marine biodiversity is found in our waters.

During 2005/06, the Department contributed to projects run by the National Institute of Water and Atmospheric Research to map inshore areas around Mahia Peninsula (East Coast) and Spirits Bay (Northland). We also participated in the Oceans 20/20 initiative to map the wider marine environment.

The Ministers of Conservation and Fisheries released the new Marine Protected Areas Policy and Implementation Plan in January 2006 to establish a new approach for identifying and developing protected marine sites. While the network of marine sites managed by the Department has grown to 28 marine reserves in recent years, identifying sites for protection has been fragmented and inconsistent. The new policy drives an integrated approach, based on regional consultation, to establish a comprehensive and representative network of marine protected areas around the New Zealand coastline. It is founded on science-based planning to provide a consistent basis for habitat and ecosystem classification, and provides a standard of appropriate protection.

The Department carried out research and monitoring in marine reserves during 2005/06. Key sites continue to attract interest and visits from schools and the public. Several marine reserve applications were processed and significant milestones include:

- The formal gazettal of the Horoirangi Marine Reserve, near Nelson, covering 904 hectares. It protects marine habitats associated with the unique land formations along the Nelson Boulder Bank, and marine biodiversity that is considered representative of the eastern side of Tasman Bay.
- Full approval for three marine reserve applications. These now await final Orders in Council and gazettal before coming into effect. They are the Whangarei Harbour Marine Reserve (210 hectares), Te Paepae Aotea (Volkner Rocks) Marine Reserve (1267 hectares), and Parininihi Marine Reserve (1759 hectares). Parininihi will be the first marine reserve along the North Island's west coast, north of Kapiti Island.
- Late in the year, the Minister of Conservation approved an application for a marine reserve at Tapuae (1423 hectares), just south of New Plymouth and partly covering the Sugar Loaf Islands Marine Protected Area. This application has been referred to the Ministers of Fisheries and Transport for concurrence. Final concurrence is also awaited for the Aotea (Great Barrier Island) application (50,100 hectares) and for Taputeranga, on the Wellington South Coast (969 hectares).



The opening of Horoirangi Marine Reserve, north Nelson, drew interest from local media.

Photographer: Murray Hosking, DOC.

The Conservation Services Programme continued monitoring and researching the effects of commercial fishing on protected species, and developing new methods to reduce the by-catch of seabirds, marine mammals and corals. Scientists tested an innovative method to use shark liver oil in longline fisheries to deter seabirds from chasing baited hooks.

The New Zealand fishing industry is working with the Department and scientists to reduce seabird by-catch, with significant success in recent years. For example, seabird by-catch in the tuna longline industry in New Zealand has dramatically reduced after the introduction of mitigation techniques, including setting lines at night and using tori lines (bird scaring devices).

INTERMEDIATE OUTCOME INDICATOR

- Percentage of marine areas in protection.

The New Zealand Biodiversity Strategy 2000 contains a target of protecting 10% of New Zealand's marine environment by 2010 and of establishing a network of representative protected marine areas. Protected marine areas take several forms, and include marine reserves, fisheries closures and other area-based protection mechanisms. Currently, 7.61% of the territorial sea is in marine reserves (the highest level of protection), though these are mostly around two distant offshore island groups (the Kermadec and Auckland islands). When the area of the territorial sea is combined with New Zealand's Exclusive Economic Zone (out to 200 nautical miles), the total percentage of legal marine protection (using a range of tools) is about 2.5%. Marine reserves are not yet able to be created outside the territorial sea.

A full list of the marine reserves and their establishment date is set out in Table 3.

TABLE 3: MARINE RESERVES IN NEW ZEALAND

MARINE RESERVE	ESTABLISHED	AREA (HA)
Cape Rodney-Okakari Point (Leigh)	1975	518
Poor Knights Islands	1981	1,890
Kermadec Islands	1990	748,000
Te Wanganui-a-Hei (Cathedral Cove)	1992	840
Mayor Island (Tuhua)	1992	1,060
Kapiti Island	1992	2,167
Long Island-Kokomohua	1993	619
Tonga Island	1993	1,835
Te Awaatu Channel (The Gut)	1993	93
Piopiotaahi (Milford Sound)	1993	690
Westhaven (Te Tai Tapu)	1994	536
Long Bay-Okura	1995	980
Motu Manawa (Pollen Island)	1995	500
Te Angiangi	1997	446
Te Tapuwae o Rongokako	1999	2,452
Pohatu (Flea Bay)	1999	215
Auckland Islands / Motu Maha	2003	498,000
Ulva Island / Te Wharawhara	2004	1,075
Te Hapua (Sutherland Sound)	2005	454
Hawea (Clio Rocks)	2005	411
Kahukura (Gold Arm)	2005	464
Kutu Parera (Gaer Arm)	2005	433
Taipari Roa (Elizabeth Island)	2005	613
Moana Uta (Wet Jacket Arm)	2005	2,007
Taumoana (Five Finger Peninsula)	2005	1,466
Te Tapuwae o Hua (Long Sound)	2005	3,672
Te Matuku (Waiheke Island)	2005	690
Horoirangi (Nelson)	2006	904

■ CASE STUDY

West Coast Marine Protection Forum

To help achieve the New Zealand Biodiversity Strategy's target for marine protection, the West Coast Conservancy is partnering with local people, stakeholders and tangata whenua to involve them in putting the Marine Protected Areas Policy in place in an inclusive and transparent way.

The 15-member West Coast Marine Protection Forum is funded by the Department, and receives advisory support from the Ministry of Fisheries. A third key agency is the West Coast Regional Council, through its role in coastal planning. The forum aims to:

- Identify the characteristics of the West Coast's near shore marine environment.
- Understand the way that people use the sea and its resources.
- Apply nationally consistent site selection and protection criteria to make sure distinctive, characteristic and unique parts of the West Coast marine environment, within the 12 nautical mile limit, are protected within a national network of marine protected areas.

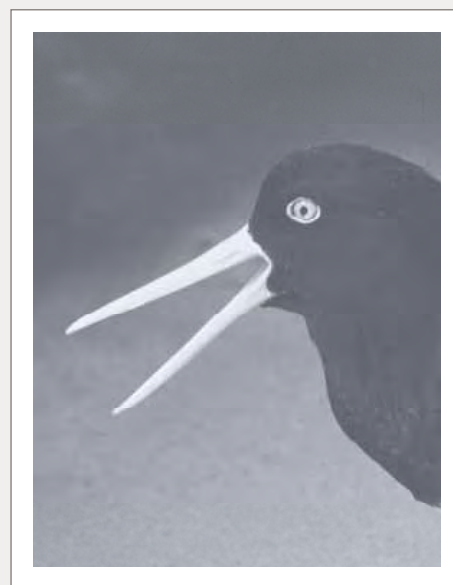
Since the forum began in April 2005, the first phase has been to hold fact-finding meetings. We are now preparing a technical report that describes the character of the West Coast marine area and, once it is endorsed by West Coasters, this will become the forum's primary resource document.

■ CASE STUDY

Chatham Island oystercatcher responds to management

Because of its very small population and range, the Chatham Island oystercatcher is listed as "endangered" by the World Conservation Union (IUCN) and "nationally critical" by the Department - only 142 birds were counted during a census of the islands in 1998.

Oystercatchers are shorebirds that feed in the tidal zone and nest on beaches between the high tide mark and the dune front. Video surveillance showed that cats eating eggs and chicks were the main cause of death, while weka, gulls and sheep's hooves also caused losses. As well, nests were sometimes washed away by the sea - a problem made worse by non-native marram grass forming steep-fronted dunes and narrower beaches, leaving little nesting space.



Chatham Island oystercatcher.
Photographer: Peter Moore, DOC.



A Chatham Island sandspit covered in marram grass.

Photographer: Peter Moore, DOC.



Cats eating eggs and chicks were the main cause of death for the Chatham Island oystercatcher.

Photographer: Peter Moore, DOC.

Supported by local landowners, from 1999–2006 the Department assessed how well its management was working to try and find ways to improve nesting success and boost the population. The aim is to have more than 250 mature individuals by 2010 so the species' threat classification can be improved.

The management actions taken have been a resounding success. Trapping predators, fencing stock out and moving or raising nests along 16 kilometres of coast on northern Chatham Island has allowed breeding pairs to produce more than one chick on average each season, and this has rapidly boosted the population. Trial dune restoration in northern Chatham Island has shown that replacing marram with more suitable native dune plants not only improves the nesting opportunities for oystercatchers, it also benefits the whole coastal ecosystem. In 2005/06, the Chatham Area Office began expanding the dune restoration programme on northern Chatham Island.

An annual census has charted the oystercatcher population's progress and, by 2004, numbers had more than doubled to 315–340 birds, including 130–190 breeders.

Population modelling shows the greatest benefit is to continue management at northern Chatham Island. However, the overflow of new breeders to southern areas was slow to boost oystercatcher numbers there, so, in 2005/06, trapping began on the Pitt Island coast. It is hoped that over the next few years the pool of young birds from here and northern Chatham Island will allow us to declare that the "250 mature individual" mark has been reached.

INTERVENING FOR THE FUTURE OF INDIGENOUS SPECIES

IN BRIEF

- The shift from protecting individual species to protecting ecosystems continues, as this delivers more effective biodiversity outcomes in the long term.
- We are using intervention logic to test assumptions and facts and identify the best things to do to deliver the most effective conservation outcomes.



Aerial pest control to eradicate kiore (Pacific rats) from Little Barrier Island (Hauturu) allowed the island to be officially declared rat-free in June 2006.

Photograph: DOC.

Of all the Department's many responsibilities and functions, protecting threatened species is seen by many New Zealanders as our most vital role.

Our focus continues to shift from managing individual iconic and endangered species, to maintaining healthy, fully functioning ecosystems, with few major threats, where all native species can live. While targeted work will always be done to protect endangered species, the evidence is that directing effort toward overall biodiversity outcomes is more effective and gives better long-term results for more species.

To that end, our species recovery work is increasingly done in tandem with animal pest and weed work. This co-ordinated approach allows us to consider all factors at work at particular places when we design, carry out, monitor and evaluate a mix of site-based work and programmes.

The Department uses intervention logic to identify what actions are most likely to be effective. Intervention logic shows how the Department's work contributes to the Government goals by systematically describing links between what we do (outputs) and the desired results (outcomes). It allows us to select activities that are most likely to achieve the results we want, and then identify what to monitor to show that what we have done is actually working.

The intervention logic we apply reflects the current state of our knowledge - the facts, assumptions, best guesses and, typically, the odd error that we base our decisions on. Our knowledge grows as we test and improve these and learn from the outcomes.

CASE STUDY

Brown kiwi in the North Island: chronically threatened

Our work on brown kiwi in the North Island helps achieve the outcomes in the Statement of Intent as well as wider goals, including all five of the Government's key goals for 2005: to improve New Zealanders' skills; to protect and enhance the environment; to strengthen national identity and uphold the principles of the Treaty of Waitangi; to improve the health of New Zealanders; and to grow an inclusive and innovative economy for the benefit of all¹.

We anticipated that a combination of controlling predators and involving communities would contribute to both of the Department's high-level outcomes (protection and appreciation), and through these, all five of the Government's 2005 goals. And on the way, it would contribute to the Department's intermediate outcomes of:

- Managed threatened species (in this case, brown kiwi in the North Island) having a lower risk of extinction.
- The natural character of managed places being maintained or improved.
- People being aware of, understanding, and making valued contributions to, conservation.

Our reasoning was based on a range of evidence we had about the likely predators causing the decline of brown kiwi. We predicted that managing two of them (mustelids and dogs), and involving community groups in recovery work, would increase the survival of juvenile and adult kiwi at managed sites in Northland and on the Coromandel. This would in turn lead to increased recruitment of adults to the breeding population, leading to the recovery of kiwi populations.

Detailed monitoring of brown kiwi's response to predator control at the Northland and Coromandel kiwi sanctuaries was used to inform modelling and assess management scenarios. Trends in nesting and fledging rates were developed and correlated to predator control.

Lessons we learnt from the five-year research by management programme (2000–2005) include:

- If predation by mustelids (stoats, ferrets and weasels) could be controlled to near zero, kiwi productivity in Northland sites would exceed losses to other predators (dogs and cats).
- If dog-related deaths could be eliminated in Northland, kiwi would not require any management to sustain the population. The life expectancy of adult Northland kiwi would increase from about 13 years, to something approaching the 50 years it is in other parts of their range.
- Mustelid control increases rat populations and this has adverse impacts on native species susceptible to rat predation, such as small perching birds (for example, the North Island robin).

¹ These five Government goals for 2005 have now been replaced with three priorities for the coming decade: economic transformation; families – young and old; and national identity.



A Northland brown kiwi incubating two eggs. If dogs stopped killing kiwi in Northland, the population would be self-sustaining.

*Photographer:
Rogan Colbourne, DOC.*



Hatched in captivity as part of Bank of New Zealand Save the Kiwi Trust's Operation Nest Egg, this chick will return to Northland when one kilogram in weight and better able to defend itself against stoats.

*Photographer:
Rogan Colbourne, DOC.*

More than 60 community groups are now involved in protecting about 70,000 hectares of brown kiwi habitat in the North Island and the programme is well positioned to meet the Kiwi Recovery Plan goal: that a minimum of 500 pairs of each of the North Island's four brown kiwi taxa are predator safe and able to maintain or expand their numbers by 2016. Constraints on achieving the goal include:

- Limited resources for community groups. For example, funding requests from new groups exceed the amount available from Bank of New Zealand Save the Kiwi Trust.
- Limited capacity and capability within the Department to respond to community group initiatives.
- Possible alienation of community groups if our resources are redirected to work on more threatened kiwi taxa.
- Our ability to cost-effectively control mustelids over large areas.

THREATENED SPECIES: REDUCING THE RISK

INTERMEDIATE OUTCOME INDICATOR

- Change in the number of extinct species or subspecies (both confirmed and assumed extinctions).



A brown teal (pateke) chick. This species is classified as "acutely threatened".

Photographer:
Pete Grabam, DOC.

The Threat Classification System is our tool to identify the risk of a native species going extinct. Threat classification listings were first done in 2001, and reviewed in 2004. Our Annual Report last year (pages 31–32), reported on the status of threatened species following the 2004 review. No further assessment of status has been done during the past 12 months so there is no new information to provide.

We have refined the process for reviewing threat lists. Rather than doing all taxonomic groups as one exercise every three years, one taxonomic group will be reviewed at a time, with all groups covered over a three-year cycle.

Reports on taxa reviewed in 2006/07 will be included in next year's Annual Report.



The coastal peppergrass (*Lepidium banksii*), one of New Zealand's most threatened native coastal cress species. Find out more about this plant on the back cover of this Annual Report.

Artist: Catherine Beard

INTERMEDIATE OUTCOME INDICATORS

- Change in the threat classification status of managed “acutely threatened” species or subspecies.
- Change in the threat classification status of managed “chronically threatened” species or subspecies.
- Change in the threat classification status of managed “at risk” species or subspecies.

More than 90,000 native species live in New Zealand. Of these, we have investigated and categorised around 6000 - of which about 2400 are threatened.

Work to identify past and future trends for managed threatened species is being carried out under the Natural Heritage Management System (NHMS) inventory and monitoring programme. A sample report has been developed for mohua (yellowhead), one of the key indicator threatened species which has a detailed monitoring programme in place. It shows that between 2000 and 2005, we increased the area being managed to protect mohua by 29% - from 47,665 hectares to 61,699 hectares. However, over the same period, the overall range of the species declined. As reported in the 2003/04 and 2004/05 Annual Reports, during beech mast years (when beech trees produce unusually high quantities of seed and the abundant food allows predator numbers to explode), mohua populations in managed areas decline due to rat plagues.

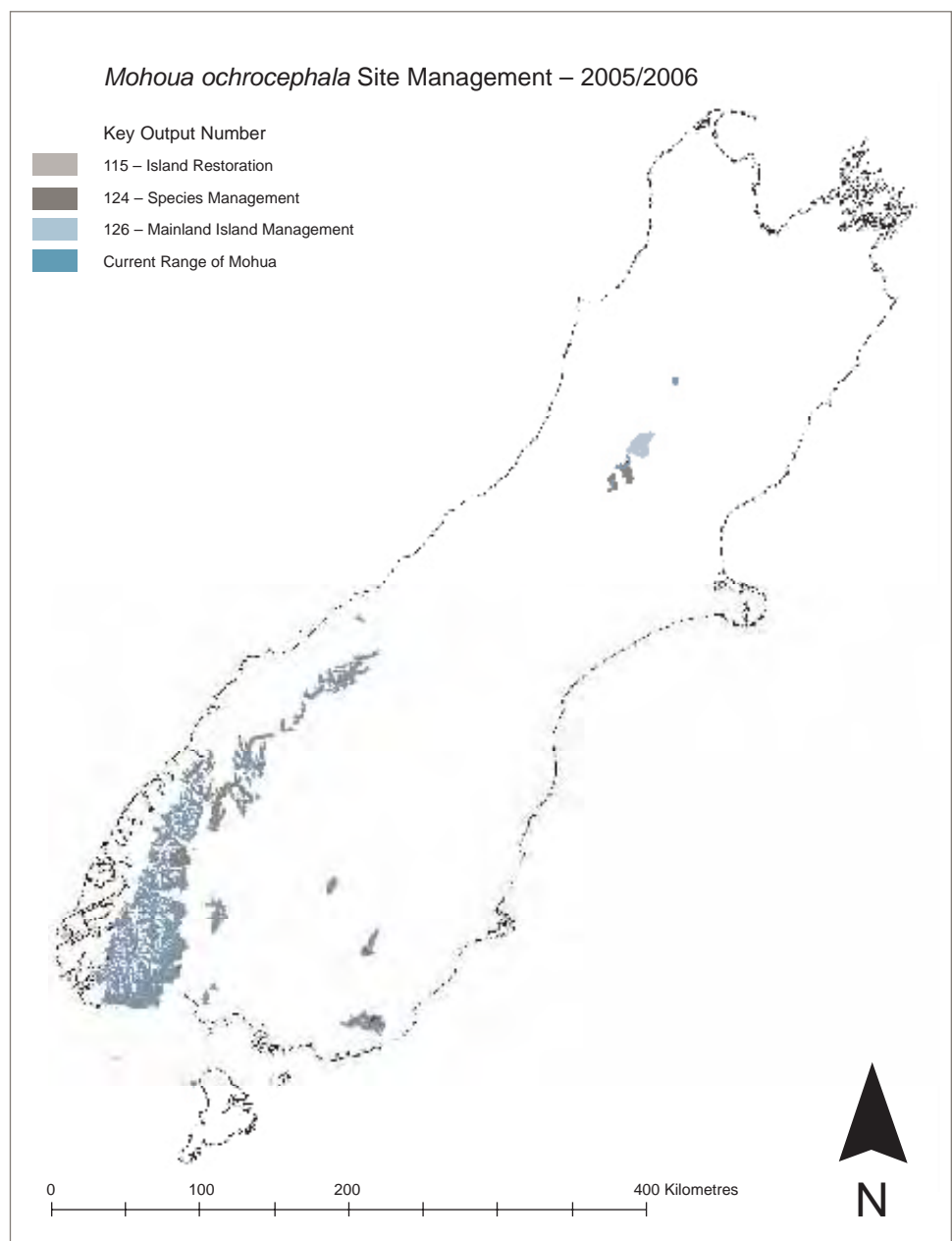
It is predicted the range of mohua will continue to contract as unmanaged populations on the mainland decline and become locally extinct. Map 6 shows the current distribution of mohua, and the areas where active management to protect the species is under way.

Two management targets exist for mohua: to move the species from “nationally endangered” to “nationally vulnerable” by 2015; and to maintain the present distribution of managed sites (covering 61,000 hectares), with no managed mohua populations declining, and some beginning to increase.

We aim to rationalise our threatened species recovery plans by developing decision support tools to prioritise species and sites. At present, a gap exists between the vision statements that guide our threatened species recovery work and the delivery support tools we have available, such as standard operating procedures. The Department is working to fill this gap by developing specific goals to interpret the vision statements down to the essential intended outcomes. These goals will be used to generate lists of species which have priority for management action, and to identify the best possible species recovery management strategies to apply. The management strategies will integrate different management options (such as site, species or threat-led approaches), stakeholder effort and available intervention tools. They will also be benchmarked against the best return on investment. This approach will allow resources to be allocated in the most effective way to minimise species loss.

OPTIMAL MIX = **Approaches** (site/species/threat-led) & **Intervention techniques** & **Stakeholders** & **Return on investment**

MAP 6: MOHUA DISTRIBUTION AND AREAS UNDER ACTIVE MANAGEMENT.



IN SUMMARY

This Year's Threatened Species Work

Threatened species work² during 2005/06 led to improved security for at least one population of the following species classed as either "acutely" or "chronically" threatened – the two highest threat divisions³.

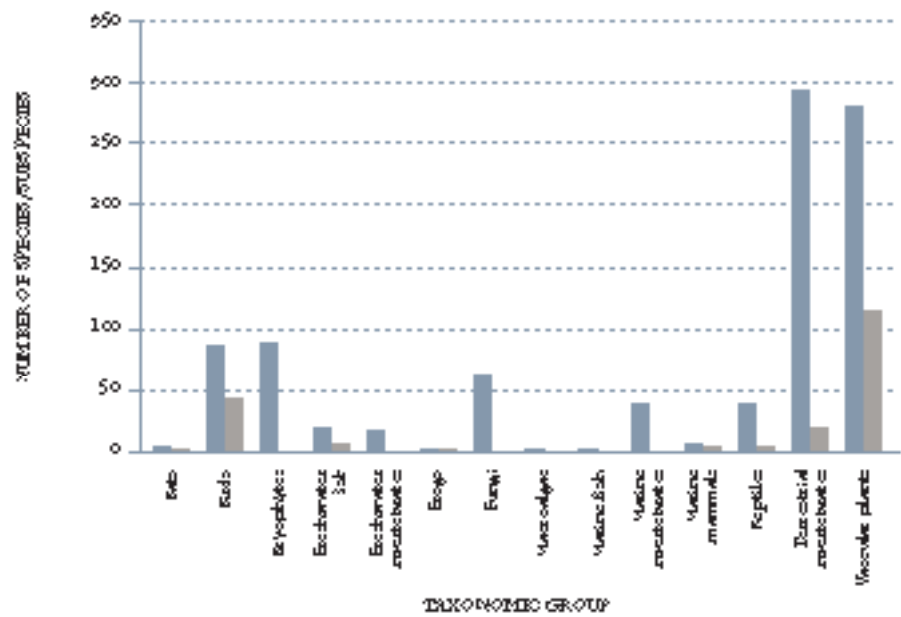
- Forty-five of the 87 bird species. Another one-quarter of bird species in the acutely or chronically threatened divisions are not being worked on because they are stable or recovering, found on offshore islands or equivalent situations where they are stable or recovering, or are secure overseas.
- Five out of 20 acutely or chronically threatened freshwater fish species or subspecies.
- All three frog species in the acutely and chronically threatened divisions.
- Two of six acutely or chronically threatened marine mammals. Of the species or subspecies not being worked on, two are secure overseas, the New Zealand population of one other is a very small overflow of the Australian population, and one was not worked on in 2005/06.
- Three out of 33 reptiles; another quarter have survey and/or research work under way.
- Twenty-four out of 290 land invertebrates in the acutely and chronically threatened divisions. Survey, monitoring and research work is planned for twice this number. A further 10% of terrestrial invertebrates in these divisions 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. Much of the Department's invertebrate work is focused on improving knowledge and increasing awareness of threatened invertebrates. Work is ongoing, but the task is large due to the sheer size of this taxonomic group.
- About 40% of the 283 known acutely and chronically threatened vascular plants. A further 31 plants in these divisions are not being worked on because they are found on offshore islands or equivalent situations where they are stable or recovering, or are naturally very rare and stable, or are secure overseas, or are stable or recovering.

There is no specific species management work on bryophytes (mosses), fungi, marine fish or marine invertebrates. However, most of these species can be supported only through general ecosystem management (such as, general animal pest and weed control, island quarantine work and marine protected areas) and are not suited to species-specific management support.

² This work includes work programmes such as Bank of New Zealand Save the Kiwi Trust'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.

³ "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.

ACUTELY & CHRONICALLY THREATENED SPECIES/SUBSPECIES WITH IMPROVED SECURITY FOR AT LEAST ONE POPULATION IN 2005/06



- Total number of threatened species/subspecies in taxonomic group
- Number of threatened species/subspecies with improved security for at least one population in 2005/06



Long-tailed bats are being protected through ground-based rat control in the Eglinton Valley.

Photographer: J.L. Kendrick.

CASE STUDY

Operation Ark

Operation Ark was launched in 2003 to provide a rapid response to sudden increases in stoats and rats in South Island beech forests - particularly during mast years when predator numbers explode because of the abundance of beech seed.

Operation Ark has established permanent stoat trap lines at nine of 11 sites identified for possible protection. The nine sites have both monitoring and predator control.

This year, the trap lines were used to respond to explosions in stoat numbers following small rat irruptions at two sites - in Canterbury's South Hurunui Valley, and in the Catlins forests in Otago. The success of monitored orange-fronted parakeet (kakariki karaka) nests in the South Hurunui was 90%, and mohua (yellowhead) nesting success in the Catlins was 80%. However, questions remain about the effectiveness of the rat control, as mohua in a nearby untreated area were unaffected by the small-scale rat plague. Alternative strategies to control rat plagues after beech masts are being developed and tested.

Last spring, intense beech flowering across the South Island resulted in a heavy beech seed fall in all monitored Operation Ark sites during autumn 2006 - the most extensive since seed recordings began. Rat numbers at most sites have risen steadily and ground-based rat control using toxins has begun in sites managed for mohua and orange-fronted parakeets. Aerial 1080 rat control operations are planned for the three orange-fronted parakeet valleys in Canterbury (South Hurunui, Hawdon and Poulter) if rat numbers continue to climb. Three areas in the Eglinton Valley have also been chosen for ground-based rat control to protect mohua and long-tailed and short-tailed bats (pekapeka).

The massive 2006 beech mast will test the effectiveness of the Operation Ark programme, now in its fourth year.

The Department will continue its monitoring and predator control at the nine operative Ark sites. A key component of the work is research to monitor the effects of the different predator control programmes on species survival.

CASE STUDY

Mainland Islands – places of learning

The Department's mainland island programme has six sites located around New Zealand, from Trounson Kauri Park in the north, to the Hurunui South Branch in Canterbury. When the projects began nearly a decade ago, they introduced ecosystem-focused restoration goals to the mainland of New Zealand, as opposed to the more conventional single species recovery goals.

Mainland islands play a vital role in researching, developing and testing innovative conservation management techniques, including how to control introduced predators. Methods tested and proven within their boundaries were central to the creation of the Department's best practice standards for controlling wild cats, mustelids (ferrets, stoats and weasels) and rodents, without which we could not have begun ambitious programmes such as the five kiwi sanctuaries and Operation Ark.

A ranger introduces visitors to Boundary Stream Mainland Island.
Photograph: DOC.



Eight core operating principles for mainland islands, approved in May 2005, officially recognise them as places of learning. Some of the more important outcomes of trials or research during 2005/06, which will benefit the Department and wider conservation community, include:

- At Trounson, the anticoagulant poison diphacinone, in an already proven bait formulation, was successfully tested as a method for controlling rats to very low levels. Once these trials are completed, the data will be used to support formal registration of this product.
- Pindone, an anticoagulant poison commonly used to control rabbits, was approved and registered for use against rats this year. The case for formal registration was supported by data compiled from trials at Trounson, Boundary Stream and Northern Te Urewera mainland islands.
- At Northern Te Urewera, trials compared the new "DOC" series of predator traps to the old style Fenn traps (for mustelids) and Victor traps (for rats). The results showed that the "DOC" traps catch significantly more stoats and rats than the older style traps.
- Fipronil paste bait for controlling wasps was approved by the Environmental Risk Management Authority and the Department's pesticides advisory group, following trials at Rotoiti. There is widespread interest in this new tool for wasp control.

WILDLIFE DISEASES: BEING PREPARED

Detecting and responding to a disease outbreak is essential as it could wipe out a critically endangered species. In cases where we have advance warning, such as with bird flu (avian influenza virus A), plans can be prepared ahead of time to guide a quick response should the disease arrive in New Zealand.

While public attention has largely focused on the risk bird flu poses to humans, the Department has been working closely with the Ministry of Agriculture and Forestry, the Ministry of Health, the Australasian Regional Association of Zoological Parks and Aquaria, and the poultry industry, to develop a system for detecting and reporting any infections, plus a contingency plan to mitigate the risk to threatened species.

First, we have assessed the risk of bird flu reaching New Zealand and how to prevent it doing so. Second, we identified practical ways to protect native species against the disease should it arrive. The contingency plan covers species most at risk of infection based on their threat listing, population size, habitat and susceptibility to disease.

Departmental scientists, working with the Ornithological Society of New Zealand, are also monitoring the movements of migratory birds to provide technical data on this potential source of the virus. A range of migratory waders come to New Zealand via southeast Asia and over-winter in New Zealand, but once they arrive we have limited information on how and where they move throughout the country. To improve our understanding, the Ornithological Society has been contracted to follow the movements of two of the most common migratory waders, the eastern bar-tailed godwit and the eastern knot.



Up to 100,000 bar-tailed godwit (*Limosa lapponica*) visit New Zealand each year, migrating 11,000 kilometres from breeding grounds in western Alaska. Some visit staging areas in north eastern Asia and northern or eastern Australia.

Photographer: Dave Hansford.

ISLAND BIOSECURITY: PROTECTING OUR INVESTMENT



Checking equipment in the Southern Islands quarantine store helps reduce the risk of unwanted hitchhikers reaching Southland Conservancy's offshore island sanctuaries.

Photographer: Raewyn Hutbings, DOC.



Keeping our offshore islands pest-free is a job that requires a great deal of diligence and an eye for detail. Preparing for island expeditions involves rigorous inspection procedures to ensure no unexpected stowaways hide in the vast array of gear required for island programmes. Food is carefully packed and sealed in containers, plant and equipment is cleaned to ensure no alien soil and seed sources are inadvertently transported, personal gear is turned out of packs and bags and thoroughly inspected, and boots are scrubbed clean.

These strict procedures are part of a standard operating system the Department maintains to ensure the rich biodiversity of the islands we manage are kept free of unwanted pests and organisms. Each year we audit biosecurity procedures at selected islands to ensure the required standards are met or exceeded. The audit teams are made up of staff involved in island biosecurity as part of their work roles. This year, three full audits were carried out in Nelson/Marlborough and Southland conservancies, and at the Chatham Islands Area, together with a follow-up audit in Auckland Conservancy.

While these audits are valuable to identify improvements we can make in the operating procedures for quarantine and operational biosecurity, they also allow audit teams to catch people doing things right and provide a valuable opportunity to learn, share new practices and improve performance across the organisation.

BROADENING THE PALETTE

IN BRIEF

- Ecosystem services provided by the newly acquired Te Papanui Conservation Park include freshwater valued at \$136 million.
- Of the 3,645,950 hectares of remaining lowland forest in New Zealand, 66.4% is protected, and nearly 64% is on land we administer.
- Private landowners are helping protect lowland forest of the types that were most often cleared in the past.

Our network of protected land areas is top heavy with mountains and light on the full range of terrestrial 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 Fund (protecting conservation values on Māori land), the Queen Elizabeth II National Trust, and the Biodiversity Condition and Advice funds.

This revealed that, overall, 66.4% of the 3,645,950 hectares of remaining lowland forest in New Zealand is protected, and nearly 64% is on land now administered by the Department. However, only 32% of the 825,980 hectares of native forest in the five Environment threat categories (see page 63) is protected (of this, 29% is on land now administered by the Department). In particular, only 16% of the 87,580 hectares of lowland indigenous forest in Acutely Threatened Environments (where less than 10% indigenous cover remains) is now protected. Private landowners make a proportionately larger contribution to lowland forest protection in Environments that have undergone most forest clearance in the past.

INTERMEDIATE OUTCOME INDICATOR

- Percentage of lowland forest areas in protection.

This indicator measures trends in the percentage of most at-risk Environment types under legal protection from year-to-year, including lowland forest.

To develop baseline data, we defined lowland as below 500 metres above sea level, and forest as including the Broadleaved Indigenous Hardwoods and Indigenous Forest LCDB2* cover classes. We calculated three things – the total area of forest within the lowland zone, on land administered by the Department, and in areas protected by other agencies and private covenants.

* LCDB stands for Landcover Database.

Table 4 compares the area and the percentage of all remaining lowland forest that is (1) protected by all agencies and private landowners, and (2) on land we administer.

TABLE 4: PROTECTED NATIVE LOWLAND FOREST REMAINING IN NEW ZEALAND, BY LENZ ENVIRONMENT THREAT CATEGORY. HECTARES ARE ROUNDED TO THE NEAREST 10.

	TOTAL	PROTECTED BY ALL AGENCIES AND PRIVATE LANDOWNERS		LAND ADMINISTERED BY THE DEPARTMENT	
	Area lowland forest remaining (hectares)	Area (hectares)	% of all remaining lowland forest	Area (hectares)	% of all remaining lowland forest
Acutely Threatened	87,580	14,190	16.2	11,340	13.0
Chronically Threatened	122,320	29,490	24.1	26,070	21.3
At Risk	281,870	98,390	34.9	87,800	31.1
Critically Under-protected	162,040	42,490	26.2	37,170	22.9
Under-protected	172,170	80,810	46.9	76,540	44.5
No Threat Category	2,819,970	2,154,510	76.4	2,080,930	73.8
Total	3,645,950	2,419,880	66.4	2,319,850	63.6

The Nature Heritage Fund

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

Significant Nature Heritage Fund purchases in 2005/06

GREVILLE HARBOUR - D'URVILLE ISLAND

The purchase of part of D'Urville Island, in July 2005, added 1797 hectares of scenic cliffs, native forest, sand dunes and lagoon to the Nelson-Marlborough Conservancy.

In acquiring Greville Harbour for \$3.7 million, the Nature Heritage Fund has secured an east-west corridor of reserve across the island. Highlights include 25-metre-high dunes containing sub-fossil bird bones, a lagoon for waterfowl and freshwater fish, and coastal kohekohe and nikau forest giving way to beech and rimu forest on the ridges.

Bottle Point has a nationally significant ultramafic coastal cliff, part of the Nelson mineral belt and one of the few such features in New Zealand.

STONEWALL BLOCK - SOUTH WAIRARAPA

Rising from the sea to meet Haurangi Forest Park, near Cape Palliser, lies the spectacular coastal flat purchased in December 2005. The owners had worked to ensure a complete native vegetation sequence from the shoreline to hill top was conserved.

In offering up Stonewall Block, the future for conservation of this 121-hectare area has been assured.



Stonewall Block, South Wairarapa, has plant species and communities not protected elsewhere in the lower North Island.

Photographer: Aalbert Rebergen, DOC.

Running from the western part of the Ngapotiki Fan to the land owned by tangata whenua, Ngati Hinekawa, the area has diverse regionally threatened plant species and communities not protected elsewhere in the lower North Island.

Four-wheel-drive vehicles will continue to be excluded from the area to avoid the risk of vehicles causing damage to the site's biodiversity.

Nga Whenua Rahui

Along with the Nature Heritage Fund, the Department also provides services to the independent Nga Whenua Rahui Komiti (Committee).

During the reporting period, the Nga Whenua Rahui Fund protected 3500 hectares of native ecosystems on privately-owned Māori land. As well, 16 kawenata (covenants) with Māori landowners, previously approved by the Minister of Conservation, were signed.

Nga Whenua Rahui also administers the Matauranga Kura Taiao Fund, a contestable fund that supports tangata whenua in retaining and promoting their matauranga (traditional knowledge) and uses for biodiversity management.

CASE STUDY

Kokako move to a new home – Ngapukeariki

This year, 19 kokako were brought to a new home in Ngapukeariki in the eastern Bay of Plenty. The area lies within the 10,000 hectare Mangaroa/Ohotu block owned by members of the Whanau a Apanui iwi, and subject to a Nga Whenua Rahui kawenata.



Members of Tuhoe iwi hand over kokako from Waimana.

Photograph: Nga Whenua Rahui.

A kokako is released into its new home in Ngapukeariki.

Photograph: Nga Whenua Rahui.



The site was a natural habitat of kokako in the past, and was also chosen for its spiritual, historical and cultural significance. The translocation, from Waimana, a Tuhoe rohe, was preceded by several years of intensive pest control to ensure the birds have good habitat to live in.

The translocation included a new technique in kokako conservation – the use of acoustic anchoring. Recordings of kokako song were played in the new environment to simulate a kokako community, a method that is likely to be less stressful than holding birds in aviaries before releasing them to their new home.

Ongoing monitoring by Nga Whenua Rahui staff show the kokako have established territories and many have paired up for breeding. At least one chick born in Ngapukeariki has fledged.



The Ben Avon Wetlands in the Ahuriri Conservation Park.

Photograph: DOC.

CASE STUDY

Ecosystem services

Two studies in the last year highlight the often overlooked benefits of land reform processes in the South Island high country – the value of water at Te Papanui Conservation Park in Otago, and recreation opportunities at Ahuriri Conservation Park, South Canterbury’s former Birchwood Station.

Of the 284 visitors to Ahuriri Conservation Park who filled and returned visitor satisfaction questionnaires last summer, 98% said they were highly satisfied with their visitor experience. Tramping was the main reason for visiting the 45,000 hectare area, followed by trout fishing, mountainbiking, sightseeing and hunting. These services, provided for free by the ecosystem, were previously unavailable to the general public, and are among the benefits acquired by the Nature Heritage Fund on behalf of the Crown.

A study by Christchurch economists, Butcher Partners, published in June 2006, showed a \$136 million value for the freshwater provided by Te Papanui Conservation Park. This would be what the Dunedin City Council, Taieri Valley farmers, and Otago hydro generators would have to pay as a one-off cost if the catchment dried up and they had to get the water from elsewhere. While users do not have to pay for the park’s water, it clearly has an enormous economic value.



Upper Ahuriri Valley in the Ahuriri Conservation Park.

Photographer: D Tomlinson.

ENCOURAGING OTHERS THROUGH ADVOCACY

In keeping with our Strategic Direction, to seek to entrench conservation as an essential part of the sustainable and economic future of New Zealand, we work to include conservation elements in the planning and consent processes run by other agencies.

We also participate in local authorities' preparation of plans by providing relevant information on their region or district's natural resources so that plan provisions can be developed that appropriately manage habitats and significant species. The Department also makes submissions on plan changes and notified plans about matters we have statutory responsibility for. When development proposals are put forward this helps make sure planning documents contain appropriate provisions to allow the assessment of any effects on natural resources. Where appeals are made, the majority are resolved by mediation, avoiding the need for parties to present cases before the Environment Court.

Currently, a register of Environment Court cases is maintained and conservancies record the work they do. During 2005/06, we began to develop a database prototype to track the progress of our Resource Management Act work, including work on regional and district plans. The database will be tested, and, subject to funding, improved to capture a wide range of information on the issues that we raise in submissions, actions taken and a broad indication of whether we are successful. The database will also track the number of resource consent applications and development proposals that we provide our views on. Refinement of the prototype could provide information on proposals and plans that are amended as a result of our input.

INTERMEDIATE OUTCOME INDICATOR

- The impact of the Department's efforts to encourage or require others to protect places and species.

This indicator looks for a sense of the sway we have in encouraging or requiring others to protect places and native species.

One way we do this is by influencing the inclusion of conservation elements in the planning and consent processes run by local government (regional councils and unitary authorities, and city and district councils). Our advocacy seeks to protect public resources (air, land, freshwater, coastal marine areas, the habitats of native wildlife and ecosystems).

Most of our effort goes into pre-application discussions about development proposals rather than the formal process of submissions. This is more effective and efficient as pre-application discussions on resource consents often mean our concerns are met without the need for an application to be notified. The Department has been successful in this work, but it has been difficult to track and quantify.

Statement of Service Performance – 2005/06: Management of Natural Heritage

The Output Class operating figures for Natural Heritage Management are provided in the Biosecurity section as these outputs and budgets were merged in 2005/06.

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED ⁴
FIRE CONTROL	
The Department will maintain 13 annual fire plans that meet National Rural Fire Authority standards.	<p>In June 2005, amendments to legislation revoked the need for conservancies to have individual fire plans. It was replaced with the requirement for one national fire plan under which conservancies not covered by a Rural Fire Authority are required to have in place a response/action fire plan.</p> <p>All 11 conservancies affected have a response/action plan in place.</p> <p>The remaining two conservancies lie entirely within a Rural Fire District and are covered by the Fire Plan of the Rural Fire District.</p>
POSSUM CONTROL	
295,000 hectares of land will receive treatment this year for possums.	301,853 hectares of land received treatment this year for possums.
1,051,000 hectares of land will be under sustained control for possums.	1,068,840 hectares of land was under sustained control for possums.
128 possum control operations will be undertaken (with 90% of operations meeting their targets for operational success).	<p>118 operations were undertaken this year.</p> <p>108 of the 118 operations run met their targets for operational success (92% of operations undertaken).</p> <p>10 operations originally planned were not run due to difficulties in sourcing suitable contractors, reprioritisation of sites or unsuitable weather conditions.</p>

⁴ The Department considers performance to be achieved when it is within a reasonable tolerance acceptable for the nature of the operation. For field operations this is generally within plus or minus 5% of the projected performance.

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED
DEER CONTROL	
346,000 hectares of land will receive treatment this year for deer.	348,369 hectares of land received treatment this year for deer.
642,000 hectares of land will be under sustained control for deer.	650,456 hectares of land was under sustained control for deer.
GOAT CONTROL	
1,413,000 hectares of land will receive treatment this year for goats.	1,414,044 hectares of land received treatment this year for goats.
2,577,000 hectares of land will be under sustained control for goats.	2,421,757 hectares of land was under sustained control for goats at year-end. Although slightly behind the projected performance, the area under sustained management is an overall increase of 683,757 hectares on the 1,738,000 hectares under sustained management last year.
CONTROL OF OTHER TERRESTRIAL ANIMAL PESTS	
30 pest control operations will be undertaken against other terrestrial pests.	32 pest control operations were undertaken against other terrestrial pests.
AQUATIC ANIMAL PEST CONTROL	
15 aquatic animal pest eradication operations will be undertaken in treatable sites.	10 aquatic animal pest eradication operations were undertaken in treatable sites. Four sites planned for 2005/06 were able to be undertaken in late May and June of 2004. One site planned for eradication was closed by Biosecurity New Zealand so was unavailable for pest fish operations.

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED
WEED CONTROL (INCLUDING AQUATIC WEEDS)	
106 weed control work plans will be completed using a weed-led approach.	98 weed control work plans were completed using a weed-led approach.
339,000 hectares of land will receive treatment this year for weeds using a site-led approach.	450,180 hectares of land received treatment this year for weeds using a site-led approach. Most of the over achievement was due to wilding pine work in relation to the proposed Oteake Conservation Park in Central Otago. Agreement was reached during the year for both the Department and neighbouring landowners to contribute financially to this work to prevent reinfestation.
1,041,000 hectares of land will be under sustained weed control using a site-led approach.	1,255,828 hectares of land was under sustained weed control using a site-led approach. A substantial part of the over achievement was due to wilding pine work undertaken in Otago on private land, and on additional land received as a result of tenure review.
NATURAL HERITAGE RESTORATION	
39 restoration programmes will be undertaken.	45 restoration programmes were undertaken.
90% of restoration programmes undertaken will meet the criteria for success set out in the programme plan.	100% of restoration programmes undertaken met their criteria for success set out in the programme plan.
82 island biodiversity programmes will be in place for pest-free islands.	84 island biodiversity programmes were in place for pest-free islands.
79 island biodiversity programmes will maintain a pest-free status.	84 island biodiversity programmes maintained a pest-free status.

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED
PROTECTING MARINE ENVIRONMENTS - Species Management	
<p>154 “acutely threatened” species or subspecies will have improved security for one or more populations as a result of active species conservation programmes.</p>	<p>155 “acutely threatened” species or subspecies had improved security for one or more populations as a result of active species conservation programmes.</p>
<p>49 “chronically threatened” species or subspecies will have improved security for one or more populations as a result of active species conservation programmes.</p>	<p>43 “chronically threatened” species or subspecies had improved security for one or more populations as a result of active species conservation programmes.</p> <p>A number of factors influenced the result, including the impact of dry weather on a fish transfer, and field surveys not being able to locate the species involved.</p>
<p>14 “at risk” species or subspecies will have improved security for one or more populations as a result of active species conservation programmes.</p>	<p>14 “at risk” species or subspecies had improved security for one or more populations as a result of active species conservation programmes.</p>
<p>The Department will have achieved improved understanding of status and threats for 206 “acutely threatened” species or subspecies through survey monitoring and research.</p>	<p>The Department achieved improved understanding of status and threats for 189 “acutely threatened” species or subspecies through survey monitoring and research.</p> <p>Several factors influenced this result, including reclassification of species, loss of key specialist staff, and unfavourable field conditions, an important consideration in fieldwork of this type.</p>
<p>The Department will have achieved improved understanding of status and threats for 67 “chronically threatened” species or subspecies through survey monitoring and research.</p>	<p>The Department achieved improved understanding of status and threats for 63 “chronically threatened” species or subspecies through survey monitoring and research.</p> <p>Factors influencing this result included availability of suitable contractors, and access issues to private land.</p>

PROJECTED PERFORMANCE

The Department will have achieved improved understanding of status and threats for 31 “at risk” species or subspecies through survey monitoring and research.

The Department works with the commercial fishing industry and other stakeholders to develop and report on an annual programme of scientific investigation into the effects, and mitigation of the effects, of commercial fishing activity on protected marine species. Activities within this agreed Conservation Services Programme will be reported on against the agreed milestones and criteria within the programme at year-end.

PERFORMANCE ACHIEVED

The Department achieved improved understanding of status and threats for 29 “at risk” species or subspecies through survey monitoring and research.

Factors influencing this result included unfavourable field conditions for the required field survey work.

The annual programme of scientific investigation into the effects, and mitigation of the effects, of commercial fishing involved a number of projects over the year. These are broadly split into three programmes: the fishing interactions, population studies, and mitigation research programmes.

In the fishing interactions area, the inshore and offshore fisheries field observation phase is under way, and the seabird autopsy project has begun.

In the population studies area, the sea lion fieldwork has been completed and is at the reporting stage. The white-capped albatross fieldwork on Auckland Islands has been completed, and contract discussions are under way. The black petrel project is near to completion with one field trip to be completed before the reporting stage. All projects were due to be reported back to the Technical Working Group at the time of reporting.

In the Mitigation Research area, the offal management in trawl fisheries was at the experimental protocol development stage involving industry, non-government organisations and Ministry of Fisheries representatives. The offal management in long-line fisheries project was pending, awaiting the outcome of trials in the trawl fisheries.

The mitigation in trawl fisheries programme was at a data analysis stage, with the fieldwork in the squid fishery completed.

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED
LEGAL PROTECTION OF AREAS AND SITES	
<p>4600 hectares of marine protected areas considered/approved by the Minister of Conservation, including selected inshore coastal sites in Northland, Taranaki, and South Otago.</p>	<p>The Minister of Conservation has approved the Tapuae (Taranaki) application and is seeking concurrence from the Minister of Fisheries for this application. This application covers 1423 hectares.</p> <p>Sites in Otago (Nugget Point - Tokata, 575 hectares) and Northland (Mimiwhangata - no area formally notified) have been subsumed into the Marine Protected Areas Policy and Implementation Plan announced by Ministers in January 2006.</p>
<p>54,500 hectares of marine protected areas considered/approved by concurrence of Ministers, including sites in Whangarei Harbour, the outer Hauraki Gulf, Bay of Plenty, Taranaki and Wellington South Coast.</p>	<p>55,209 hectares of marine protected areas were considered/approved by concurrence of Ministers as follows:</p> <p>Horoirangi (Nelson) - 904 hectares. Concurrence achieved and the marine reserve gazetted and officially opened on 27 January 2006.</p> <p>Parininihi (North Island West Coast) - 1759 hectares. Concurrence announced 4 December 2005; gazette action under way.</p> <p>Te Paepae Aotea (Volkner Rocks, Bay of Plenty) - 1267 hectares. Concurrence announced 4 December 2005; gazette action under way.</p> <p>Whangarei Harbour sites (Whangarei) - 210 hectares. Concurrence achieved; gazette action under way.</p> <p>Aotea (Great Barrier Island) - 50,100 hectares. Concurrence has been received from the Minister of Transport and sought from the Minister of Fisheries.</p> <p>Taputeranga (Wellington South Coast) - 969 hectares. Concurrence has been sought from the Minister of Fisheries.</p>

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED
PROTECTING LAND ENVIRONMENTS	
<p>71,450 hectares of terrestrial area legally protected during the year.</p>	<p>9406 hectares of terrestrial area was legally protected during the year.</p> <p>Initial projected performance was based on successful conclusion of tenure review negotiations, survey and settlement. These processes in both Otago and Canterbury had not concluded at the time of reporting. The combined area affected is approximately 63,000 hectares.</p>
RESOURCE MANAGEMENT ACT 1991 ADVOCACY AND COASTAL PLANNING SERVICES	
<p>1500 consultative processes, including formal and pre-hearing meetings.</p>	<p>The Department was involved in 1396 consultative processes, including formal and pre-hearing meetings.</p> <p>Achievement in this area is driven by external processes and timelines which make it difficult to predict and achieve accurate targets.</p>
<p>60 submissions on draft policy statements and plans.</p>	<p>The Department was involved in 48 submissions on draft policy statements and plans.</p> <p>Achievement in this area is driven by external processes and timelines which make it difficult to predict and achieve accurate targets.</p>
<p>190 submissions on applications for resource consent.</p>	<p>The Department was involved in 157 submissions on applications for resource consent.</p> <p>Achievement in this area is driven by external processes and timelines which make it difficult to predict and achieve accurate targets.</p>

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED
RESOURCE MANAGEMENT ACT 1991 ADVOCACY AND COASTAL PLANNING SERVICES	
<p>1100 applications for resource consent agreed without public notice (section 94).</p>	<p>The Department was involved in 999 applications for resource consent agreed without public notice (section 94).</p> <p>Achievement in this area is driven by external processes and timelines which make it difficult to predict and achieve accurate targets.</p>
<p>25 court or legal actions where other processes have failed.</p>	<p>The Department was involved in 27 court or legal actions where other processes have failed.</p>

Biosecurity

IN BRIEF

- Following a major re-organisation of New Zealand's biosecurity system the Department supports the lead agency, Biosecurity New Zealand.
- While the Ministry of Agriculture and Forestry is accountable for managing the biosecurity system, the Department retains responsibility for pests under the Wild Animal Control Act 1977, and for freshwater pest fish.
- The Department has provided advice and operational support to Biosecurity New Zealand on its first major freshwater incursion - *Didymosphenia geminata* or didymo.

Putting effort into biosecurity is critical for New Zealand. For millions of years, geographic isolation meant our native animals, plants and ecosystems have not had to deal with species invading from beyond these shores, particularly those assisted by humans. Today they do, and we are realising just how vulnerable they are to this invasion.

The adoption of the New Zealand Biosecurity Strategy in 2003 has meant that risks to our native plants and animals are now explicitly considered in pre-border and post-border biosecurity.



Gambusia (the mosquito fish) has been removed from four of five treated sites in Nelson Marlborough Conservancy.

Photograph: DOC.

What we achieved in 2005/06

The outcome we aim to achieve is that New Zealand's natural and historic heritage is protected and restored.

To show whether our biosecurity work is on track toward this high-level outcome, the Department is reporting on one intermediate outcome indicator from the Statement of Intent.

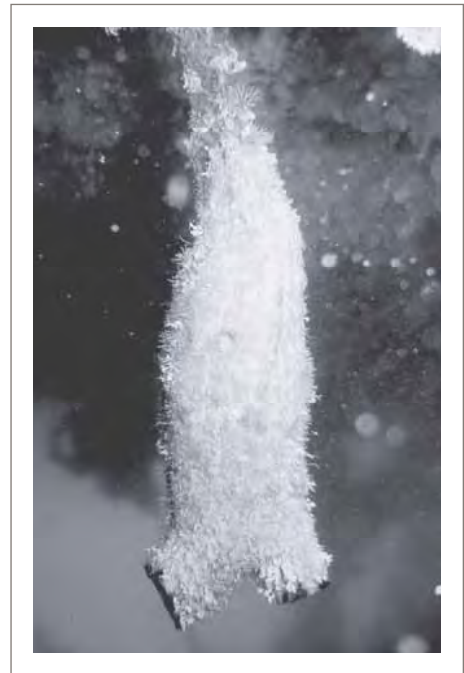
TECHNICAL ADVICE AND SUPPORT

INTERMEDIATE OUTCOME INDICATOR

- Increase in biosecurity and/or pest management response by Biosecurity New Zealand to incursions/pests adversely affecting conservation values as a direct response to the Department's biosecurity advice and advocacy.

During 2005/06, we provided significant technical advice and policy support to Biosecurity New Zealand for eight new major incursions and two ongoing incursions. In the case of the didymo response, the Department also provided significant operational support, and this is ongoing.

All policy and technical advice we provided on potential risks to conservation and incursion response activities was considered by Biosecurity New Zealand, and often resulted in modified response actions which improved the ongoing management of these risks. The Department also provided the Ministry of Agriculture and Forestry with information about our pest management activities, to support its new biosecurity oversight role.



Styela clava (a sea squirt), an exotic marine invader, was first detected in New Zealand in August 2005.

Photograph: Cawthron Institute.

Other information we provided included pre-border advice, policy advice to clarify roles and responsibilities for pest management, support for the review of the National Pest Plant Accord and input as an end-user into government-funded biosecurity research programmes. We also contributed significantly to the development of the New Zealand Biosecurity Science Strategy.

Our stories

WORKING TOGETHER TO REVIEW THE NATIONAL PEST PLANT ACCORD

The National Pest Plant Accord allows central and local government to work collectively with a range of industry stakeholders to prevent the sale, propagation or distribution of plants listed on the Accord, using the unwanted organism powers under the Biosecurity Act 1993.

The Department is one of the parties to the Accord, along with Biosecurity New Zealand, regional councils and the Nursery and Garden Industry Association. Regional councils carry out surveillance and enforcement to prevent the commercial sale and/or distribution of listed plants.

During 2005/06, the Department had significant involvement in revising the Accord list. Technical weed specialists based in conservancies identified potential pest species to add to the list; and the Department was represented on both the independent technical advisory group and the steering committee, which provides oversight of, and support for, any decisions.

Of the 34 species put forward by the Department, 26 were successfully included on the updated Accord which will be publicly launched in September 2006. For the remaining eight species, the Chief Technical Officer – Conservation (CTO) still has powers to declare them unwanted organisms if this is required to facilitate the Department's pest management work. A number of species have been removed from the Accord, including some that the Department's CTO declared. These will retain their unwanted organism status if still warranted.

Updated identification booklets are being produced and will be used by Area Offices to help raise the public's awareness of pest plants.



The National Pest Plant Accord lists plants that should not be sold, propagated or distributed.

CASE STUDY

Managing didymo in the long term

Late in 2004, routine surveys in the lower Waiau River noted an unusual algal growth. The organism turned out to be the exotic alga *Didymosphenia geminata* (didymo or rock snot) and its presence has led to one of the most significant national incursion responses in New Zealand's biosecurity history.

One of the more spectacular finds, grabbing the public's attention, is on the Mararoa River. Images of vast mats of dense didymo clearly highlighted the aesthetic changes the organism can have on our pristine river systems. However, of more serious concern is the impact didymo can have on native plants and animals. A number of highly threatened native species, including galaxiids, the whio (blue duck) and black stilt, inhabit areas where it could become established, or already has. The dense mats are likely to change the composition of insect populations and alter the availability of spawning grounds for both our native fish, and for trout.

The Department has been involved in this incursion from day one. Freshwater technical specialists sit on the technical advisory group, conservancy-based staff have assisted with delimiting surveys and raising public awareness, and concession staff are looking at special conditions for at-risk concessionaires. The flow-on effects to the Department's business have been considerable.

Canterbury Conservancy has led the way in developing a management plan to reduce the risk of spreading didymo through daily operations. Every field vehicle is now fitted with decontamination supplies and staff plan their work to reduce the risk of spread. Our fire control operations in the South Island now include stringent cleaning procedures for fire equipment.

The need to protect high value areas has seen the Department proactively use its own legislation. Two examples are stopping access to the water of Waikoropupu Springs, in Golden Bay, and requiring special permits for anyone fishing in the Fiordland National Park.

The didymo response is now moving into the pest management realm. Biosecurity New Zealand will lead the development of a whole-of-government long-term management programme to bring together all agencies with a stake in the freshwater environment. The Department will continue to be a significant player.



The exotic alga, *Didymosphenia geminata*, forms vast dense mats.
Photograph: Environment Southland.

Statement of Service Performance – 2005/06: Biosecurity Policy Advice

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED ⁵
POLICY, TECHNICAL ADVICE AND ADVOCACY	
Policy and technical advice and advocacy will be provided in accordance with the work programme and to the quality standards agreed with Ministers.	Policy and technical advice and advocacy was provided in accordance with the work programme and to the quality standards agreed with Ministers.

Statement of Service Performance – 2005/06: Crown Pest/Weed Exacerbator Costs

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED
CROWN PEST/WEED EXACERBATOR COSTS	
Programmes of Crown exacerbator weed and pest control completed as agreed for the 17 regional pest management strategies.	Programmes of Crown Exacerbator weed and pest control completed as agreed for 16 of the 17 regional pest management strategies. Negotiated agreement for one of the strategies was not achieved until after the close-off of the funding round. No work was carried out in that region in the 2005–2006 year.

⁵ The Department considers performance to be achieved when it is within a reasonable tolerance acceptable for the nature of the operation. For field operations this is generally within plus or minus 5% of the projected performance.

Statement of Service Performance – 2005/06: Specific Pest and Disease Responses

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED
SPECIFIC PEST AND DISEASE RESPONSES	
Technical and policy advice and support will be delivered in accordance with the programme agreed with the Minister of Biosecurity and the Ministry of Agriculture and Forestry.	The Department provided policy and technical advice in accordance with the programme agreed with the Minister of Biosecurity and the Ministry of Agriculture and Forestry. This included advice on reptiles in the lead-up towards unwanted organism declaration and interim management.

OUTPUT CLASS OPERATING STATEMENT: MANAGEMENT OF NATURAL HERITAGE

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUALS \$000
Revenue				
- Crown	116,525	121,314	116,526	107,756
- Other	4,981	2,791	6,129	4,454
Total Revenue	121,506	124,105	122,655	112,210
Expenses	121,459	124,105	122,655	112,144
Surplus/ (deficit)	47	0	0	66

Actual and budget revenue and expenses for the year to 30 June 2006 for Natural Heritage and Biosecurity are included in this table. In the year to 30 June 2005, for Biosecurity, Revenue Crown was \$2.829 million and Expenses were \$2.647 million.

Conserving Historic Heritage

IN BRIEF

- Of 12,000 historic sites on public conservation land, 656 have priority for active management.
- High costs mean the condition of 1242 actively-managed historic assets is currently deteriorating, rather than being stable or improving.
- Repairs to micro-cracks on the Bridge to Nowhere were completed, 12 years after first being assessed by engineers. Over that time, the cost of the job increased from an estimated \$12,000 to \$82,000.



Former Cross Creek residents, Hugh Mackenzie from Wanganui, (left) and Ron Eustace, from Perth, Australia, with one of the new interpretation panels on the Rimutaka Rail Trail.

*Photographer:
Sue Galbraith, DOC.*

New Zealand's human history, while relatively young, is still important to our understanding of ourselves as a people and a nation.

The tangible reminders of our history are scattered across the landscape; the Department is responsible for 12,000 historic sites on the land we manage. We also work alongside other agencies, to get legal protection for heritage values – through the Reserves Act 1977, for instance.

The earliest human traces on lands administered by the Department are mostly land features, such as pa sites and food storage pits. More recent sites frequently include materials, such as wood or steel, which are susceptible to rapid deterioration when not maintained.

We are very conscious of the responsibility to the future which those 12,000 historic sites represent. While many of the subsurface archaeological sites do not need active management beyond avoiding human harm, there are a number of sites that merit special attention because of their importance to the story of New Zealand's human history and their vulnerability to deterioration.

During this past year, our focus was on gathering baseline data to measure trends in the state of historic assets.

What we achieved in 2005/06

The high-level protection outcome we aim to achieve is that New Zealand's natural and historic heritage is protected and restored.

For its work with historic heritage, the Department has one intermediate appreciation outcome to show the steps we need to take to achieve the high-level goal - that:

- A representative range of historic and cultural heritage is protected, restored and interpreted.

To mark our progress and find out whether we are on track with our historic heritage work, we plan to report on three intermediate outcome indicators.

INTERMEDIATE OUTCOME INDICATORS

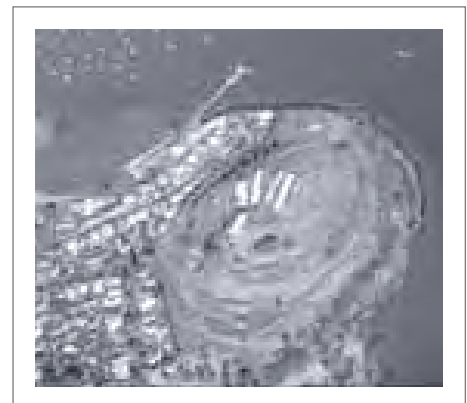
- Change in percentage of historic assets in "improving", "stable" and "degrading" categories.
- Change in the number of historic sites that meet International Council on Monuments and Sites (ICOMOS) standards.
- Change in the number of sites for which key history has been safeguarded.

Trends in the condition of actively-managed historic assets and sites are being measured to show the gains in the conservation of New Zealand's historic heritage. Work in 2005/06 focused on producing a baseline against which future trends can be determined. The data collected to 30 June 2006 needs consolidating into tighter categories before it can be used as the basis for long-term outcome reporting. It is anticipated this data sorting task can be completed by October 2006.



The Woodstock Tunnel, part of a circuit route in the lower Waitawheta Gorge, was formally opened in April 2006.

Photograph: DOC.



Historic North Head's complex of tunnels, gun emplacements and other fortifications date back to the late 1880s and early 1900s. It is the most visited departmental reserve in the country.

Photographer: Kevin Jones, DOC.

Our stories

SETTING PRIORITIES WITH THE COMMUNITY

Over the last decade, conservancies have worked with their local communities to identify sites on conservation land which are of greatest importance for New Zealand's history. From this work conservation strategies have been constructed, and a total of 656 sites identified for active management. Each of these sites has a link to the communities, landscapes and times from which New Zealand has developed.

Decisions about spending priorities among these 656 sites are based on four factors: their historic importance, their condition and urgency of remedial action, their accessibility to New Zealanders to learn about and enjoy their heritage, and the quality of the visitor experience.

Our 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.

Of growing importance has been linking heritage restoration work with opportunities to enhance the visitor experience. This provides for people who visit these places to get a greater sense of their cultural identity through an understanding of the many events and influences that have shaped our culture. The work programme at Ruapekapeka Pa in Northland is a good example of this.

Management priorities are also influenced by an historic site's potential to contribute to tourism growth. Recent research by the Ministry of Tourism into cultural tourism potential gives a valuable steer on priority setting for this work, which will in turn help to strengthen regional economies and better connect people with their heritage.

PROGRESS THIS YEAR

Examples of significant progress this year include:

- Completing restoration of the North Head Barracks building (built in 1884) in Auckland.
- Restoring the transformer building (built in 1908) on the Victoria Battery Historic Reserve near Waihi.
- Stabilising the Karangahake Eastern Portal bridge (built in 1905) and restoring the Waikino railway station (1895) on the Karangahake rail trail.
- Restoring two historic slab huts in Urewera National Park - Te Waiotukapiti (built in 1947) and Te Totara (built in 1948).
- Beginning interpretation of Otatara Pa near Hastings, one of the largest pa sites in New Zealand.
- Completing phase one of the restoration work on the Ohakune Coach Road (built in 1906), which involved new fencing and managing vegetation.
- Beginning a major upgrade of facilities and interpretation at Ship Cove Historic Reserve in Queen Charlotte Sound, which was visited by James Cook in 1769.
- Opening the first section of the Little River rail trail near Christchurch.

The costs of maintaining heritage sites vary considerably - most archaeological sites are at the lower end, while buildings are at the higher end. This means the number of new sites where we can begin restoration and maintenance work each year is as few as 5-10. At this rate, a number of priority sites that need active management will continue to deteriorate.

Deterioration of sites and structures is ongoing and costs can increase significantly between their assessment and when restoration work actually begins. Costs can also be difficult to predict, as anyone involved with renovations on an old house will understand. We continue to get 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 issues we face with the 1242 actively-managed assets whose condition is currently deteriorating, rather than being considered as stable or improving. In 1994, engineering consultants estimated repairs to micro-cracks on the bridge at \$12,000. The bridge is a key tourism destination in Whanganui National Park, and a well-known symbol of the park. The stabilisation work was finally done this past year, thanks to the Government's historic heritage funding package. However, because of increased deterioration between 1994 and 2006, the cost had risen to \$82,000.

The Department is extending its existing asset management system to provide a cost-effective method to improve accountability for managing the 12,000 protected 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 outcomes will be a more precise location of sites, and implementation of a cyclical condition monitoring programme.



The Prime Minister, Helen Clark, at the official opening of the Woodstock Tunnel Loop Walk.

Photograph: DOC.

Progress was made on a number of initiatives related to identifying and protecting a representative range of sites that reflect the themes of New Zealand history. A thematic gateway was developed for the historic heritage section of the Department's web site. A research report examined international best practice methodology for using thematic frameworks and their relevance to New Zealand. A process was run with an independent advisory group to identify New Zealand's candidate world heritage cultural sites. And, with the Ministry for Culture and Heritage and the New Zealand Historic Places Trust, we began developing the theme of "national identity" as a basis for progressing some key work.

CASE STUDY

Woodstock Tunnel Loop Walk

The Prime Minister officially opened the Woodstock Tunnel Loop Walk in April 2006. This project receives avid community support. When fully completed, the walk will be one of New Zealand's top historic heritage visitor experiences.

The opening was the culmination of considerable work and planning throughout the 1990s to capitalise on the rich legacy the Karangahake mines provide. Over the last four years, working with the Hauraki District Council, the Department developed the Karangahake Reserve carpark, refurbished the former pipeline bridge across the Ohinemuri River, upgraded the two main historic access routes (the Crown and Woodstock tramways), and laid hundreds of metres of new track and stairways on the Talisman battery site. Visitors to the site increased tenfold as a result.

The Crown Tramway.
Photograph: DOC.



Work in progress on the Waitawheta Track.
Photograph: DOC.

During the past year the focus turned to the Woodstock Tunnel project. A circuit route in the lower Waitawheta Gorge was created by using the Crown and Woodstock tramways, extending the Woodstock Mining Company's "windows tunnel" by 70 metres, and adding a new staircase. The "windows tunnel" was created when miners cut portals in the cliff face to dump waste rock into the gorge below, allowing light in to illuminate the tunnel and provide views up and down the gorge.

The next stage, beginning in 2006, is to provide safe access into the Woodstock underground pumphouse. This huge underground chamber, complete with pumping equipment and lift shaft, is believed to be a unique mining structure.

CASE STUDY

Historic Round Hill, Colac Bay

In the 1800s, Round Hill, in Southland, was the southern-most Chinese settlement in the world. Initially the scene of extensive gold mining, it later became a significant sawmilling operation. Located at the southern end of Longwoods Forest, it will soon be more accessible to the public thanks to the local community and the Department.

Much of Round Hill's heritage and artefacts had been buried in the forest by vegetation, including the 32-kilometre Ports Water Race, built to meet early gold miners' sluicing requirements. A local community group formed a Southland branch of the Te Araroa Trust (the trust is developing a pathway running the length of New Zealand), and lobbied the Department for help to create a walkway to showcase Round Hill as part of this pathway.

Work on stage one of the track began in November 2005. Over four days, 12 City Care employees from Christchurch cut a 1500-metre track through the bush, laid it with gravel, and put in bridges and structures to take day walkers to the Ports Water Race dam. The track meets the "Day Visitor" standard and showcases a number of historic sites along the way.

Stage two, developing a loop track, was completed in April 2006. The trust's long-term plans are to establish a track at "Tramping" standard, running the length of the water race. While the track will not belong to the Department, we are actively involved in the project as the route passes through public conservation land.



Hydraulic mining pipeline, Round Hill.
Photographer: Brian Murphy, DOC.

Statement of Service Performance – 2005/06: Management of Historic Heritage

PROJECTED PERFORMANCE	PERFORMANCE ACHIEVED ⁶
LEGAL PROTECTION	
3 historic sites where legal protection will be achieved.	Two historic sites were legally protected during the year. One site in Auckland did not achieve legal protection as the documentation was not signed off by the controlling authority by the end of the reporting period.
RESTORATION	
13 historic heritage assets for which remedial work is completed to standard.	21 historic heritage assets received remedial work to standard during the year. Refinement of the definition of remedial work continued this year and has meant the achievement is higher than originally anticipated.
250 historic heritage assets for which regular maintenance work is on track to standard.	366 historic heritage assets had regular maintenance work on track to standard during the year. As with the remedial work programme, there has been a refinement of the definition of regular maintenance work during the year. This has resulted in an increase in the number of assets for which a regular maintenance programme is considered to be on track.
36 heritage inventories completed to standard.	39 heritage inventories were completed to standard.

⁶ The Department considers performance to be achieved when it is within a reasonable tolerance acceptable for the nature of the operation. For field operations this is generally within plus or minus 5% of the projected performance.

OUTPUT CLASS OPERATING STATEMENT: MANAGEMENT OF HISTORIC HERITAGE

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUALS \$000
Revenue				
- Crown	5,207	5,376	5,210	5,133
- Other	171	469	273	205
Total Revenue	5,378	5,845	5,483	5,338
Expenses	5,142	5,845	5,483	5,255
Surplus/ (deficit)	236	0	0	83

Everybody's business

The Routeburn Great Walk is part of more than 12,600 kilometres of walking track managed by the Department of Conservation.

Photographer: Rob Suisted.



Our Work for Conservation: Appreciation

Riders in Poolburn Gorge on the Otago Rail Trail.

Photographer: Matthew Sole.



Recreation

IN BRIEF

- One in 10 New Zealand jobs are based on tourism, especially nature-based tourism, which means the visitor facilities and assets we manage are increasingly vital to New Zealand's economy.
- We are working with the tourism industry to develop resources for concessionaires that promote conservation awareness and understanding.
- With the Ministry of Tourism, we are developing methodologies to monitor visitor impacts.
- This year's visitor survey repeats the 2004/05 high score - once again 95% of visitors are satisfied with their time in conservation areas.



Entrants in the Southern Traverse approach a hut on the Lammerlaw Range, Otago.

Photographer: Jeff McEwan.

What we achieved in 2005/06

The high-level appreciation outcome we aim to achieve is that people enjoy and benefit from New Zealand's natural and historic heritage and are connected with conservation.

For our recreation work, the Department has two intermediate outcomes to show the steps we need to take toward achieving that goal. They are that:

- Appropriate business opportunities are allowed.
- A range of quality recreation opportunities is available.

To find out whether we are on track, this section of the 2005/06 Annual Report includes feedback on two intermediate outcome indicators.



Glacier Explorers, a concessionaire, introduces tourists to Tasman Glacier, in Mount Cook National Park.

Photographer: M Heatt.

Our stories

CONSERVATION'S ECONOMIC CONTRIBUTION

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

Tourism is the country's largest foreign exchange earner, representing one in 10 jobs. Within this, nature-based tourism is a growth area, and a significant portion relies on access to public conservation areas and protected wildlife. The work of the Department is therefore critical in supporting sustainable development.

Day visitors represent 90% of all visits to conservation areas, and there is high demand for facilities, services and information to support them. Protected areas are no longer the sole domain of mountain climbers and trampers. Visitor numbers to public conservation areas continue to increase, and the activities they undertake and the time they stay is changing. 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.

CONSERVATION AND TOURISM WORKING TOGETHER

INTERMEDIATE OUTCOME INDICATOR

- Change over time in number of significant adverse effects that stem from business concession activities.

This year, the Department continued to take a stronger role within the tourism sector. As with 2004/05, the focus was to better manage the effects of tourism, and pursue opportunities that come from conservation and tourism working together.



A family enjoys a picnic at Pelorus Bridge Scenic Reserve, Marlborough.

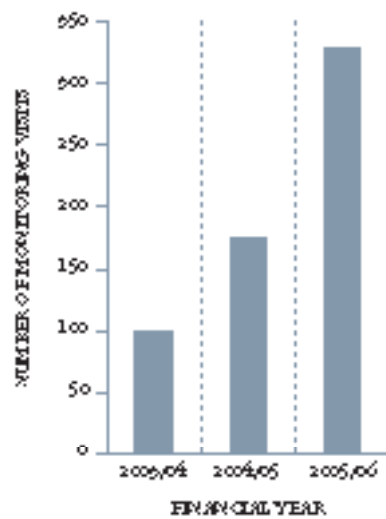
Photographer: Diana Parr, DOC.

The Department has continued to improve its concession system to meet current and future challenges. For example, two new application processes have been introduced to streamline the processing of low impact concession applications, reducing compliance costs to the private sector and freeing up resources to allow us to better plan for, monitor and manage concession activities. Work has also been initiated on more sophisticated mechanisms to allocate resource rights in situations where demand exceeds supply.

The challenge remains for the Department to continue to improve its planning systems and processes. To ensure that tourism activities are sustainable, it is vital that our planning function adopts a style more focused on “outcomes at place”, and engages early with tourism operators when preparing management plans that affect people’s livelihoods.

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 land supports visitors’ appreciation of New Zealand’s natural wonders without impacting adversely on conservation values or the quality of the visitor experience. For example, in association with the Ministry of Tourism, the Department is developing methodologies to monitor visitor impacts. Complete, or nearly complete, are photopoint monitoring, and track, campsite and social monitoring for crowding and conflict. The Conservation and Tourism Industry Forum is also continuing to share information and work on joint initiatives.

TOURISM CONCESSION MONITORING



Monitoring concession activity is vital if the Department is to ensure areas remain protected and the quality of the visitor experience remains high. This year, monitoring visits were carried out for 329 concession recreation and tourism activities, a considerable increase on the previous two years; 170 in 2004/05 and 102 in 2003/04 (see graph). Much of the improvement, including having rangers in the field monitoring concessions for illegal operations, happened in the Otago, Southland and Northland conservancies.

We have continued development of an interpretation resource kit for the 1500 holders of tourism or marine mammal watching concessions. This kit will be released early in the 2006/07 financial year. It recognises that accurate and authentic information, delivered by 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. The completion and development of the Fiordland and Abel Tasman national park management plans, the decline of the Hokitika Airwalks application, and the consideration of the Tuatara Māori Ltd application for access to Takapourewa (Stephens Island), are just a few examples. The new national park management plans address adverse effects that were emerging in both Fiordland and Abel Tasman. Commercial pressures also place considerable demands on resources (staff, planning and concession processes), and test our relationships with local communities. 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.

At the same time, concession activities can have considerable economic benefits for rural communities, proving that conservation areas are far from “locked up”.

The Department’s sponsorship of a new tourism award (presented in August 2006) recognises operators who demonstrate interpretative excellence as part of their nature-based tourism business. This illustrates how the Department and the industry can work through challenges to ensure the natural environment is not adversely impacted upon, and the quality of the visitor experience remains high for New Zealanders and overseas visitors alike.

CHALLENGES IN PROVIDING A RANGE OF OPPORTUNITIES

We provide opportunities for people to enjoy protected areas, and help them do it as safely as possible. The Department manages more than 12,600 kilometres of walking track; 962 huts; 13,441 boardwalks, bridges, staircases, and viewing platforms; more than 2200 kilometres of road; more than 15,000 information panels and signs; 334 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 which tracks every asset - its inspections, maintenance planned and completed, its condition, and the total cost of ownership during its life.

All facilities have to be inspected, documented, and maintained to standards that ensure visitors are safe and receive the level of service appropriate to their needs. In 2002, the Government agreed to a 10-year \$349 million programme of work to replace, upgrade and maintain the assets. Much of the early work has been dealing with deferred maintenance. The additional funds have enabled increased maintenance on tracks and their associated bridges and boardwalks, and an acceleration of capital asset replacement, particularly of huts and roadside facilities for day visitors.

In places where use is increasing, demand has continued to be managed in a number of ways: by upgrading tracks and by building larger huts to accommodate more visitors. In some places, to protect the recreation experience and to ensure that visitors have a quiet and less crowded experience, we have limited use by reducing the size, range and standard of some facilities, and/or used booking systems to limit the number of people. The internet-based visitor booking system for five of the Great Walks (Kepler, Milford, Routeburn, Heaphy and Abel Tasman) was put in place this year. It has made booking and confirming accommodation on these tracks a simple process for anyone who has access to the internet. The system will be expanded over the coming years to include a wider range of Departmental facilities, such as campsites and the other Great Walks.

The Minister of Conservation asked the Department to carry out a comprehensive review of camping opportunities, and research the demand for camping. This review (to be released in September 2006) will provide the basis of a plan for camping opportunities managed by the Department, and inform local and regional councils about the need for camping opportunities in their areas. The summer camping holiday is a special part of our culture; coastal areas in particular are highly cherished by many, and it is important that these opportunities continue to be available for all to enjoy.

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



Tracks such as this one in Ruahine Forest Park, Hawke's Bay, are popular with mountain bikers.

Photographer: Shaun Barnett.

THE PUBLIC'S VIEWS SHAPE THE SYSTEM

The 2002 10-year recreation funding allocation enables 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, and worked with local recreation groups and the wider public throughout New Zealand. We encountered a very high level of interest, with more than 1400 submissions.

The main messages were: New Zealanders are passionate about their recreational 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.

Last year, the Department increased its research effort to better understand visitors, their changing patterns of use and their impacts. We repeated a national on-site visitor survey of people using tracks and huts first carried out in 2004/05. The survey involved more than 4200 visitor interviews and questionnaires at 135 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 visitors' experiences and levels of satisfaction. The case study on page 102 summarises the findings of this year's work.

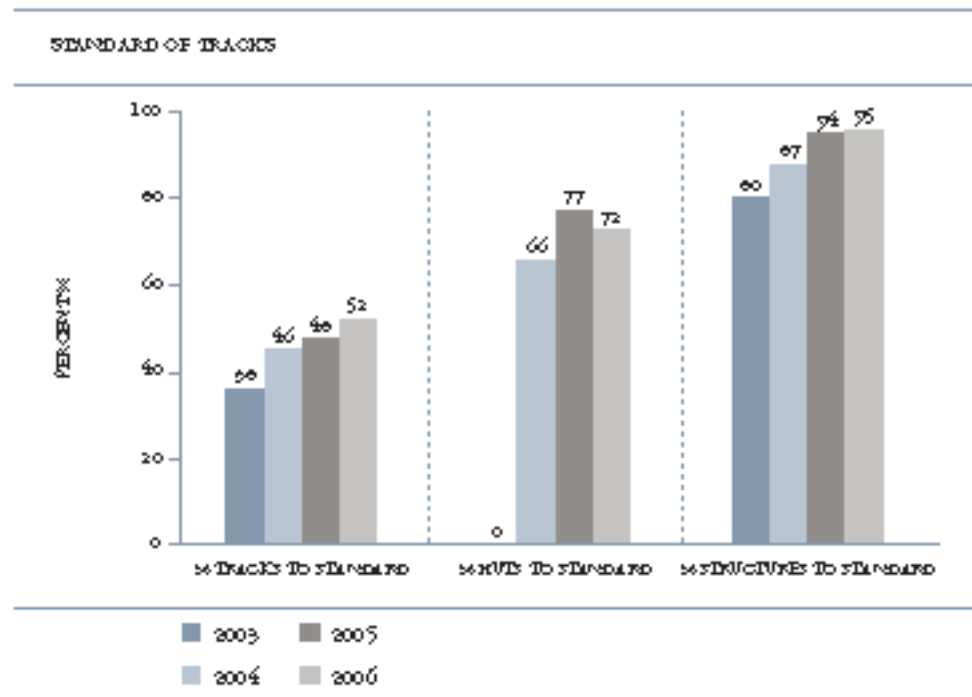
MEETING STANDARDS AND MANAGING RISKS

Last 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 New Zealand Handbook for Tracks and Outdoor Visitor Structures (developed in 2003, in consultation with Standards New Zealand). The track inspection programme continued this year and the procedure for more comprehensive ongoing monitoring of backcountry huts was put in place.

The results of this work are summarised in the graph.

This year, hut maintenance and upgrading continued. Repair work included exterior cladding, piling, re-roofing, installing new woodburners, providing fire-retardant mattresses, adding skylights and painting. Of the 962 huts managed during the year, 72% (target 80%) met our service standards. This is a decline from the 77% achieved last year, and is due to changes in the service standards for huts implemented as part of the new inspection procedures. Any significant safety issues at any hut have been addressed.

The Department has continued to ensure it meets the evolving and changing requirements of the Building Act 2004, Building Code and fire safety regulations.





Track maintenance on the Otago Coast.

Photographer: Neville Peat.

As part of the annual structure inspection programme, nearly half (6400) of all structures were inspected by qualified staff or departmental 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. In 2005, we reported that 310 structures required barrier upgrades. This year, work to upgrade barriers was completed on 180 structures, with a further 130 structures to be upgraded as part of the ongoing maintenance work next year.

In 2003, about 46% of tracks met departmental standards. Those that failed did so mainly because of poor track markings, or because of excessively muddy, rough or uneven sections of track. In 2005/06, of the 12,637 kilometres of tracks we manage, 52% (target 50%) met the service standards. Work began on upgrading some tracks, but the focus has remained on basic maintenance to keep them open for use.

PROVIDING INFORMATION

Information is the other main resource we provide 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 website material.

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

LIVING WITH THE WEATHER

This year (as with 2004/05), work priorities around the country were affected by avalanches, floods, fires and extreme weather. In particular, the southerly storms in June 2006 created major issues for the work programme in the coming year, with many hundreds of kilometres of tracks made impassable by wind falls, slips and avalanches. A huge effort by staff and contractors is required to repair the damage.

CASE STUDY

Who visits conservation areas, and how happy are they?

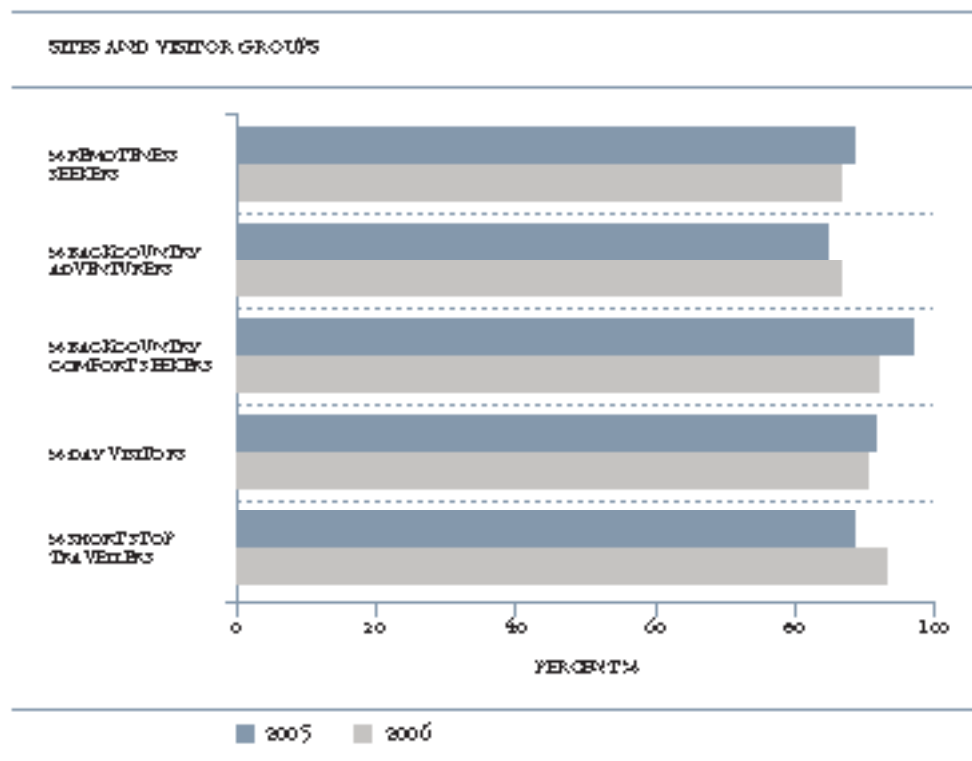
INTERMEDIATE OUTCOME INDICATOR

- Change over time in visitor satisfaction with the range of recreation opportunities provided.

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, we have established a national research and monitoring programme to survey a sample of sites and visitor groups. The results from this year's interviews with 4222 visitors show they are very satisfied with their time in public conservation areas - overall, 95% say they are either "very" or "moderately" satisfied with their visit. Only 2% of visitors had any level of overall dissatisfaction with their visit. The survey identified that 95% of front country visitors were "satisfied" with the tracks, while in the backcountry, 88% of visitors were "moderately" or "very satisfied".

The graph below shows overall satisfaction with tracks in 2005 and 2006. The x-axis shows the percentage satisfaction rating, and the y-axis shows visitor groupings.



Of those using backcountry huts, 90% are either “very” or “moderately” satisfied with their visit (it was 92% in 2004/05), while 87% of those using walking and tramping tracks are either “very” or “moderately” satisfied with their visit. This year, visitors were asked questions about the condition of huts and the fees charged for their use. New Zealanders’ overall satisfaction with huts was higher than international visitors’, but generally they were all satisfied with the services provided. The biggest difference was in attitudes to the fees charged, with 90% of New Zealanders indicating they were satisfied with the fees charged, while only 60% of international visitors were in this category, indicating that they don’t consider their hut stay good value for money.

This year, we increased the number of survey sites to include camping areas. Overall, 85% of campers were “moderately” or “very” satisfied with their visits. For those who indicated some level of dissatisfaction with their stay, the main causes were a lack of showers, cooking facilities and rubbish collection at our standard or informal campsites where we provide only basic facilities.

The research highlights where the Department can improve its management. For example, the findings show a need to provide better information about the services provided and the cost associated with visiting these places.

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.



Trampers at Christopher Hut on the St James Walkway.

Photographer: Don Cowie, DOC.

CASE STUDY

Managing high visitor numbers

Cape Reinga safety barriers

Cape Reinga, an area of high cultural and spiritual importance to Māori, is also a visitor site of national importance, attracting more than 200,000 domestic and overseas tourists annually. This number is expected to grow by 30% over the coming five years. The Cape Reinga lighthouse sits on a small exposed promontory 50 metres above sea level, with only about 400 square metres of viewing area at its base. The site posed considerable risks to visitors walking close to the edge to get a view to the shoreline below. The area was also becoming severely degraded, with the surface worn to bare soil that became muddy and slippery when wet, creating a potentially hazardous environment and detracting from an iconic visitor site.

After consultation with tangata whenua, and an assessment of how to protect visitor safety without adversely affecting the site's spiritual, cultural and aesthetic values, a flat paved area with no apparent vantage points was put in, along with a low stone wall. This has reduced concentrations of visitors in unsafe areas and most people stay inside the wall, away from the high risk fall zones.

Aratiatia Rapids barriers

The Aratiatia Rapids, on the Waikato River, has been a major tourist destination for years and attracts a lot of visitors, particularly when the Aratiatia dam is opened twice daily. The original safety barriers at the viewing area were constructed in the 1960s by the Ministry of Works for the New Zealand Electricity Department. They failed the Department's engineering inspection and were replaced with a new fence this year. It was challenging to shape more than 100 metres of safety fence to follow the contour of the site, while still allowing visitors to see the rapids.

Mirror Lakes

The Mirror Lakes walk, beside the Te Anau to Milford Sound Highway, attracts 350,000 visitors a year, with this figure expected to double over the coming 10 years. With such high visitor numbers, and increasing pressure on the site, it was time to upgrade the facilities to a standard that reflects its World Heritage status and ensures visitors have easy access to, and views of, the lakes. The new elevated walkway, fully accessible to wheelchairs, replaces the shorter, narrower one built 23 years ago. With five viewing platforms and improved interpretation panels, the walkway now caters for thousands of visitors each day.

CASE STUDY

Hut replacement programme moves ahead

Ten new huts have been built in the backcountry, replacing old or small facilities that had reached the end of their economic and useful lives. All are in remote areas, making it critical that the construction phase is well organised – there are no shops down the road, all materials have to be flown in, there is no power supply, water is often limited (making it difficult to mix concrete), and the weather conditions are guaranteed to be extreme.

In Tararua Forest Park, three new huts have been built in the western ranges. The 10-bunk Maungahuka Hut replaces a six-bunk deer cullers' hut built on the site in 1962, and the new four-bunk Elder Hut replaces a two-person bivouac built for hunters in 1964. The new North Ohau Hut, in the Ohau river catchment, replaces the old hut which was beyond repair. It provides accommodation in a popular hunting area, and was built by the Horowhenua Hunting Club, which raised funds and assembled the hut with generous support from local businesses.

In Ruahine Forest Park, Purity Hut, one of the most popular in the Ruahine Ranges, has been replaced. The old Purity Hut, built in 1928 close to the Mangaweka Trig (1733 metres), was dismantled in May. The new six-bunk hut has been built in a more elevated site with views out to Kapiti, Mount Egmont/Taranaki and Mount Ruapehu.

Next to Nelson Lakes National Park, a new 12-bunk hut has been built on the Sabine-Speargrass track with money donated by a Blenheim woman who loved to tramp in the park. The new hut replaces a six-bunk hut that had become too small to accommodate the increased numbers of trampers using the track between lakes Rotoiti and Rotoroa. The hut is 2–3 hours' walk from the Mount Robert car park near St Arnaud, and provides an ideal opportunity for family groups to experience a stay in the backcountry. The new hut completes the upgrade of backcountry huts on the Travers-Sabine circuit, which includes Sabine Hut (built in 2002) and a new Upper Travers Hut (built in 2004). Around 2000 people walk the Travers-Sabine Circuit each year.

Young Hut, in Mt Aspiring National Park, was replaced this year. This is the third hut in the vicinity; the first was demolished by an avalanche and a recent survey established the second hut was also at risk from avalanches. The new hut, on the popular Gillespie Pass circuit, has twice the capacity with 20 bunks, and services several thousand trampers each year.



Woolshed Creek Hut, Mount Somers Track, Canterbury.

Photograph: DOC.



Green Lake Hut opening, May 2006, Fiordland National Park.

Photograph: DOC.

Near Lake Haupiri, on the West Coast, the new Tutaekuri Hut was opened in June. This six-bunk hut replaces a run-down four-bunk hut built in 1952 for deer cullers. In the Mount Somers Forest Park, on the popular Mount Somers tramping track, a new 28-bunk hut (Woolshed Creek) replaces an old 1920s musterers' hut which had been renovated in the 1980s by a group of local enthusiasts. The track in the Canterbury foothills is easy and receives a lot of use from local school groups. The old hut will be restored as an historic asset.

In Fiordland National Park, the Green Lake track provides picture postcard views in an isolated, quiet and secluded area. A new 12-bunk hut at Green Lake replaces the three-bunk bivouac used in the 1970s during the construction of power pylons for the Tiwai Aluminium Smelter. With Borland Lodge close by, the new hut is expected to be popular with family tramping groups.

On Stewart Island, the iconic Mason's Bay has become a popular destination for a variety of visitors. However, a visitor survey in 2004 identified the need for more living space in the 38-year-old Mason Bay Hut. As a result, it received a major overhaul this year, increasing the sleeping capacity from 16 to 20 bunks, and expanding the living area to reduce congestion and provide a better experience for hut users.

CASE STUDY

Visitor information services upgraded in Nelson

The Nelson regional visitor centre is a new concept for our visitor centres. It provides the gateway not just to national parks, but to the Nelson/Marlborough region as a whole. The new centre, on an inner city site, opened in May 2006 and continues the close working relationship between the Department and the Nelson regional tourism body which operates the *i-Site*. Eye-catching displays in the Department's area describe the stunning and diverse conservation areas of Nelson/Marlborough, and multi-media displays provide essential information for trips to the Abel Tasman Coast Track, Kahurangi National Park and Mount Richmond Forest Park. Feedback from Nelsonians and visitors is that they are "wowed" by the new visitor complex, and the Department's section in particular.



The Department's display panels in the new Nelson visitor centre.

Photographer: Trish Grant, DOC.

Statement of Service Performance – 2005/06: Management of Recreational Opportunities

2005/06 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY ⁷
MANAGING RECREATION OPPORTUNITIES	
Satisfaction of visitors with the recreation opportunities provided will be reported at year-end.	Results from visitor satisfaction surveys from a sample of sites and visitor groups (4222 visitors surveyed) showed that, overall, 95% said they were either “very” or “moderately” satisfied.
50% of all visitor recreation and interpretation publications will meet publication standard.	335 out of 492 (68%) visitor recreation and interpretation publications met the publication standard.
65% of all visitor recreation and interpretation publications will be available for the public on the Department’s website.	<p>221 out of 492 (45%) visitor recreation and interpretation publications were available for the public on the Department’s website.</p> <p>The Department is currently redeveloping its website and placed a freeze on posting publications to the site in late April. This freeze is still in effect and has affected achievement of this target.</p>
ASSET MANAGEMENT	
80% of 989 huts will meet the required service standard.	<p>962 huts were managed during the year. At year-end 696, (72%) met the standard.</p> <p>Three huts had serious or critical work outstanding and were closed.</p> <p>185 huts had outstanding service standard tasks at time of reporting – these outstanding tasks do not contain significant safety issues.</p> <p>The overall number of huts managed has reduced during the year, mainly due to planned removals arising from the implementation of decisions from the public consultation process about visitor assets.</p> <p>Changes to the service standard for huts implemented as part of new inspection procedures also resulted in a slight decline in the number of huts that met the standard during the reporting period.</p>

⁷ The Department considers performance to be achieved when it is within a reasonable tolerance acceptable for the nature of the operation. For field operations this is generally within plus or minus 5% of the projected performance.

2005/06 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
ASSET MANAGEMENT (CONTINUED)	
	<p>The Department operates a rolling inspection and maintenance programme. This means that at any particular time an individual hut may be open but awaiting its regular inspection to assess its status against the Department's Hut Standards.</p>
<p>50% of 12,700 km of tracks will meet the required service standard.</p>	<p>12,637 kilometres of track were being managed at year-end, with 6,608 kilometres (52%) meeting the standard.</p>
<p>100% of 13,427 structures will meet the required service standard.</p>	<p>The Department managed 13,441 structures at year-end. 12,832 (95%) met the standard.</p> <p>Of the 609 structures not up to standard, 65 were closed pending repairs. The remainder are open as the safety risk is deemed to be low.</p>
MANAGING BUSINESS OPPORTUNITIES	
<p>720 recreation concession applications will be processed to standard.</p>	<p>636 recreation concession applications were processed, with 609 (96%) processed to standard.</p> <p>Recreation concession applications are driven by external factors. This has an impact on the number of applications received by the Department, as a number of expected applications did not eventuate.</p>
<p>1250 recreation concessions will be managed.</p>	<p>1215 recreation concessions were managed.</p>
<p>780 other resource use concession applications will be processed to standard.</p>	<p>490 other resource use concession applications were processed, with 457 (93%) processed to standard.</p> <p>Other resource use concession applications are driven by external factors, presenting difficulties in setting overall performance targets for the year. Overall, there were fewer applications put forward than anticipated in this reactive area of the Department's work.</p>
<p>2980 other resource use concessions will be managed.</p>	<p>2924 other resource use concessions were managed.</p>

OUTPUT CLASS OPERATING STATEMENT: MANAGEMENT OF RECREATIONAL OPPORTUNITIES

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUALS \$000
Revenue				
- Crown	95,923	94,651	96,550	93,867
- Other	25,567	13,234	19,019	13,291
Total Revenue	121,490	107,885	115,569	107,158
Expenses	109,087	107,885	115,569	103,163
Surplus/ (deficit)	12,403	0	0	3,995

OUTPUT CLASS OPERATING STATEMENT: RECREATIONAL OPPORTUNITIES REVIEW

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUALS \$000
Revenue				
- Crown	0	0	0	0
- Other	0	0	0	0
Total Revenue	0	0	0	0
Expenses	1,222	19,500	3,000	814
Surplus/ (deficit)	(1,222)	(19,500)	(3,000)	(814)

Engaging with Others: Conservation with Communities

IN BRIEF

- A perception that our environment is in a reasonable state is one thing that stops people taking personal action for conservation.
- The environment was the sixth most nominated issue in a survey of what New Zealanders think are this country's most important issues. For Māori, the environment was the ninth most nominated issue.



Experiencing Marine Reserves, an action-based environmental programme, brings Pompallier School children face-to-face with fish in the Cape Rodney to Okakari Point Marine Reserve, near Leigh, north of Auckland.

Photograph: Nga Maunga ki te Moana Conservation Trust.

The context, challenges and opportunities

The land which the Department manages is home for many of New Zealand's native plants and animals, and also important for many people who have a connection with these special places.

Public appreciation of New Zealand's natural and historic heritage is essential to the Department's mission of conserving our heritage for all to enjoy, now and in the future. In order to enhance public appreciation, the Statement of Intent 2005–2008 confirmed our commitment to working with others, both in our strategic planning and in our day-to-day work.

In addition to helping people to appreciate and contribute to the conservation of their natural and historic heritage, the Department recognises that many people are affected by its management of around one-third of New Zealand's land. Iwi, farmers, people wanting recreational opportunities, 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 from these associations – from trampers who help maintain backcountry huts, to interest groups (including tangata whenua) 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.

The opportunities to work with others include volunteer programmes, partnerships, support, 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.

The Department has continued to improve its work with others by identifying the key factors influencing the effectiveness of community-led conservation projects. Some case studies that illustrate this work are included in this part of the Annual Report.



Ranger Graeme Atkins (left) and Reverend Boyce Te Maro help school children release skinks and weta on Whangaokena (East Island).

Photographer: Andy Bassett.

What we achieved in 2005/06

The high-level appreciation outcome we aim to achieve is that people enjoy and benefit from New Zealand's natural and historic heritage and are connected with conservation.

To show whether our appreciation work is on track toward this outcome, the Department is reporting on two outcome indicators, and each is discussed below.

We are also reporting on seven intermediate outcome indicators for our work with communities, and the results for 2005/06 are presented throughout this part of the Annual Report.



Paparore school pupils at a Northland planting day.

*Photographer:
Pete Grabam, DOC.*



Tony Enderby introduces the action-based Experiencing Marine Reserves programme to a school group at the Cape Rodney to Okakari Point Marine Reserve, north of Auckland, during Seaweek 2006.

Photograph: DOC.

People's perceptions

OUTCOME INDICATOR

- Survey New Zealanders to determine the benefits they seek and receive from the natural, historic and cultural heritage managed by the Department.

A programme to develop a tool to track trends in the benefits New Zealanders seek and receive from their heritage was scoped in 2005. The tool examines changes in New Zealanders' views on a broad range of benefits, including health, enjoyment, education, inspiration, cultural, recreational and economic benefits.

Focus groups were used to explore the benefits people seek and receive, and a quantitative survey was used to measure these.

The results of the quantitative survey showing the perceived benefits from conservation are shown below:

BENEFIT	% OF PEOPLE WHO MENTIONED THIS BENEFIT
To protect New Zealand's clean / green image	57.0%
To protect the natural environment for future generations / for children	50.0%
To preserve / protect the environment in general	42.0%
To ensure the survival of the planet	41.0%
To protect the natural environment for future generations / our children to enjoy	32.0%
To ensure ecological sustainability / sustainable eco-systems	29.5%
Economic benefits (general)	19.5%
Tourism-related benefits	9.5%
Cleaner environment	2.5%
Protecting / saving animals	1.0%
Health reasons	0.5%
Other	0.5%

The results show people have made the connection between conservation and New Zealand's clean green image, and that they see value in this. To a lesser extent, they also see an association between conservation and tourism and general economic-related benefits.

Respondents talk of future-proofing New Zealand, what is important to New Zealanders, and what many see as unique about New Zealand, for future generations. They describe this future-proofing as ensuring these spaces still exist and are accessible to people now and in the future. They see the Department of Conservation's role, in part, as a protector of their right to access natural open spaces.



School children hunt for whitebait in Mangamuka Stream, Northland, as part of the Whitebait Connection, an action-based environmental education programme.

Photograph: DOC

OUTCOME INDICATOR

- The relative value of conservation as an indicator of support for conservation.

In a study for the Ministry for the Environment, Ministry of Fisheries and Department of Conservation, respondents were asked to nominate the most important issue the country was facing. Highest mentions were for health, crime, handling of the economy and race relations. The environment was the sixth most nominated issue. For Māori, the environment was the ninth most nominated issue.

The environment was more likely to be considered important for New Zealand but less likely to be considered a top issue personally. Participants in the groups felt that there were other more immediate concerns they had to deal with, of greater priority to themselves and their family, than the environment and conservation.

Another reason given for placing less personal importance on the environment was the view that New Zealand was performing better in this area than in many other areas. Some noted that, while problems in the environment were getting worse, they were happening at a slower rate than other problems in New Zealand.

This measure will be tracked every three years.

Steps along the way

For its work with communities, the Department has one intermediate appreciation outcome on the pathway to the high-level appreciation goal that people are aware of, understand and make valued contributions to conservation.

To show whether we are on track toward this outcome, this part of the 2005/06 Annual Report provides feedback on seven intermediate outcome indicators.

CONNECTED AND INVOLVED

How do we know whether people are more connected to and involved in conservation because of our efforts? To measure the change, in 2005/06 we developed a baseline of information against which we can track year-to-year trends, and four indicators to test the changes.



Volunteers at a whale stranding at Farewell Spit are involved in hands-on conservation work.

Photographer: Diana Parr, DOC.

A significant barrier to people taking personal action is a perception that the environment is in a reasonable state. The impact of this perception is evident across a number of behaviours tested, with lower willingness to undertake some conservation actions because of the positive perception of the environment.

A June 2005 study of visitors' satisfaction with recreational opportunities provided by the Department recorded high levels of satisfaction with the facilities and services provided by backcountry huts and tracks throughout New Zealand. Ninety-five per cent of visitors indicated they were either "very" or "moderately" satisfied with their visit (69% and 26% respectively). This survey was repeated in 2006 and showed similar results, with 95% of visitors indicating they were either "very" or "moderately" satisfied with their visit.

INTERMEDIATE OUTCOME INDICATOR

- Change in people's satisfaction with their involvement in conservation.

A June 2006 quantitative survey found 62% of people (60% in 2004/05) were "satisfied" or "very satisfied" with the level of their personal involvement in conservation in the last 12 months, (47% were "satisfied", and 15% "very satisfied"), while 29% were neither "satisfied nor dissatisfied" (26% in 2004/05). Five per cent were "dissatisfied" or "very dissatisfied" (14% in 2004/05).

INTERMEDIATE OUTCOME INDICATOR

- Change in the percentage of people involved in conservation projects in general and on conservation land.



School children learn about pingao as part of a community restoration project on the Otago Coast.

Photographer: Nicola Vallance, DOC.

A series of quantitative surveys shows involvement in both unpaid and paid conservation projects has remained at similar levels since 2002, but reduced slightly recently, with 17% of people stating they had been involved in unpaid conservation projects. Both paid and unpaid conservation projects undertaken by individuals were mainly on public land.

The most common conservation activity reported is discussing conservation issues, followed by being involved in educating others, seeking information, making a donation, undertaking a voluntary activity, attending a public gathering and being a member of a conservation-related group. It was clear in focus groups that people confuse conservation activities and environmental protection activities. For example, many people consider that recycling is “conservation” and that by doing this they are involved in a conservation activity. Indications of involvement at an individual level should thus be treated with caution.

New Zealand has a well-established tradition of community involvement in conservation. It has been previously estimated that more than 3000 community groups are actively involved in ecological restoration or improvement projects nationally, and 5000 landowners undertake biodiversity conservation action on their own land. There is anecdotal evidence of an increase in community-driven conservation activity. The Department does not currently have a clear picture of this activity and in the coming year plans to study the contribution that voluntary groups add to our conservation work, including estimations of time and financial contributions.

INTERMEDIATE OUTCOME INDICATOR

- Change in the quality of the Department’s engagement with key associates.

In a telephone survey, 53% of associates rated both their overall opinion of the Department and of the Department’s performance as four on a scale of 1-5, where five is the highest and one the lowest score. Thirty-five per cent gave the Department a mid score. These results are similar to previous surveys where most associates had a “favourable” or “somewhat favourable” opinion of the Department.

Eighty-two per cent of associates consider they understand our role and what we do, rating their understanding as four or five out of a possible five. Most associates (76%) thought the Department had a “very good” or “excellent” relationship with them personally, but were less satisfied with the relationship between the Department and their organisation. Some expressed concerns about a lack of consistency in the application of national strategy, “not listening”, “changes in staff” and “decisions coming down to individuals”.

Survey results are similar to those of recent years and do not indicate any significant change in the quality of the Department’s engagement with key associates. Associates suggested the Department could improve its performance through greater consistency, by engaging more with the public and associate organisations, and having more open and transparent decision-making processes.

INTERMEDIATE OUTCOME INDICATOR

- Change in tangata whenua’s satisfaction with the Department’s activities to assist them to maintain their cultural relationships with taonga.

In a telephone survey of Māori associates, when asked: “How satisfied are the tangata whenua with the Department of Conservation’s activities to assist them to maintain cultural relationships with taonga?”, 84% of respondents were positive (32% “extremely satisfied”, 20% “more than satisfied” and 32% “satisfied”).

Averaging the results of consecutive quantitative public surveys shows the Department’s Māori favourability rating (that is, Māori who have a “somewhat” or “very favourable” opinion of the Department), has decreased by 10% from the September and December 2005 periods to June 2006.

INCREASINGLY AWARE

To identify the impact of our efforts to increase awareness of conservation, the Department is tracking trends in New Zealanders' understanding from year-to-year, using the three indicators discussed below.

INTERMEDIATE OUTCOME INDICATOR

- Change in the percentage of Departmental information sources New Zealanders use to learn about conservation.

INTERMEDIATE OUTCOME INDICATOR

- Change in New Zealanders' understanding of important conservation issues.

Quantitative surveys continue to show relatively low levels of awareness of conservation issues, with 56% saying they don't know the three most important conservation issues facing the country at the moment. In 2006, the four issues that people identified, unprompted, as the most important are: the protection of native bush, plants and forests (20% of people); waterways (16%); pollution in general (16%); and protection of animal species and wildlife (12%).

These results are consistent with previous research which has shown relatively low levels of awareness and understanding of conservation issues and biodiversity. For example, in 2005, 33% of people said they had not heard of biodiversity, and, of those that had, 64% said they knew little about it.

A quantitative survey showed the main sources of information for people about the Department and its work are exposure to television news and programmes (86% of respondents), newspaper, radio and magazine items (85%) and visitor information centres (49%). Other significant sources of information are education through schools, our website, conservation groups and events, and contact with a place managed by the Department, a sign or a staff member.

Our website continues to grow in importance as a source of information about the Department and its work, with the number of visits to www.doc.govt.nz increasing 31% in the last 12 months to approximately 2.5 million visits. A "visit" is defined as a series of consecutive views of the site by the same visitor in the same session. The most popular pages are those related to recreation, national parks and native animals.



Use of the Department's website is growing by 31% a year.

CASE STUDY

Website

With website use growing at 31% a year, a revamp is under way to manage the growing complexity of content, while tailoring the design to meet users' needs. This will make the site easier and more satisfying to use, give people improved access to information, and enable the site to better meet e-government guidelines and support conservation outcomes.

The results of the revamp will be seen from summer 2006/07, once content from the existing site has been moved over.

link between Crown pastoral leases and ecosystem services would be impossible to measure given current perceptions of conservation and people's understanding of environmental issues. For example, there is a low level of awareness of the ecosystem services provided by conservation land, such as the provision of freshwater.

Researchers advised that recognition of this link in any public survey would be immeasurably low on a national basis at this time, and that the Department should assume there is currently no recognition of the role of Crown pastoral leases in providing ecosystems services. The low recognition of the role of ecosystem services, and of the link between conservation land and the provision of these services, reinforces the need to continue our efforts to raise awareness of the economic and social benefits of conservation. The Department plans to explore this again in two years.

INTERMEDIATE OUTCOME INDICATOR

- Change in recognition of the role of Crown pastoral leases in providing ecosystem services.

Focus groups were used to explore this issue with a view to creating a question to measure trends via a quantitative survey. It was clear from focus groups that recognition of the

Our stories

IN BRIEF

- We have identified the “X-factors” that make some community-led conservation projects fly.
- We are working with Māori to enable access to taonga on land we manage, and to protect conservation values on land they own.

MEASURING HOW COMMUNITY PROJECTS MAKE A DIFFERENCE

The Department is continuing to improve our work with others by identifying what key factors influence the effectiveness of community-led conservation projects. The work is based on research from seven case studies.

The results show a wide range of key success factors: strong leadership, community commitment, group stability, skills and knowledge on committees, a clear vision or goal and project plan, security of funding, legal structure, a business approach to projects using contractors and internal communication.

On the other hand, the research found that groups lacking iconic species often struggle to compete for limited funds. Tensions may arise when leaders make decisions without community discussion, or over differences of opinion, or when new members introduce different ideas and goals.

The Department’s involvement is also important. Staff continuity, appropriateness of staff style to communities, consistency of support, the level of bureaucracy, definition of our role, and how regularly we communicate all influence the effectiveness of community projects.

A draft framework has now been developed to guide planning for, and evaluation of, community conservation projects.



Involving schools is an important part of working with communities.

Photographer: Ross Henderson, DOC.

■ CASE STUDY

Getting wet for conservation

Community participation in local marine and freshwater conservation has grown in the past year in Northland, Auckland, Napier, Gisborne, Nelson, Marlborough and Buller.

It is made possible through a partnership between the Department and the Nga Maunga Ki Te Moana (Mountains to Sea) Trust. The trust has been established by experienced environmental educators specialising in marine and freshwater work who believe that communities hold the resources and solutions to tackle New Zealand's environmental issues.

The marine and freshwater programmes involve communities in practical learning experiences in and around the sea and waterways, followed up with ongoing community-led conservation action. The programmes foster relationships between the Department, schools, tangata whenua, community groups and non-government organisations.

■ CASE STUDY

Strengthening the relationship with tangata whenua

To help build their relationship with the Mangamuka community, who are of Nga Puhi, Kaitaia Area staff are engaging with Far North school students and their parents. There are two things on the agenda – to get the community involved in conserving freshwater habitat for native fish, and to build acceptance and involvement in pest control programmes.

The relationship began to strengthen in March 2005, when students from Mangamuka, Pamapurua and Umawera schools got a first-hand look at what happens in freshwater ecology on a field trip to the Mangamuka River. Armed with new knowledge about how important water quality is to native fish, they followed this up with a day cleaning up riverside rubbish.

The turning point came in November. At a hui at Mangamuka marae, tangata whenua aired past grievances with our work, particularly our use of 1080 poison in possum control and ecological restoration at Raetia State Forest.

Mangamuka and Pamapurua schools have since formally adopted the Department's Whitebait Connection programme which applies hands-on learning, followed by conservation action.

Mangamuka School is now keen to begin riparian plantings on areas of river bank that have been cleared of rubbish. We are also working closely with the Mangamuka community on possum control initiatives.



Paramount Chief of
Ngati Tuwharetoa,
Tumu te Heuheu, in
Lithuania, before assuming
the chair of the World
Heritage Committee.

Photographer: Judith Asber.

INTERNATIONAL OBLIGATIONS

As it has been for the past three years, New Zealand's representation on the World Heritage Committee was led by Head of Delegation, Tumu te Heuheu, the Paramount Chief of Ngati Tuwharetoa, supported by the Department. Key issues were to promote World Heritage in the Pacific by building capacity, and to promote understanding of Outstanding Universal Value within the World Heritage Committee.

Preparations are also under way for Tumu to assume the chair of the World Heritage Committee in July 2006, culminating in the hosting of the 31st Session of the World Heritage Committee in Christchurch during June and July 2007. Approximately 600 people from the 182 state parties will be attending.

A tentative list of sites for nomination as World Heritage sites is currently in preparation and will be presented to the committee at its 31st meeting. The list notifies the committee of our intention to present detailed cases for further New Zealand World Heritage sites.

The Department participated as a member of New Zealand Government delegations at 12 international meetings. While the annual meeting of the International Convention for the Regulation of Whaling (the IWC) got the highest profile, the most significant was the Convention on Biological Diversity Conference of the Parties, and three subsidiary meetings.

CASE STUDY

Protecting New Zealand seabirds beyond our borders

New Zealand is the seabird capital of the world, with more species of albatross and petrels breeding here than in any other country. Although these seabirds breed in New Zealand, many species migrate annually and forage throughout the Pacific Ocean, travelling from our coasts all the way to South America.

While foraging, these birds interact with fishing vessels and many are caught during fishing operations, becoming tangled or hooked in gear when they try to feed on the catch or fisheries waste. While New Zealand fishers have been developing bird-safe fishing gear and using good fishing practices to prevent this, their efforts are wasted if birds are killed by overseas fishing fleets beyond our Exclusive Economic Zone.

New Zealand, along with nine other nations, is a party to the Agreement on the Conservation of Albatrosses and Petrels (ACAP), a multilateral agreement seeking to conserve albatrosses and petrels by co-ordinating international activity to mitigate known threats to seabird populations. Of all southern hemisphere countries, New Zealand has the most to gain from the implementation of this agreement. Of the 28 species it lists, 18 breed in New Zealand and 12 are endemic to our shores.

ACAP's Advisory (technical) Committee met in Brazil in June 2006 and New Zealand is hosting the second Meeting of Parties in November 2006.

The Department also actively supports the Southern Seabird Solutions Trust which works directly with South American fishers to promote bird-safe fishing practices in Southern Hemisphere fisheries. A Co-operation Agreement between New Zealand and Peru, signed in October 2005, aims for joint solutions to Peru's emerging seabird issues. This was followed by a visit to Peru by the Department's Manager of Marine Science and a New Zealand fisherman. Workshops and meetings were held with a range of Peruvian organisations, and in ports, to promote measures similar to those used in New Zealand. The New Zealand fisherman worked with local skippers and made recommendations which, if adopted, will reduce the high number of seabirds caught by Peruvian fishers.



Fisherman, Dave Kellian (centre) and DOC's Manager of Marine Science, Eduardo Villouta Stengl (right), share New Zealand's experience with Peruvian fishing organisations.

Photograph: DOC.

CASE STUDY

Phoenix Island survey – sharing our expertise in the Pacific

The Department's expertise in managing invasive species is in high demand throughout the Pacific as conservation initiatives begin to take off. Often the advice is provided via a few quick emails, but sometimes travel is required (the costs are recovered). In 2005/06, the Department sent staff to Fiji, Kiribati, Palau and French Polynesia.

One trip was by Otago Technical Support Officer, Mike Thorsen, who spent four weeks helping with a Pacific Invasives Initiative project to survey the rarely visited Phoenix Islands. These eight islands lie in western Kiribati, about 1100 kilometres north of Samoa. The survey documented conservation values and invasive species, and will contribute to a Phoenix Islands Management Plan.

Seabird species and density estimates were taken, together with notes on the condition of vegetation and the presence of invasive species, such as rats, cats and rabbits. Surveys of coral communities and reef fish were also carried out at most islands.



A tern nests beneath a rock, surrounded by rabbits, one of several invasive species on the Phoenix islands.

Photographer: Ray Pierce.

Some findings from the surveys were unexpected, particularly the substantial drop in seabird numbers and species composition from 1960s survey reports, and the high impact pest animals are having on threatened seabirds. For example, the Asian ship rat, which recently arrived on McKean Island via a shipwrecked fishing boat, has decimated the island's seabird population.

A comprehensive report on the survey will make a number of recommendations for targeting specific pests.

WORKING WITH MĀORI

The key to achieving positive conservation outcomes with tangata whenua and Māori is maintaining successful relationships. As those relationships mature, opportunities to engage Māori in conservation will arise.

Work in the past year has focused on enabling Māori to maintain their relationship with taonga in areas the Department manages, and working with Māori landowners to protect conservation values on their privately-owned land.

The Kaupapa Atawhai Strategic Direction was completed in 2005/06 to provide consistency and direction to our work with Māori. Further guidance will be completed in 2006/07.

The Department recognises the need for tangata whenua to support and contribute to conservation if its overall conservation outcomes are to be achieved. In some cases this will involve tangata whenua becoming involved in Department-led projects. In others, tangata whenua will lead initiatives on their own land with our support.



Releasing gecko on Whangaokena (East Island).

Photographer: Andy Bassett, DOC.

CASE STUDY

A restoration partnership

Whangaokena (East Island), 2 kilometres off East Cape, is a cornerstone of Ngati Porou's rohe, figuring prominently in the iwi's mythology, oral history and waiata.

After 12 years of conservation work inspired by the East Cape hapu, the island is ready to receive a translocation of tuatara.

A highlight was the eradication of kiore from Whangaokena in 1997. Members of Te Whanau Hunaara and Te Whanau a Takimoana, and our staff have since carried out tree planting, weed control, a seabird recruitment study and translocations of invertebrates and lizards. Hapu members have been a crucial part of fieldwork and planning.

Whangaokena was purchased under the Public Works Act in 1901 for a lighthouse station, which lasted 22 years. The island was transferred into our management when the Department was established in 1987.

Statement of Service Performance – 2005/06: Conservation with Communities

2005/06 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY ⁸
EDUCATION AND COMMUNICATION	
<p>127 education initiatives will be provided during the year (with greater than 90% of educators surveyed rating the education initiatives as “effective” or “partly effective” at meeting their objectives.)</p>	<p>118 education initiatives were provided during the year.</p> <p>210 educators out of 221 surveyed (95%) rated the education initiative as “effective” or “partly effective” at meeting its objectives.</p>
<p>The number of website users is expected to increase by at least 20% during the year, while satisfaction levels will be maintained.</p>	<p>The number of website users increased by 31% during the year.</p> <p>The Department’s website is currently being re-developed, with implementation due in the next financial year. In view of this, the satisfaction survey has been put on hold so that users can be surveyed about their views on the new website.</p>
INTERNATIONAL OBLIGATIONS	
<p>The Department’s responsibilities as state party representative or advisor under international conventions and agreements 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"> • World Heritage Convention • Convention on Biological Diversity • Ramsar Wetlands Convention • Convention on International Trade in Endangered Species (CITES) <p>The Department also provided scientific and technical support to the Ministry of Foreign Affairs and Trade as the administering agent or participant for a number of other international conventions, committees and working parties, such as:</p> <ul style="list-style-type: none"> • International Convention for the Regulation of Whaling (IWC) • Antarctic Treaty System Committee on Environmental Protection • Convention for the Conservation of Antarctic Marine Living Resources • Convention on Migratory Species

⁸ The Department considers performance to be achieved when it is within a reasonable tolerance acceptable for the nature of the operation. For field operations this is generally within plus or minus 5% of the projected performance.

2005/06 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
INTERNATIONAL OBLIGATIONS (CONTINUED)	
<ul style="list-style-type: none"> • South Pacific Environmental Programme • Working Group of the Convention for the Conservation of Southern Blue Fin Tuna • United Nations Informal Consultative Process on Law of the Sea 	
PARTICIPATION	
4100 of volunteers will participate in Departmental volunteer programmes.	<p>6512 volunteers participated in departmental volunteer programmes.</p> <p>There has been a significant increase in the number of volunteers participating in programmes run by the Department, with volunteer opportunities being more popular than initially anticipated.</p>
27,200 workday equivalents will be contributed by people volunteering.	<p>21,388 workday equivalents were contributed by people volunteering.</p> <p>Review of targets set by conservancies and published in the Statement of Intent indicates that in two instances this performance measure was wrongly interpreted. This resulted in a national target being set that was some 7000 workday equivalents overestimated.</p>
288 partnerships will be run during the year with greater than 80% of partners surveyed rating their contribution to conservation as "moderate" or "significant".	<p>356 partnerships were run during the year.</p> <p>Additional partnerships were identified in Northland as the year progressed and this aspect of that conservancy's work received more focus.</p> <p>128 partners out of 141 surveyed (91%) rated their contribution to conservation as "moderate" or "significant".</p>
30% of the 288 partnerships will involve tangata whenua.	101 of the 356 partnerships (28%) involved tangata whenua.
298 events and initiatives to build conservation skills and knowledge will be run during the year, with greater than 70% of participants surveyed rating the event/initiative as "effective".	<p>296 events and initiatives to build conservation skills and knowledge were run during the year.</p> <p>1260 participants out of the 1362 surveyed (93%) rated the event/initiative as "effective".</p>

OUTPUT CLASS OPERATING STATEMENT: CONSERVATION WITH COMMUNITIES

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUALS \$000
Revenue				
- Crown	11,404	9,630	11,403	8,665
- Other	928	5,588	1,250	5,273
Total Revenue	12,332	15,218	12,653	13,938
Expenses	12,891	15,218	12,653	13,192
Surplus/ (deficit)	(559)	0	0	746

Everybody's business

Kowhai seedlings herald a new generation of native forest.

Photographer: Sbaron Langridge.



Supporting Our Work for Conservation

A New Zealand kereru (native pigeon).

Photographer: Peter Reese.



Policy and Services

IN BRIEF

- Policy work has been dominated by marine issues and a review of the New Zealand Biodiversity Strategy's implementation.
- An independent review of the implementation of the New Zealand Biodiversity Strategy shows progress has been made, and some changes are needed to incorporate developments and progress.
- We were involved with the Office of Treaty Settlements in 19 negotiations – a significant increase over previous years.

Policy work in 2005/06 centred on new phases for ongoing major policy projects.



An unidentified scyphozoan medusa off Wellington's south coast.

Photographer: Dave Hansford.

COLLABORATIVE POLICY WORK WITH OTHER GOVERNMENT AGENCIES

A feature of the Department's policy work is collaborating with others to contribute to policy development and improve outcomes across the government sector, with particular focus on environmental policy. This year, we have been working on the Sustainable Development Programme of Action for Water, Oceans Policy, High Country Tenure Review and Walking Access. The Department contributes policy advice which draws on our technical expertise in managing natural heritage and our operational experience.

POLICY WORK ON MARINE ISSUES

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

The Marine Protected Areas Policy and Implementation Plan, developed jointly with the Ministry of Fisheries, was approved by the Ministers of Conservation and Fisheries during 2005/06. This policy provides an integrated process for planning for marine protected areas using a range of management tools, including marine reserves and Fisheries Act tools. The agencies have begun implementing the policy and this is reported on in the Natural Heritage section of this Annual Report.

Progress has been made on the review of the New Zealand Coastal Policy Statement. We have been developing issues and options papers with experts and in discussion with local authorities.

NEW ZEALAND BIODIVERSITY STRATEGY REVIEW

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, and the Department has been working with other agencies to complete this.

The independent review indicates that, while progress has been made, there is room for some minor changes to incorporate developments and progress since 2000. The review proved to be a larger task than anticipated and progress has been slower than planned. This is due in part to:

- The range of programmes across the government sector which impact on biodiversity.
- Difficulty quantifying the increase in local government and community effort over the past five years.
- Difficulty in identifying environmental trends at the national level.

The review will be completed in the 2006/07 financial year.

TREATY SETTLEMENTS

In 2005/06, the Department was involved with the Office of Treaty Settlements in 19 negotiations – a significant increase over previous years. Key milestones during the year were securing Deeds of Settlement with Ngati Mutunga and Te Arawa Lakes, and settlement legislation being enacted for Nga Rauru, Ngati Awa and Ngati Tuwharetoa ki Kawerau. Agreements in Principle were signed by Aupouri and Te Roroa, and a number of new claimants had their mandates recognised. Terms of negotiation signed included Ngati Kahu ki Whangaroa, Affiliate Iwi of Te Arawa, Ngati Manawa and Ngati Whare.

The Department also became involved with the Ministry of Justice in negotiating certain foreshore and seabed claims, including jointly with Ngati Porou and Te Whanau a Apanui, and separately with Ngati Porou ki Hauraki. Because this is a new area for the Crown, the focus has been on developing appropriate instruments to recognise and provide redress for iwi interests in the foreshore and seabed area.

SERVICING THE MINISTER

2005/06 has been a year of extremes, driven in part by the general election and people's growing use of electronic mail (email) to write to and/or lobby the Minister.

Letters to the Minister dwindled to a trickle until Christmas and then surged to an unprecedented volume from January to March. The major issues related to Japanese whaling, West Coast mining, the proposed Whangamata marina decision and the review of New Zealand's campground facilities.

Drafting replies to the Minister's correspondence is core work. This year we delivered 91% of draft replies to letters within the specified due date. This exceeds the 75% target specified for timely delivery.

STATUTORY BODIES

The Department services the New Zealand Conservation Authority, whose members are appointed for a concurrent term of three years by the Minister of Conservation to provide independent advice to him and the Director-General. The Authority also has statutory powers under the National Parks Act, and signs off each conservancy's Conservation Management Strategy. New appointments were made in June 2005 and run until 31 May 2008.

Each year the Department seeks feedback from Authority members on how satisfied they are with the level of service we provide. Satisfaction levels for the year ended 30 June 2005 (the last figures available) was an average of 1.45 (where a score of 1 means "very satisfied", and a score of 4 means "dissatisfied"). These comments were used to develop the briefing for the new team that began last year, and to improve servicing for the 2005/06 year. The Authority's feedback on servicing for the 2005/06 year was sought at year-end, and is not yet available.

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 – both report to Ministers on the welfare of the lakes. It also services some boards established under the Reserves Act 1977.

Statement of Service Performance – 2005/06: Policy Advice and Services

2005/06 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY ⁹
POLICY ADVICE	
<p>Policy advice will be provided in accordance with the work programme, and to the quality standards agreed with Ministers.</p>	<p>The Department has provided a range of policy advice to the Minister of Conservation.</p> <p>This has been in accordance with an agreed work programme set by the Director-General and the policy advice provided has met the Minister's requirements.</p> <p>This year's primary focus has been on marine issues and a review of the New Zealand Coastal Policy Statement.</p>
MINISTERIAL SERVICES	
<p>The number of draft replies to ministerial correspondence is estimated to be in the range of 1400 to 1500.</p> <ul style="list-style-type: none"> • The number returned for redrafting will not exceed 10%. • 75% will be completed within the timeframes for reply. 	<p>1680 draft replies were prepared.</p> <p>Only two of the draft replies were returned by the Minister for redrafting (fewer than 1%).</p> <p>91% of replies to ministerial correspondence were completed within the specified time.</p>
<p>It is expected that the Department will send 350–400 submissions to the Minister.</p>	<p>365 submissions were sent to the Minister.</p>
<p>It is expected that the Department will receive 60–70 ministerial Official Information Act requests.</p>	<p>81 ministerial Official Information Act requests were received.</p>
<p>It is expected that the Department will receive 300–350 requests for information, with 100% meeting the ministerial deadline.</p>	<p>394 requests for information were received.</p> <p>100% met the ministerial deadline.</p>
<p>It is expected that the Department will receive 300–350 Parliamentary Questions, with 100% meeting the ministerial deadline.</p>	<p>The Department received 271 written Parliamentary Questions.</p> <p>100% met the ministerial deadline.</p>
<p>Satisfaction of the Minister with the services provided will be assessed by annual survey.</p>	<p>The Minister expressed satisfaction with the services provided by the Department.</p>

⁹ The Department considers performance to be achieved when it is within a reasonable tolerance acceptable for the nature of the operation. For field operations this is generally within plus or minus 5% of the projected performance.

STATUTORY BODIES

Satisfaction of the New Zealand Conservation Authority with the services provided by the Department will be assessed at year-end.

The Department seeks feedback from the New Zealand Conservation Authority at year-end. This was not available for the 2005/06 year at time of print. Feedback on the 2004/05 year indicated the Authority was "satisfied" or "very satisfied" with the level of service.

OUTPUT CLASS OPERATING STATEMENT: POLICY ADVICE AND SERVICES

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUALS \$000
Revenue				
- Crown	8,121	8,093	8,119	4,833
- Other	2	141	16	2
Total Revenue	8,123	8,234	8,135	4,835
Expenses	6,700	8,234	8,135	4,169
Surplus/ (deficit)	1,423	0	0	666

Building Capability

IN BRIEF

- We are identifying what capability we will need to deliver on the long-term Strategic Direction.
- Our new head office will be one of only a handful of buildings in New Zealand that could be certified as five-star under the Australian Green Building rating system.
- We are working with the unions to re-design our remuneration system to achieve greater flexibility, transparency and parity across the Department.
- A new strategy and curriculum has been developed to guide the development and succession of staff throughout their careers.



Andrew Townsend (second from right) helps fellow departmental staff improve their skills in monitoring coastal vegetation.

*Photographer:
Iain Rayner, DOC.*

What we achieved in 2005/06

While no outcome indicators have been developed for our work to build capability, the Statement of Intent 2005–2008 highlighted priority themes and these are reported on in this part of the Annual Report.

PLANNING FOR FUTURE CAPABILITY NEEDS

The Department has been focused on developing its long-term Strategic Direction. Embedding the strategy into the organisation will continue over the next few years – a process likely to result in changes to systems and leadership behaviour. It is expected that strategy formulation, and its consequences, will evolve over time as we adapt to meet environmental and stakeholder challenges.

The capability to do strategy work has been developed over the year by the Director-General and General Managers, supported by a small strategy team, some seconded from various parts of the business for specific skills or work. This approach has enabled fresh perspectives to be brought to the task.

Additional focus has been placed on defining the capability we need to deliver on the strategy over time, particularly as new systems or management processes (such as the Natural Heritage Management System) may make new demands on our skills, abilities, knowledge and time.

To that end, we produced the People Plan 2012, based on earlier work to develop a workforce capability strategy. The People Plan describes the staff and skills we need in the future, the challenges we face and what needs to happen to achieve this capability. The People Plan has begun to guide organisational work and sets out the leadership development, system improvement and culture building goals we will work towards in the medium term.

DEVELOPING THE WORKFORCE: ALIGNING SYSTEMS

To develop our workforce and strengthen the capability of managers, we are working to maintain and improve the people development systems and processes we already have in place. This year we aligned and integrated role descriptions, our recruitment system, the personal performance review system and monthly operating reviews.



Embedding the Department's Strategic Direction into the organisation's systems will evolve over time.

Photograph: DOC.

We also began work to redesign the Department's remuneration system, in close co-operation with unions. This work is one element of a multi-strand strategy to achieve greater flexibility, transparency and parity across the Department. Other strands include developing a Collective Agreement and a total reward and recognition framework that will make the organisation attractive to people wanting working arrangements that meet diverse needs. This work will take three to five years to complete.

Work was also carried out on our Learning and Development system, with a new strategy and curriculum to guide the development and succession of staff throughout their careers with the Department. Emphasis is on improving the structure of manager development opportunities to fit the Department's performance requirements.

The Department took part in the interdepartmental review of the EEO Policy to 2010, led by the State Services Commission. The review considered the policy's lack of success in creating diverse public sector workforces, and what improvements would lead to meaningful results. The Department shared issues and suggestions, and contributed to a State Services Commission paper to Cabinet. Our People Plan 2012 outlines the changes we need to make in our systems and leadership behaviour to support a more diverse workforce.

The organisational systems improvement we have under way is based on principles of diversity. With the commitment of leaders to changes in accountability, recruitment and the development of staff, it is expected that demonstrable changes in the makeup of our workforce will become more obvious within the next two years.

PERMANENT STAFF, AS AT 30 JUNE 2006

	2001	2002	2003	2004	2005	2006
Women	30.9%	31.9%	33.1%	33.0%	34.1%	34.7%
Māori	10.2%	10.1%	10.7%	10.6%	10.6%	10.4%
Pacific Peoples	0.5%	0.6%	0.6%	0.4%	0.4%	0.3%
People with Disabilities	5.7%	6.0%	5.5%	5.0%	4.8%	4.4%



Training for the Department's field staff is an important part of building capability.

Photographer: Iain Rayner, DOC.

IMPROVING AND LEARNING

As part of our commitment to improvement and learning, we began a programme to investigate the cost of outputs. A major goal of this work is to understand the costs of doing conservation work and how these compare across the Department's various cost centres.

Together with our normal audit and review programme, General Managers conducted a study of the way delivery staff in the field are supported by the rest of the organisation. Insights from this study will lead to improvements in the service provided to field staff.

A significant amount of work has gone into developing a long-term financial model that incorporates, amongst other things, the Department's requirement to service a large asset base over the coming 20 years. This will enable us to ensure the cost of any developments arising from our Strategic Direction can be absorbed, and enable us to inform The Treasury of our funding requirements well into the future so that our capability base continues to be maintained.

CREATING THE WORK PLACE OF THE FUTURE

Over the past two years, the Department has been working on plans for new head office accommodation that reflects our future priorities. The refurbished building in Manners Street, Wellington, has been designed with high sustainability ideals in mind. It will be one of only a handful of buildings in New Zealand that could be certified under the Australian Green Building rating system as five star. The building has the nation's first active chilled beam air conditioning, complete recycling systems and recycled water.

To ensure the building embodies the way the Department intends to operate internally and externally, cost effectiveness, beauty, practicality and community were goals of the design process. The design also factored in feedback from a 2005 staff culture survey, including the need for innovation and communication across boundaries. This will enable the physical premises to support the needed culture change processes.

The move begins in December 2006.

STRATEGIES TO IMPROVE CAPABILITY

The Department made progress on revising and improving strategies that help improve organisational capability:

- Our asset management strategy was reviewed to provide clearer direction for the way we approach asset management.
- The procurement strategy was updated to reflect the new requirements of the Ministry of Economic Development and the Government, and increase focus on maximising “whole of life value for money” opportunities.

As well, a suite of five-year strategic plans were developed in the recently-formed Research, Development and Improvement Division, creating the foundations for more integrated and prioritised research and improvement work.

Other aspects of organisational capability were addressed this year. The five-year Information and Technology Strategic Plan was completed, providing a blueprint for the way data and information collection fundamentally supports the achievement of conservation outcomes. Key themes in this plan are the need to integrate data from many sources so that we can fully understand all activities and impacts at a given site; the need to work with other central and local government agencies to develop models for effectively sharing data and collaborating; and realigning resources against key business priorities.

Significant investment has been made in our information technology networks and servers, we have begun a major replacement of the document management system, and the Department’s website is being upgraded.

ENVIRONMENTAL REPORT

The Department recognises that as the leading conservation agency in New Zealand, our environmental performance can be improved. We have signed up to Govt³, a programme that encourages central government agencies to become more sustainable through initiatives such as waste minimisation, sustainable purchasing and energy efficiency.

We are establishing base data on our environmental performance including the materials we use, the waste we produce, energy and water use, and our carbon footprint. This data will be used to establish targets for improving environmental sustainability across the organisation.

The following information will form the basis for future environmental reports. All figures are for the 2005/06 year unless otherwise stated.



The Department has signed up to Govt³ and is working to improve its environmental footprint.

Photograph: Ministry for the Environment.

Office Paper: During 2005/06, the Department consumed 18,529 reams of A4 paper (11.4 reams for every full-time worker).

Energy Consumption: The total energy consumed across our three head office buildings was 733,021 kilowatts (kWh) (116 kWh per square metre). The energy used for each head office staff member is 2131 kWh. These figures will decrease in the new head office building.

Air travel: Staff travel for many reasons as part of their work – to attend international meetings and conferences, for stakeholder meetings, meetings of specialist groups and for training. Many of these meetings are in remote locations. Base data for 2005/06 is set out below.

BASE DATA 2005/06 YEAR	2005/06	PER FULL-TIME EQUIVALENT
Domestic travel, including trans-Tasman (in kilometres)	6,048,011	3717
International travel (in kilometres)	1,964,043	1207

Fuel Consumption: The Department has 729 vehicles in its fleet, of which 87% are owned and 13% leased.

BASE DATA 2005/06 YEAR	2005/06	PER FULL-TIME EQUIVALENT
Petrol (in litres)	407,523	250.5
Diesel (in litres)	854,888	525.4

General: The Department is developing an action plan to establish a more rigorous recycling programme.

■ CASE STUDY

Partnership with the unions

The relationship with the Public Service Association and Amalgamated Workers Union New Zealand has been productive and co-operative since the Department signed a Partnership Agreement in 1999.

In 2005, it was agreed to negotiate the next Collective Agreement for only one year and await the outcomes of the remuneration system redesign and the Cost of Outputs Programme. This provided an opportunity to resolve some essential issues of parity in this Collective Agreement, while setting the foundations for a longer-term Collective Agreement in 2007. The unions and the Department have agreed to create working groups to study and recommend solutions to key issues that will make the Department an attractive employer for new generations of people.

In June 2006, the Collective Agreement was successfully negotiated in two days with professionalism, excellent preparation and good humour displayed by both negotiating teams.

■ CASE STUDY

Building capability to work collaboratively

The Department's Strategic Direction is focusing us on having the right workplace culture, working style, skills and integrated work approach to engage collaboratively with other communities. We continue to develop our understanding of the cultural, social and political context of conservation and continue to build relationships with people and organisations that can make a contribution to conservation.

To help us build this capability, in 2003 we produced "From Seeds to Success", a guideline for community conservation partnerships. These guidelines, along with the Conservation with Communities Strategy, are creating a shift to ways of working with communities that achieve the best possible conservation success.

The work has increased our capability to collaborate with a multitude of agencies and stakeholders in planning and putting in place major conservation initiatives. One example is the "Whole of Northland Approach to Biodiversity Restoration". This project is being driven by the Department of Conservation, the Landcare Trust and Northland Regional Council, and involves many other stakeholders interested in biodiversity restoration. This collaborative effort will enable Northland to achieve:

- A regional strategic direction for biodiversity enhancement.
- A comprehensive understanding of regional ecological values.
- Integration of efforts for biodiversity enhancement.
- Increased biodiversity restoration capacity.
- Collective monitoring of biodiversity health.
- Biodiversity enhancement as an integral component of land management.

Everybody's business

Counting and measuring cockles at Motukaraka West in Pauatahanui Inlet.

Photographer: David Hansford.



Financial Statements

A clown nadibranch lays a spiral of eggs on a rocky reef.

Photographer: Dave Hansford.

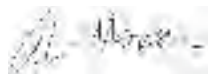


Statement of Responsibility

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 2006.



Alastair Morrison
ACTING DIRECTOR-GENERAL
29 September 2006



Countersigned by
Andrew Gavriel
CHIEF FINANCIAL OFFICER
29 September 2006

Audit Report



To the readers of the Department of Conservation's Annual Report for the year ended 30 June 2006.

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 on his behalf. The audit covers the financial statements, statement of service performance and schedules of non-departmental activities included in the annual report of the Department for the year ended 30 June 2006.

UNQUALIFIED OPINION

In our opinion:

- The financial statements of the Department on pages 147 to 171:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Department's financial position as at 30 June 2006; and
 - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Department on pages 68 to 75, 80 to 81, 88 to 89, 106 to 108, 125 to 127, 133 to 134:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.
- The schedules of non-departmental activities on pages 172 to 181 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 2006.

The audit was completed on 29 September 2006, 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 and statement of service performance 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 and the statement of service performance. 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 and statement of service performance. 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 and statement of service performance disclosures are adequate.

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

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. 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 and a statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2006 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Department's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. In addition, the schedules of non-departmental activities 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 2006. The Director-General's responsibilities arise from sections 45A, 45B and 45(1)(f) of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of 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 2006

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 2005/06 (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 2006, direct costs accounted for 62% of the Department's costs (2005: 62%).

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 2006, indirect costs accounted for 38% of the Department's costs (2005: 38%).

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 not depreciated and are shown at estimated replacement cost.
- 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
VISITOR ASSETS	
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
OTHER FIXED ASSETS	
Administrative Buildings	
Buildings	20-40 years
Plant, Field and Radio Equipment	
Plant and field equipment	10 years
Radio equipment	5-10 years
Furniture, Computers, Other Office Equipment	
Furniture, computers, other office equipment	5 years
Motor Vehicles	
Vehicles	6 years and 8 months with a 30% salvage value
Vessels	
Electronics	4 years and 2 months
Engines	10 years
Hulls	15 years
Infrastructure	
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
Intangible assets	
Intangible assets	5-10 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, conservation and forest parks, as well as Crown reserve land.

STATEMENT OF CASH FLOWS

Cash means cash balances on hand, 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)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

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 2004.

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 provisions 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 at 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 Public Finance Amendment Act of 2004, and 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 2006

	NOTES	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUAL \$000
REVENUE					
Crown		237,180	239,065	237,808	223,083
Other	2	31,649	22,222	26,687	23,225
Total Revenue		268,829	261,287	264,495	246,308
EXPENSES					
Personnel	3	108,056	106,157	106,324	101,112
Operating	4	93,808	93,153	101,588	83,787
Depreciation	5	23,347	51,715	27,809	24,560
Capital charge	6	29,274	29,762	29,274	29,334
Loss on sale of fixed assets		2,016	0	2,500	2,591
Total Expenses		256,501	280,787	267,495	241,384
Net surplus/(deficit) for the year	7	12,328	(19,500)	(3,000)	4,924

STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2006

	NOTES	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUAL \$000
Total taxpayers' funds at beginning of year		373,745	368,279	373,745	366,210
Net surplus/ (deficit)		12,328	(19,500)	(3,000)	4,924
Revaluation of assets		1,733	0	(4,293)	7,813
Total recognised revenues and expenses for the year		14,061	(19,500)	(7,293)	12,737
Distributions to Crown					
Repayment to Crown		(312)	0	0	(1,122)
Provision for payment of surplus	7	(6,264)	0	0	(5,193)
Contributions from Crown					
Asset transfers		0	8,000	8,000	0
Capital contribution	8	6,182	3,953	6,182	1,113
Total taxpayers' funds at end of year		387,412	360,732	380,634	373,745

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 2006

	NOTES	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUAL \$000
CURRENT ASSETS					
Cash and bank balances	9	22,000	22,029	13,684	14,997
Prepayments		248	158	1,586	1,586
Inventories	10	1,340	1,231	1,441	1,442
Receivables	11	3,386	3,633	4,937	4,807
Debtor Crown	12	54,912	35,728	54,756	47,199
Total current assets		81,886	62,779	76,404	70,031
NON-CURRENT ASSETS					
Fixed assets					
Visitor assets	13	256,061	238,491	251,474	256,558
Other fixed assets	14	91,235	83,770	90,129	87,474
Total non-current assets		347,296	322,261	341,603	344,032
Total assets		429,182	385,040	418,007	414,063
CURRENT LIABILITIES					
Creditors and payables	15	13,803	4,685	17,004	14,865
GST payable		1,073	1,617	897	595
Provision for employee entitlements	16	7,926	7,240	7,264	7,598
Other provisions	17	565	779	779	639
Provision for payment of surplus	7	6,264	0	0	5,193
Revenue in advance		2,049	857	1,901	1,900
Total current liabilities		31,680	15,178	27,845	30,790
NON-CURRENT LIABILITIES					
Provision for employee entitlements	18	10,090	9,130	9,528	9,528
Total non-current liabilities		10,090	9,130	9,528	9,528
Total liabilities		41,770	24,308	37,373	40,318
TAXPAYERS' FUNDS					
General funds		301,669	281,527	298,943	287,761
Revaluation reserve	19	85,743	79,205	81,691	85,984
Total taxpayers' funds		387,412	360,732	380,634	373,745
Total liabilities and taxpayers' funds		429,182	385,040	418,007	414,063

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 2006

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUAL \$000
CASH FLOWS - OPERATING ACTIVITIES				
Cash was provided from:				
Supply of outputs to				
- Crown	229,467	239,065	230,251	211,612
- Customers	25,960	22,222	26,558	23,064
	255,427	261,287	256,809	234,676
Cash disbursed to:				
Produce outputs				
- Personnel	107,166	106,157	106,658	100,362
- Operating	93,019	93,153	99,006	76,364
- Capital charge	29,274	29,762	29,274	29,334
	229,459	229,072	234,938	206,060
Net cash inflow from operating activities	25,968	32,215	21,871	28,616
CASH FLOWS - INVESTING ACTIVITIES				
Cash provided from:				
Sale of fixed assets	679	0	0	874
Cash disbursed to:				
Purchase of fixed assets	20,321	29,601	24,173	17,679
Net cash outflow from investing activities	(19,642)	(29,601)	(24,173)	(16,805)
CASH FLOWS - FINANCING ACTIVITIES				
Cash provided from:				
Capital contributions	6,182	3,953	6,182	0
Cash disbursed to:				
Capital withdrawal	312	0	0	1,122
Payment of Surplus to Crown	5,193	0	5,193	0
	5,505	0	5,193	1,122
Net cash inflow/(outflow) from financing activities	677	3,953	989	(1,122)
Net increase/(decrease) in cash held	7,003	6,567	(1,313)	10,689
Add opening cash and bank balances	14,997	15,462	14,997	4,308
Closing cash and bank balances	22,000	22,029	13,684	14,997

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 2006

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUAL \$000
Net surplus/(deficit)	12,328	(19,500)	(3,000)	4,924
ADD / (LESS) NON-CASH ITEMS:				
Depreciation	23,347	51,715	27,809	24,560
Bad debts	3	0	0	15
Asset and other write-offs	4	0	0	(7)
Donated Assets	(7,259)	0	0	0
Total non-cash items	16,095	51,715	27,809	24,568
MOVEMENTS IN WORKING CAPITAL				
Prepayments (increase)/decrease	1,338	0	0	(1,428)
Inventories (increase)/decrease	102	0	1	(211)
Receivables (increase)/decrease	1,570	0	(129)	(131)
Debtor Crown (increase)/decrease	(7,713)	0	(7,557)	(11,471)
Creditors and payables increase/(decrease)	(1,062)	0	2,139	10,186
GST payable increase/(decrease)	478	0	302	(1,022)
Prov. for employee entitlements increase/(decrease)	890	0	(334)	750
Other provisions increase/(decrease)	(74)	0	140	(140)
Other liabilities increase/(decrease)	0	0	0	0
Net movement in working capital	(4,471)	0	(5,438)	(3,467)
ADD/(LESS) INVESTING ACTIVITY ITEMS				
Net loss on sale of fixed assets	2,016	0	2,500	2,591
Total investing activities	2,016	0	2,500	2,591
Net cash inflow from operating activities	25,968	32,215	21,871	28,616

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 2006

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
COMMITMENTS BY CATEGORY		
Capital commitments		
Land and buildings	1,157	0
Other plant and equipment	543	0
Infrastructural assets	1,088	0
Total capital commitments	2,788	0
Operating commitments		
Non-cancellable accommodation leases	43,641	12,094
Other non-cancellable leases	862	876
Other commitments	4,590	2,652
Total operating commitments	49,093	15,622
Total commitments	51,881	15,622
COMMITMENTS BY TERM		
Less than one year	9,975	5,492
One to two years	7,315	4,268
Two to five years	12,783	3,921
Greater than five years	21,808	1,941
Total commitments	51,881	15,622

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 \$1.5 million as at 30 June 2006 (2005: \$3.6 million).

STATEMENT OF CONTINGENT LIABILITIES AS AT 30 JUNE 2006

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Public liability claims	43,434	33,361
Total contingent liabilities	43,434	33,361

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:

	30/06/06 MAXIMUM EXPOSURE \$000	30/06/05 MAXIMUM EXPOSURE \$000
COURT AND TRIBUNAL PROCEEDINGS AND OTHER POTENTIAL CLAIMS		
54 proceedings and potential claims of which 20 are quantifiable. The remaining 34 claims cannot be quantified. The contingent liability for the 20 quantifiable claims is shown below.		
• The largest quantifiable claim involves a dispute over esplanade reserve compensation.	13,800	13,800
• Dispute over the alleged disruption of mining activities.	11,850*	0
• 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	7,000
• Other quantifiable proceedings and potential claims.	2,784	4,561
Total court and tribunal proceedings and other potential claims	43,434	33,361

* This amount is the estimated total claim against several parties, including the Department. The extent to which the Department is contingently liable for this claim is unknown as at 30 June 2006.

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.

No indemnities were granted in 2005/06 for public access.

STATEMENT OF EXPENDITURE AND APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	30/06/06 EXPEND. ACTUAL \$000	30/06/06 FINAL APPROPRIATION \$000	30/06/06 UNDER/ (OVER) EXPEND. \$000	30/06/05 EXPEND. ACTUAL \$000
OUTPUT CLASSES					
Vote: Biosecurity					
Policy advice		0	0	0	475
Crown pest/weeds exacerbator costs		0	0	0	2,038
Indigenous forest biosecurity protection		0	0	0	32
Specific pest and disease responses		0	0	0	102
Sub-total Biosecurity		0	0	0	2,647
Vote: Conservation					
Management of natural heritage		121,459	122,655	1,196	112,144
Management of historic heritage		5,142	5,483	341	5,255
Management of recreational opportunities		109,087	115,569	6,482	103,163
Conservation with the community		12,891	12,653	(238)	13,192
Policy advice and Ministerial servicing		6,700	8,135	1,435	4,169
Recreational opportunities review		1,222	3,000	1,778	814
Sub-total Conservation		256,501	267,495	10,994	238,737
Total Output Appropriations		256,501	267,495	10,994	241,384
Capital contributions to the department					
Capital contribution	8	6,182	6,182	0	1,113

STATEMENT OF UNAPPROPRIATED EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2006

	30/06/06 UNAPPROPRIATED EXPENDITURE \$000	30/06/05 UNAPPROPRIATED EXPENDITURE \$000
VOTE: CONSERVATION		
Conservation with the Community	238	0

The unappropriated expenditure in Output Class Conservation with the Community has been approved by the Minister of Finance under s26B of the Public Finance Act 1989.

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

STATEMENT OF TRUST MONIES FOR THE YEAR ENDED 30 JUNE 2006

	AS AT 30/06/05 \$000	CONTRIBUTIONS \$000	DISTRIBUTIONS \$000	NET REVENUE \$000	AS AT 30/06/06 \$000
Conservation Project Trust	1,326	580	(864)	59	1,101
Reserve Trust	35	0	(35)	0	0
NZ Walkway Trust	6	6	0	1	13
National Park Trust	31	72	(59)	2	46
Bonds/Deposits Trust	7,128	1,694	(3,401)	354	5,775
Total	8,526	2,352	(4,359)	416	6,935

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 public conservation land, including those contracted by the Department. These are repaid when the operators have been cleared of all obligations.
3. Monies received from the sales 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: MAJOR BUDGET VARIATIONS**SIGNIFICANT CHANGES BETWEEN THE MAIN ESTIMATES AND THE SUPPLEMENTARY ESTIMATE BUDGETS****STATEMENT OF FINANCIAL PERFORMANCE**

The Department returned \$16.500 million of the funding associated with the Recreational Opportunities Review to the Crown for the current year. The Department also requested a re-phasing of this funding pool for future years to reflect the longer implementation time frames. The total appropriation for output class Recreational Opportunities before the transfer was \$19.500 million. This output class appropriation was unfunded.

The Department was approved transfers of \$5.900 million to 2006/07 (the 2004/05 transfer to the current financial year was \$4.690 million).

The Department increased operating funding to reflect the administration of increasing Crown concessions revenue experienced in 2004/05 (\$0.70 million in output class Recreational Opportunities). Also, Cabinet approved additional funding of \$0.225 million for the restoration of the Matata Wildlife Refuge Reserve.

In addition, increased third party revenues and associated expenditure also reflected increases between Main Estimates and the Supplementary Estimates budgets (\$2.396 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 \$3.682 million (GST inclusive) of expected under expenditure. Actual under expenditure against these projects is \$3.606 million, which will be carried forward to 2006/07.

The Recreational Opportunities Review output class is under spent by \$1.778 million. The funding for the implementation of the review decisions has been re-phased to reflect the longer time frames required.

The Cabinet approval in 2002 [CAB Min (02) 12/8 (40)] of funding for the sustainable management of visitor facilities and other assets on the conservation estate also included a distribution schedule of cash against appropriations. The phasing of the cash distribution resulted in the debtor crown balance, refer Note 12. The impact of the delay in receiving cash funding for depreciation is that capital replacement lagged behind. Also, during the last two years a significant number of fixed assets, mainly visitor assets, had become fully depreciated generating no depreciation expenses.

The capital charge payment to the Crown is calculated twice each year and is based on the net asset balance at 30 June and 31 December. This year the net asset balance was adjusted to account for the initial forecast deficit of \$19.500 million. The 31 December 2005 calculation of capital charge was based on the adjusted amount.

STATEMENT OF FINANCIAL POSITION

The budget underestimated the cash balance due to the forecast deficit resulting in higher accounts payable forecast. The higher actual cash balance compared to budget is due mainly to the actual surplus generated. The 2005/06 provision for the repayment of surplus is \$6.264 million.

NOTE 2: REVENUE OTHER

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Recreational charges	9,496	8,524
Leases and rents	387	352
Retail sales	3,097	3,115
Resource sales	789	1,029
Donations - sponsorships	9,761	2,806
Other	8,119	7,399
Total revenue other	31,649	23,225

NOTE 3: PERSONNEL EXPENSES

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Salaries and wages	102,413	96,069
Long service and retiring leave	1,052	642
Superannuation subsidies	2,339	1,687
Recruitment	717	488
Uniforms	507	532
ACC levies	433	353
Other	595	1,341
Total personnel expenses	108,056	101,112

NOTE 4: OPERATING EXPENSES

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Professional fees and contractors	33,233	29,361
Audit fees (to the auditors of the financial statements)	223	209
Grants	856	733
Bad debts write-off	3	15
Other write-offs	4	23
Movement in other provisions	0	(140)
Movement in provision for doubtful debts	176	4
Communications and computer expenses	9,452	9,473
Travel	6,356	4,942
Motor vehicle and vessel expenses	3,976	3,594
Accommodation	2,965	3,273
Office supplies	2,419	2,658
Field supplies	12,504	12,057
Lease expenses	13,301	11,440
Printing	1,867	1,788
Other	6,473	4,357
Total operating expenses	93,808	83,787

NOTE 5: DEPRECIATION

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Visitor assets	15,553	17,008
Administrative buildings	1,603	1,620
Plant, field and radio equipment	1,839	2,306
Furniture, computers, other office equipment	342	239
Motor vehicles	1,620	1,526
Vessels	448	298
Infrastructure	380	410
Intangibles	1,562	1,153
Total depreciation	23,347	24,560

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 1 July and 1 January.

The capital charge rate for the year ended 30 June 2006 was 8.0 % (2005: 8.0%).

NOTE 7: PROVISION FOR PAYMENT OF SURPLUS

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Net surplus/ (deficit) for the year	12,328	4,924
Less: Donated assets	(7,286)	(545)
Plus: Other class deficits	1,222	814
Total provision for payment of surplus	6,264	5,193

NOTE 8: CAPITAL CONTRIBUTION

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Visitor assets	6,182	1,113
Total capital contribution	6,182	1,113

NOTE 9: CASH AND BANK BALANCES

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Cash at bank	21,929	14,923
Petty cash floats	71	74
Total cash and bank balances	22,000	14,997

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

NOTE 10: INVENTORIES

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Retail	296	302
Nursery	115	112
Fire control supplies	202	311
Wild animal control supplies	402	339
Publications	193	159
Park maps	132	219
Total inventories	1,340	1,442

NOTE 11: RECEIVABLES

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Accounts receivable	2,832	3,580
Less: Provision for doubtful debts	(271)	(96)
Net accounts receivable	2,561	3,484
Other receivables	825	1,323
Total receivables	3,386	4,807

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

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Replacement cost at valuation at year end	546,840	537,388
Accumulated depreciation at year end	(293,262)	(284,764)
Net carrying value at year end	253,578	252,624
Items under construction - visitor assets	2,483	3,934
Total carrying amount of visitor assets	256,061	256,558

Visitor assets are valued on a fair value basis annually by valuersnet.nz Limited, an independent registered valuer.

The land formation costs of tracks, car parks and roads (\$109 million as at 30 June 2006) have been included in the financial statements and are not depreciated. Land formation costs for amenity areas and campsites are currently excluded from the financial statements.

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

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

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
FREEHOLD LAND		
At valuation	12,852	5,918
Land – net book value	12,852	5,918
ADMINISTRATIVE BUILDINGS		
At valuation	81,032	81,806
Accumulated depreciation	(45,535)	(44,961)
Buildings – net book value	35,497	36,845
PLANT, FIELD AND RADIO EQUIPMENT		
At cost	19,108	21,760
Accumulated depreciation	(9,674)	(12,215)
Plant, field and radio equipment – net book value	9,434	9,545
FURNITURE, COMPUTERS, OTHER OFFICE EQUIPMENT		
At cost	3,287	2,949
Accumulated depreciation	(2,601)	(2,382)
Furniture, computers, other office equipment – net book value	686	567
MOTOR VEHICLES		
At cost	18,517	17,759
Accumulated depreciation	(8,179)	(7,781)
Motor vehicles – net book value	10,338	9,978
VESSELS		
At valuation	8,540	7,782
Accumulated depreciation	(4,313)	(3,971)
Vessels – net book value	4,227	3,811
CULTURAL ASSETS		
At valuation	30	30
Cultural assets – net book value	30	30
INFRASTRUCTURE ASSETS		
At cost or valuation	21,967	25,392
Accumulated depreciation	(10,451)	(11,449)
Infrastructure assets – net book value	11,516	13,943
INTANGIBLE ASSETS		
At cost	4,916	7,654
Accumulated depreciation	(2,954)	(4,316)
Intangible assets – net book value	1,962	3,338

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
ITEMS UNDER CONSTRUCTION		
Buildings	1,222	1,186
Plant, field and radio equipment	304	329
Infrastructure	610	797
Furniture, computers, other office equipment	635	63
Motor vehicles	388	91
Vessels	86	212
Intangibles	1,448	821
Items under construction – net book value	4,693	3,499
TOTAL OTHER FIXED ASSETS		
At cost and valuation	174,942	174,549
Accumulated depreciation	(83,707)	(87,075)
Total carrying amount of other fixed assets	91,235	87,474

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

Freehold land has been valued at fair value as at 31 March 2006 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 (registered independent valuers) as at 30 June 2003.

NOTE 15: CREDITORS AND PAYABLES

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Trade creditors	9,757	10,711
Other payables	4,046	4,154
Total creditors and payables	13,803	14,865

NOTE 16: PROVISIONS FOR EMPLOYEE ENTITLEMENTS (CURRENT)

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Accrued salaries and wages	644	334
Current portion of long service and retiring leave (as per note 18)	1,061	931
Accrued annual leave, time-off-in-lieu, and vested long service leave	6,221	6,333
Total provisions for employee entitlements (current)	7,926	7,598

NOTE 17: OTHER PROVISIONS

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Opening balance	639	779
Provision utilised or reversed during the year	(124)	(263)
Provision made during the year	50	123
Closing balance	565	639

The provisions include environmental and building 'make-good' 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.

There are various affected or contaminated sites, not listed above, which the Department has not provided for due to: the nature of the issues, the uncertainty of their 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)

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Retiring leave	10,137	9,424
Long service leave	1,014	1,035
	11,151	10,459
Less: Current portion of long service and retiring leave	1,061	931
Total provisions for employee entitlements (non current)	10,090	9,528

NOTE 19: REVALUATION RESERVE

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
VISITOR ASSETS		
Balance brought forward	60,779	52,966
Revaluation of assets	(4,944)	7,813
Revaluation gain/(loss) realised on disposal	(1,036)	0
Closing balance	54,799	60,779
FREEHOLD LAND		
Balance brought forward	4,833	4,930
Revaluation of assets	6,933	0
Revaluation gain/(loss) realised on disposal	3	(97)
Closing balance	11,769	4,833
ADMINISTRATIVE BUILDINGS		
Balance brought forward	17,968	18,899
Revaluation of assets	(256)	0
Revaluation gain/(loss) realised on disposal	(667)	(931)
Closing balance	17,045	17,968
VESSELS		
Balance brought forward	522	522
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	0	0
Closing balance	522	522

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
OFFICE EQUIPMENT		
Balance brought forward	177	177
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	0	0
Closing balance	177	177
INFRASTRUCTURE		
Balance brought forward	1,126	1,128
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	(273)	(2)
Closing balance	853	1,126
RADIO EQUIPMENT		
Balance brought forward	552	556
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	(1)	(4)
Closing balance	551	552
FIELD EQUIPMENT		
Balance brought forward	27	27
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	0	0
Closing balance	27	27
Total revaluation reserve	85,743	85,984

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 (2005: none).

NOTE 23: TRANSITION TO NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

This note outlines the process for adopting New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) for the Department of Conservation.

The Accounting Standards Review Board announced in December 2002 that reporting entities must adopt NZ IFRS for periods beginning after 1 January 2007, with earlier adoption optional. The Minister of Finance announced in 2003 that the Crown will first adopt NZ IFRS for its financial year beginning 1 July 2007, and the first audited financial statements under NZ IFRS will be for the year ending 30 June 2008.

The Treasury is managing the adoption of NZ IFRS for the consolidated financial statements of the Government reporting entity. Individual entities included within the consolidated financial statements of the Government are responsible for ensuring their own NZ IFRS preparedness. The Treasury is providing guidance to government departments and is facilitating implementation on common issues.

The Department has established a project team to plan for the transition to NZ IFRS and identify the impacts of transition. An initial high level overview has been completed and detailed analysis is underway. The Department has identified a number of accounting policies which may change to become NZ IFRS compliant, including employee benefit provisions; property, plant and equipment; and financial instruments. The Department is not yet in a position to quantify the impacts.

The potential areas of impact from adoption of NZ IFRS may change materially as implementation unfolds and new standards are promulgated.

Non-Departmental Schedules

Statement of Accounting Policies

For the year ended 30 June 2006

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 2006. The information included with 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)

Due to changes in the Public Finance Act 1989 some comparative figures include GST where relevant. This will not be an issue in the next reporting year.

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 2006 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 2006. 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 relate to fencing and were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2006. These assets are stated at fair value using optimised depreciation 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 2006 at fair value. These assets are not depreciated and are valued at least every five years.

DEPRECIATION

Depreciation is provided on a straight line basis at rates, which will write off assets, less their estimated residual value, over their remaining useful lives. The useful lives of major classes of assets have been estimated as follows:

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.

COMPARATIVES

Certain comparative information has been reclassified in order to conform to the Public Finance Amendment Act of 2004, and the current year's presentation.

THE USEFUL LIVES OF ASSETS HAVE BEEN ESTIMATED AS FOLLOWS:

ASSET	ESTIMATED USEFUL LIFE
Buildings (Historic)	98-100 years
Infrastructural assets (Fencing)	40 years

SCHEDULE OF NON-DEPARTMENTAL REVENUE FOR THE YEAR ENDED 30 JUNE 2006

	NOTES	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUAL \$000
REVENUE					
Concessions, leases and licences	1	12,916	9,864	9,864	11,226
Other operational revenue		1,835	1,517	1,760	1,618
Capital receipts		1,829	800	800	753
Total Non-Departmental Revenue and Receipts		16,580	12,181	12,424	13,597

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.

SCHEDULE OF NON-DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30 JUNE 2006

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUAL \$000
VOTE: CONSERVATION				
Non-Departmental output classes	18,424	22,508	43,179	19,465
Appropriated expenses incurred by the Crown	13,182	8,996	19,975	7,132
Revaluation of Infrastructural assets	(2,527)	0	0	(14,176)
GST input on appropriations	2,186	2,783	4,235	0
(Gain) / loss on sale of fixed assets	0	0	0	(710)
Total Non-Departmental expenses	31,265	34,287	67,389	11,711

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.

SCHEDULE OF NON-DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2006

	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/06 UNDER/ (OVER) EXPEND. \$000	30/06/05 ACTUAL \$000
VOTE: CONSERVATION APPROPRIATION FOR NON-DEPARTMENTAL OUTPUT CLASSES					
Identification and implementation of protection for natural and historic resources	13,152	17,434	32,888	19,736	14,372
Management services for natural and historic places	1,368	1,443	1,442	74	2,256
Moutoa Gardens	22	22	22	0	25
NZ Biodiversity Advice and Condition funds	2,958	3,609	7,557	4,599	2,812
Steward Island infrastructure	924	0	1,270	346	0
Sub-total output classes	18,424	22,508	43,179	24,755	19,465
APPROPRIATION FOR OTHER EXPENSES TO BE INCURRED BY THE CROWN					
Esplanade reserve compensation	24	30	130	106	0
Lake Taupo access fee	762	764	864	102	769
Matauranga Maori fund	616	554	1,297	681	478
Subscriptions to international organisations	219	305	305	86	238
Purchase and development of reserves	1,655	800	5,886	4,231	468
Payment of rates on properties for concessionaires	668	1,689	1,361	693	640
Waikaremoana lakebed lease	124	124	124	0	139
Vested coastal marine areas	0	30	30	30	0
Contribution to Whareroa Farm purchase	4,330	0	4,500	170	0
World Heritage Committee Hosting	110	0	328	218	0
Depreciation	4,901	4,600	5,050	149	4,221
Bad and doubtful debts	(227)	100	100	327	179
Sub-total other expenses	13,182	8,996	19,975	6,793	7,132
Other expenses not requiring appropriation	(341)	2,783	4,235	4,576	(14,886)
Total Non-Departmental Expenditure and Appropriations	31,265	34,287	67,389	36,124	11,711

The Schedule of Expenditure and Appropriations details expenditure and capital payments incurred against appropriations. The Department administers these appropriations on behalf of the Crown.

Other expenses not requiring appropriation include revaluation of infrastructural assets, GST input tax and gain/loss on sale of fixed assets.

SCHEDULE OF NON-DEPARTMENTAL UNAPPROPRIATED EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2006

	30/06/06 UNAPPROPRIATED EXPENDITURE \$000	30/06/05 UNAPPROPRIATED EXPENDITURE \$000
VOTE: CONSERVATION APPROPRIATION FOR NON-DEPARTMENTAL OUTPUT CLASSES		
Management services for natural and historic places	0	632
Total non-departmental expenditure	0	632

There has been no unappropriated expenditure this year. The 2005 figure relates to the cost of removal of asbestos in old quarantine buildings on Matiu/Somes Island where the area was closed to the public. Approval for this expenditure was given under section 12 of the Public Finance Act 1989.

SCHEDULE OF NON-DEPARTMENTAL ASSETS AS AT 30 JUNE 2006

	NOTES	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUAL \$000
CURRENT ASSETS					
Cash and bank balance		62,437	5,938	36,078	40,349
Receivables and advances	2	2,616	3,763	5,159	5,159
Total current assets		65,053	9,701	41,237	45,508
NON-CURRENT ASSETS					
Receivables and advances		0	13	0	0
Physical assets	3	4,071,707	1,941,968	3,081,276	3,076,740
Total non-current assets		4,071,707	1,941,981	3,081,276	3,076,740
Total non-departmental assets		4,136,760	1,951,682	3,122,513	3,122,248

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

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES AS AT 30 JUNE 2006

	NOTES	30/06/06 ACTUAL \$000	30/06/06 MAIN ESTIMATES \$000	30/06/06 SUPP. ESTIMATES \$000	30/06/05 ACTUAL \$000
CURRENT LIABILITIES					
Payables	4	1,933	762	1,812	1,118
Provisions	5	3,036	2,945	2,846	3,539
Total current liabilities		4,969	3,707	4,658	4,657
Total non-departmental liabilities		4,969	3,707	4,658	4,657

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2006

	NOTES	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
CAPITAL COMMITMENTS			
Land and buildings		0	0
Other capital commitments	6	20,076	12,880
Total commitments		20,076	12,880
TERM CLASSIFICATION OF COMMITMENTS			
Capital: Less than one year		20,076	12,880
Total commitments		20,076	12,880

SCHEDULE OF NON-DEPARTMENTAL CONTINGENT LIABILITIES AS AT 30 JUNE 2006

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Quantifiable guarantees	0	0
Total contingent liabilities	0	0

There were 11 claims against the Crown, all of which are not currently quantifiable. Four of these claims are for customary rights orders under the Foreshore and Seabed Act 2004. The remaining 7 claims vary in nature.

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

	30/06/06	30/06/05
	ACTUAL	ACTUAL
	\$000	\$000
Guiding	3,003	2,696
Telecommunications	1,663	1,418
Grazing	1,299	1,299
Tourism occupations	1,384	1,367
Ski areas	1,203	841
Sporting and special events	48	46
Aircraft landings	987	813
Residential/recreational	731	769
Other occupations	747	328
Vehicle transport	186	150
Boating	445	274
Filming	179	189
Easements	176	171
Extractions fees	49	24
Miscellaneous	318	316
Recovery of rates	498	525
Total concessions, leases and licences	12,916	11,226

NOTE 2: RECEIVABLES AND ADVANCES

	30/06/06	30/06/05
	ACTUAL	ACTUAL
	\$000	\$000
Receivables	2,190	2,795
Less: Provision for doubtful debts	(564)	(795)
Net accounts receivable	1,626	2,000
Accrued revenue	716	684
Other receivables	274	2,475
Total receivables and advances	2,616	5,159

NOTE 3: PHYSICAL ASSETS

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
LAND		
At valuation	3,963,102	2,970,963
Land – net current value	3,963,102	2,970,963
HISTORIC BUILDINGS		
At valuation	49,661	43,862
Accumulated depreciation	(21,454)	(20,276)
Buildings – net current value	28,207	23,586
INFRASTRUCTURE ASSETS		
At valuation	176,525	171,952
Accumulated depreciation	(101,477)	(95,111)
Infrastructure assets – net current value	75,048	76,841
CULTURAL ASSETS		
At valuation	5,350	5,350
Cultural assets – net current value	5,350	5,350
TOTAL PHYSICAL ASSETS		
At valuation	4,194,638	3,192,127
Accumulated depreciation	(122,931)	(115,387)
Total carrying amount of physical assets	4,071,707	3,076,740

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 50 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

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Payables	1,448	555
Revenue in advance	485	563
Total payables and advances	1,933	1,118

NOTE 5: PROVISIONS

	30/06/06 ACTUAL \$000	30/06/05 ACTUAL \$000
Opening balance	3,539	2,845
Provision utilised or reversed during the year	(503)	694
	3,036	3,539
Provision made during the year	0	0
Closing balance	3,036	3,539

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, tailings dams and underground drives.
- The Crown has responsibility to ensure 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 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 which the Crown has not provided for due to: the nature of the issues, the uncertainty of their outcome, or 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

	30/06/06	30/06/05
	ACTUAL	ACTUAL
	\$000	\$000
Nature Heritage Fund	6,866	2,330
Nga Whenua Rahui	3,770	4,016
SILNA	9,440	6,534
Total other capital commitments	20,076	12,880

The commitments represent the carried forward appropriations for capital expenditure and land acquisition funds.

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 (2005: none).

NOTE 8: TRANSITION TO NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

This note outlines the process for adopting New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) for the Government reporting entity.

The Accounting Standards Review Board announced in December 2002 that reporting entities must adopt NZ IFRS for periods beginning after 1 January 2007. The Minister of Finance announced in 2003 that the Crown will first adopt NZ IFRS for its financial year beginning 1 July 2007.

The Treasury is managing the adoption of NZ IFRS for the consolidated financial statements of the Government reporting entity. Individual entities included within the consolidated financial statements of the Government reporting entity are responsible for ensuring their own NZ IFRS preparedness. The Treasury provides guidance to these entities and facilitates implementation on common issues.

A project team has been established to plan for the transition to NZ IFRS and identify the impacts of transition. An initial high level overview has been completed and detailed analysis is under way. A number of accounting policies have been identified which may change to become NZ IFRS compliant. The team is not yet in a position to quantify the impacts.

The potential areas of impact from adoption of NZ IFRS may change materially as implementation unfolds and new standards are promulgated.

Additional Financial Information

SUMMARY OF OUTPUT CLASS EXPENDITURE BY OUTPUT FOR THE YEAR ENDED 30 JUNE 2006

	30/06/06 ACTUAL \$000
VOTE: CONSERVATION	
Management of Natural Heritage	
Fire Control	7,389
Conservation Services Programme	1,282
Natural Heritage Restoration	2,205
Possum Control	15,022
Deer Control	1,448
Goat Control	6,903
Other Terrestrial Animal Pests	6,588
Other Aquatic Pests	776
Island Management and Restoration	3,956
Fencing (Stock Control)	1,190
Inventory and Monitoring	2,600
Weed Control	16,771
Legal Protection of Areas and Sites	13,524
RMA Advocacy and Coastal Planning	4,739
Species Conservation Programmes	31,677
Mainland Island Sites	2,828
CITES	637
Specific Pest and Disease Response	25
Crown Pest/Weeds Exacerbator Costs	1,899
Total Management Natural Heritage	121,459
Management of Historic Heritage	
Historic Heritage	5,142
Total Management of Historic Heritage	5,142

30/06/06
ACTUAL
\$000

Management of Recreational Opportunities

Huts	15,512
Booked Accommodation	877
Campsites	3,995
Tracks	38,151
Amenity Areas and Community Services	9,519
Roads and Carparks	9,743
Visitor Centres	10,000
Visitor Information	2,821
Recreation Concessions	5,174
Recreation Planning and Import Monitoring	7,470
Taupo Sports Fisheries	2,850
Non-Recreation Concessions	2,975

Total Management of Recreational Opportunities	109,087
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Conservation with the Community

Participation	7,604
Education and Communication	4,767
International Obligations	520

Total Conservation with the Community	12,891
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Policy Advice and Ministerial Servicing

Policy Advice	3,056
Ministerial Services	24
Management Planning	1,261
Statutory Bodies	1,937
Biosecurity Policy Advice	422

Total Policy Advice and Ministerial Servicing	6,700
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Recreational Opportunities Review

Recreational Opportunities Review	1,222
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Total Recreational Opportunities Review	1,222
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Total Vote Conservation	256,501
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Total Output Appropriations	256,501
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EXPENDITURE BY CONSERVANCY/SEGMENT FOR THE YEAR ENDED 30 JUNE 2006 (EXCLUDING GST)

	30/06/06 ACTUAL \$000
Northland	11,985
Auckland	11,143
Waikato	11,550
Bay of Plenty	7,233
Tongariro/Taupo	10,374
Wanganui	9,976
East Coast/Hawke's Bay	8,774
Wellington	9,059
Nelson/Malborough	13,900
West Coast	14,150
Canterbury	15,181
Otago	12,030
Southland	15,195
Northern Regional Office	1,782
Southern Regional Office	1,694
Research, Development and Improvement (RD&I)	33,074
Head Office (excluding RD&I)	28,169
Recreational Opportunities Ownership Costs	40,010
Recreational Opportunities Review	1,222
Total Expenses per Statement of Financial Performance	256,501

PERFORMANCE OF RESERVE BOARDS AS AT 30 JUNE 2005

RESERVE BOARD	TYPE	REVENUE	EXPENDITURE	NET ASSETS
NORTHLAND				
Oakura +	Recreation	3,000	3,000	230,000
Waikiekie	Recreation	9,730	6,684	132,949
Ruakaka Central	Hall	14,696	24,066	170,000
Waipu Cove	Recreation	447,369	372,793	1,476,744
Ruakaka	Recreation	276,673	232,386	450,071
Whatitiri	Recreation	10,826	3,450	113,752
Taurikura	Hall	928	3,258	142,546
Coates Memorial Church	Local purpose	35	689	112,000
AUCKLAND				
Glorit *	Hall	3,642	4,513	4,507
BAY OF PLENTY				
Awakaponga	Hall	2,340	6,948	163,024
Matata	Recreation	37,662	28,784	52,078
Lake Rotoiti	Scenic	7,000	7,911	16,728
WANGANUI				
Papanui	Hall	509	2,585	10,117
Poukiore	Recreation	4,604	3,446	61,553
Tiriraukawa	Hall	802	1,198	34,975
Moutoa Gardens	Historic	32,598	21,179	232,169
WELLINGTON				
Ruawhata	Hall	1,147	293	4,120
Horowhenua	Recreation	1,235	1,237	36,505
Whitireia Park	Recreation	23,618	37,864	80,047
NELSON/MARLBOROUGH				
Homewood	Hall	1,342	2,618	80,882
Kaiteriteri	Recreation	3,549,640	3,190,993	3,724,953
WEST COAST				
Charleston	Hall	9,252	9,682	85,394
Millerton	Hall	1,440	3,100	38,749
Granity	Recreation	100	1,517	45,491
Nelson Creek	Recreation	2,340	1,509	31,692

Notes

The details above are dated to 30 June 2005 because they are based on audited reports which are often not available until after the deadline for the preparation of the annual report.

* The figures for the Glorit board are as at April 2006.

+ These figures are an estimate.

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

Everybody's business

DOC ranger, Shirley Hayward, measures a *Powelliphanta gilliesi gilliesi* on Mount Burnett, Northwest Nelson.

Photographer: David Hansford.



Appendices

Powellipbanta superba superba on the Haupiri Range, Northwest Nelson.
Photographer: Kath Walker.



Contacting DOC Offices

HEAD OFFICE

Department of Conservation
PO Box 10420
The Terrace
Wellington 6143
Tel: 04 471 0726

REGIONAL OFFICES

Northern Regional Office
Department of Conservation
PO Box 112
Waikato Mail Centre
Hamilton 3240
Tel: 07 858 0000

Southern Regional Office
Department of Conservation
PO Box 13049
Armagh
Christchurch 8141
Tel: 03 353 0580

CONSERVANCY OFFICES

Northland Conservancy
Department of Conservation
PO Box 842
Whangarei 0140
Tel: 09 430 2470

Auckland Conservancy
Department of Conservation
Private Bag 68908
Newton
Auckland 1145
Tel: 09 307 9279

Waikato Conservancy
Department of Conservation
Private Bag 3072
Waikato Mail Centre
Hamilton 3240
Tel: 07 838 3363

Bay of Plenty Conservancy
Department of Conservation
PO Box 1146
Rotorua 3040
Tel: 07 349 7400

East Coast/Hawke's Bay Conservancy
Department of Conservation
PO Box 668
Gisborne 4040
Tel: 06 869 0460

Tongariro/Taupo Conservancy
Department of Conservation
Private Bag 2
Turangi 3353
Tel: 07 386 8607

Wanganui Conservancy
Department of Conservation
Private Bag 3016
Wanganui Mail Centre
Wanganui 4540
Tel: 06 348 8475

Wellington Conservancy
Department of Conservation
PO Box 5086
Lambton Quay
Wellington 6145
Tel: 04 472 5821

Nelson/Marlborough Conservancy
Department of Conservation
Private Bag 5
Nelson Mail Centre
Nelson 7042
Tel: 03 546 9335

West Coast Tai Poutini Conservancy
Department of Conservation
Private Bag 701
Hokitika 7842
Tel: 03 756 8282

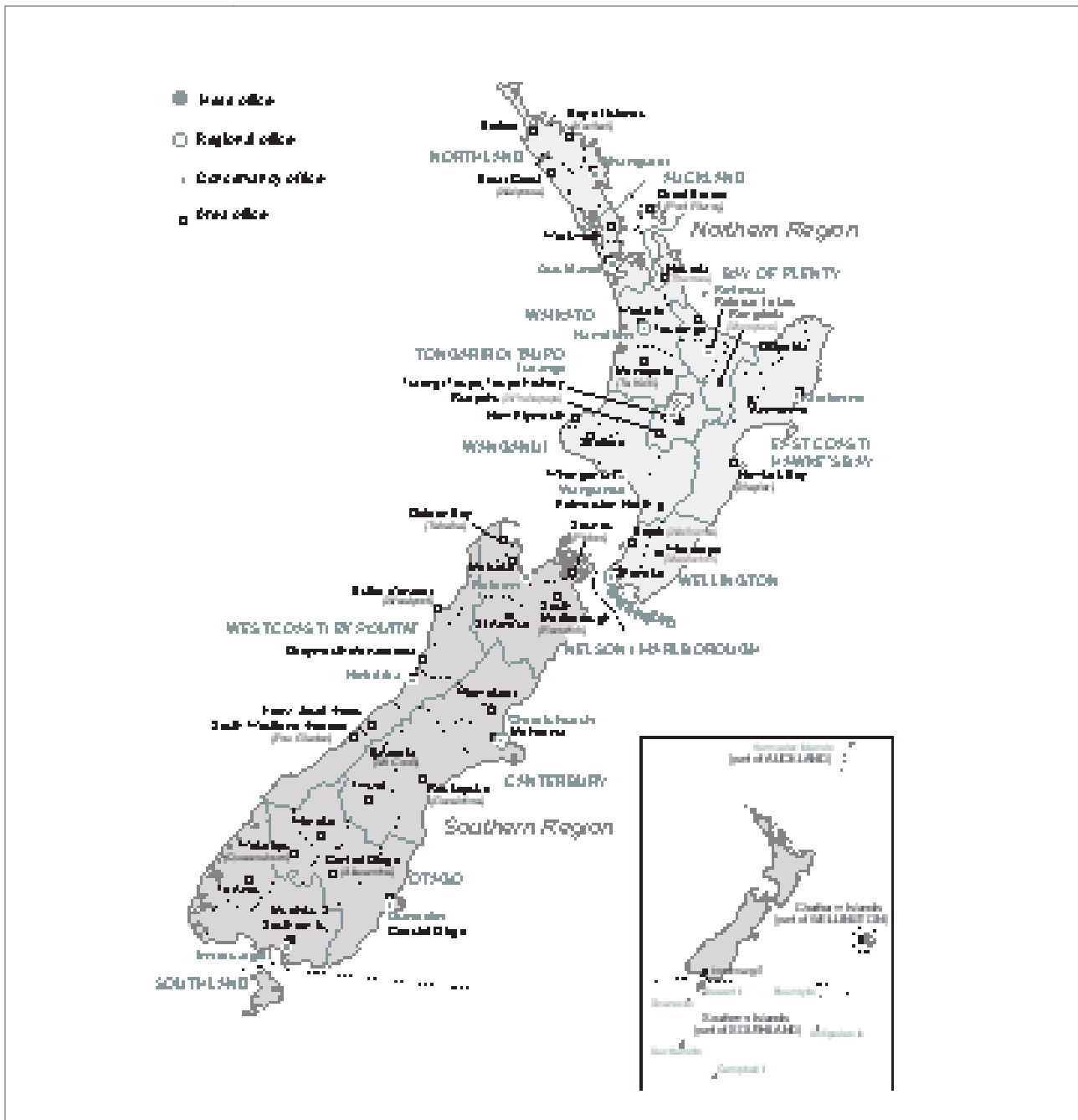
Canterbury Conservancy
Department of Conservation
Private Bag 4715
Christchurch Mail Centre
Christchurch 8140
Tel: 03 379 9758

Otago Conservancy
Department of Conservation
PO Box 5244
Moray Place
Dunedin 9058
Tel: 03 477 0677

Southland Conservancy
Department of Conservation
PO Box 743
Invercargill 9840
Tel: 03 214 4589

Website: www.doc.govt.nz

MAP 7: DEPARTMENT OF CONSERVATION OFFICES



Land Areas under Legal Protection

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 work toward a more comprehensive range of terrestrial environments being legally protected. While no targets have been set, the information helps us prioritise funding when responding to opportunities to protect land, such as when a private landowner seeks to covenant a forest remnant.

The table below shows the area of natural heritage under legal protection - by Land Environment Level I (20 Group) classification. It presents a summarised quantitative comparison between the beginning of July 2005 and end of June 2006, using a grid analysis methodology.

LAND ENVIRONMENTS OF NEW ZEALAND

LAND ENVIRONMENT (LENZ LEVEL I CLASSIFICATION)	LAND ENVIRONMENT NAME	AREA PROTECTED END JUNE 2003 (HA)	AREA PROTECTED END JUNE 2004 (HA)	AREA PROTECTED END JUNE 2005 (HA)	AREA PROTECTED END JUNE 2006 (HA)	TOTAL AREA LENZ LVL (HA)	CHANGE OF PROTECTED AREA END JUNE 2005 TO END JUNE 2006 (HA)	CHANGE OF PROTECTED AREA END JUNE 2005 TO END JUNE 2006 (%)	TOTAL ENVIRONMENT LEGALLY PROTECTED END JUNE 2006 (%)
A	Northern Lowlands	89,269	86,594	87,793	87,948	1,853,745	155	0.18	4.74
B	Central Dry Lowlands	6,625	5,794	5,957	7,819	691,433	1,862	31.26	1.13
C	Western and Southern North Island Lowlands	6,992	5,508	5,578	5,571	635,918	-7	-0.13	0.88
D	Northern Hill Country	405,174	400,668	400,604	399,976	2,099,624	-628	-0.16	19.05
E	Central Dry Foothills	195,521	195,457	221,514	294,338	1,323,675	72,824	32.88	22.24
F	Central Hill Country and Volcanic Plateau	1,113,910	980,163	978,161	978,892	5,241,270	731	0.07	18.68
G	Northern Recent Soils	26,207	23,865	24,453	24,233	338,680	-220	-0.90	7.16
H	Central Sandy Recent Soils	56,498	27,862	27,862	27,824	135,282	-38	-0.14	20.57
I	Central Poorly-drained Recent Soils	3,872	3,229	3,232	3,319	120,994	87	2.69	2.74
J	Central Well-drained Recent Soils	16,555	3,879	4,031	4,273	293,580	242	6.00	1.46
K	Central Upland Recent Soils	27,532	26,930	27,522	33,809	160,716	6,287	22.84	21.04

LAND ENVIRONMENTS OF NEW ZEALAND (CONTINUED)

LAND ENVIRONMENT (LENZ LEVEL J CLASSIFICATION)	LAND ENVIRONMENT NAME	AREA PROTECTED END JUNE 2003 (HA)	AREA PROTECTED END JUNE 2004 (HA)	AREA PROTECTED END JUNE 2005 (HA)	AREA PROTECTED END JUNE 2006 (HA)	TOTAL AREA LENZ LVL (HA)	CHANGE OF PROTECTED AREA END JUNE 2005 TO END JUNE 2006 (HA)	CHANGE OF PROTECTED AREA END JUNE 2005 TO END JUNE 2006 (%)	TOTAL ENVIRONMENT LEGALLY PROTECTED END JUNE 2006 (%)
L	Southern Lowlands	64,674	57,056	59,355	58,767	801,165	-588	-0.99	7.34
M	Western South Island Recent Soils	108,308	109,358	109,317	109,712	220,345	395	0.36	49.79
N	Eastern South Island Plains	19,496	12,587	13,079	12,682	2,044,508	-397	-3.04	0.62
O	Western South Island Foothills and Stewart Island	1,171,335	1,164,468	1,164,275	1,163,870	1,414,258	-405	-0.03	82.30
P	Central Mountains	2,317,400	2,181,691	2,205,866	2,315,771	3,248,591	109,905	4.98	71.29
Q	Southeastern Hill Country and Mountains	489,564	556,499	580,367	595,507	3,271,981	15,140	2.61	18.20
R	Southern Alps	1,758,686	1,797,754	1,795,980	1,799,656	1,926,881	3,676	0.20	93.40
S	Ultramafic Soils	28,123	31,067	31,245	31,245	33,476	0	0.00	93.34
T	Permanent Snow and Ice	132,852	152,935	152,901	153,035	157,015	134	0.09	97.47
Other*	—	46,530	37,690	37,984	39,076	211,363	1,092	2.87	18.49
TOTAL		7,583,716	7,861,054	7,937,076	8,147,323	26,224,500	210,247	2.56	31.04

* "Other" includes lakes, wetlands and beds of braided rivers, which are not covered by the LENZ classification.

Relevant Legislation, Regulations, Other Instruments¹⁰ and International Agreements

Legislation administered by the Department of Conservation

- Conservation Act 1987
- 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 1932-1933
- Waitangi National Trust Board Act 1932
- Waitutu Block Settlement Act 1997
- Wild Animal Control Act 1977
- Wildlife Act 1953

Regulations and other instruments administered by the Department of Conservation

- Abel Tasman National Park Bylaws 1981
- Abel Tasman National Park Waters Control Bylaws 1990
- Aquaculture Reform (Repeals and Transitional Provisions) (Golden Bay and Tasman Bay Interim Aquaculture Management Areas) Order 2005
- Anaura Bay Recreation Reserve Bylaws 1999
- Arthur's Pass National Park Bylaws 1981
- Buller River Mouth Wildlife Refuge Order 1973
- 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
- Conservation Act Commencement Order 1990
- Conservation Law Reform Act Commencement Order 1990
- 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 2006
- Glory Cove Scenic Reserve Bylaws 2005
- Hart's Creek Wildlife Refuge Order 1973
- Historic Places Trust Elections Regulations 1993

¹⁰ Instruments include Bylaws, Orders and Notices administered by the Department of Conservation.

- 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 (Horoirangi) Order 2005
- 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 (Motu Manawa-Pollen Island) Order 1995
- Marine Reserve (Piopiotahi (Milford Sound)) Order 1993
- 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 Matuku) Order 2005
- Marine Reserve (Te Tapuwae o Rongokako) Order 1999
- Marine Reserve (Tonga Island) Order 1993
- Marine Reserve (Tuhua (Mayor Island)) Order 1992
- Marine Reserve (Ulva Island - Wharawhara) 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 Game Bird Habitat Stamp Regulations 1997
- New Zealand Walkways Bylaws 1979
- 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
- Reserves (Model Bylaws) Notice 2004
- Resource Management (Earlier Expiry of Moratorium - Central Pegasus Bay) Order 2004
- Resource Management (Earlier Expiry of Moratorium - Kaipara Harbour) Order 2004
- Revocation of Resource Management (Marlborough Sounds Coastal Tendering - Marine Farming) Order 1999
- Rimitaka State Forest Park Traffic Bylaws 1981
- South East Otago Reserves Foreshore and Waters Control Bylaws 1984

- Sports Fish Licences, Fees, and Forms Notice 2005
- State Forest Parks and Forest Recreation Regulations 1979
- Taupo Fishery Regulations 2004
- Taupo Landing Reserve Regulations 1938
- Taupo District Trout Fishery Licences, Fees, and Forms Notice 2006
- Te Urewera National Park Bylaws 2006
- 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 2005
- Trade in Endangered Species Regulations 1991
- Tuhua (Mayor Island) Marine Reserve Notice 1993
- Urewera National Park Bylaws 1981
- Waitangi National Trust Board Bylaws 1981
- Wellington City Exhibition Grounds Act (Consent to Borrow) Order 1989
- Westland National Parks Bylaws 1981
- Whanganui National Park Bylaws 1993
- Whitebait Fishing Regulations 1994
- Whitebait Fishing (West Coast) Regulations 1994
- Wildlife (Farming of Unprotected Wildlife) Regulations 1985
- Wildlife Management Reserve (Westhaven (Whanganui Inlet)) Order 1994
- Wildlife (Peafowl) Notice 1961
- Wildlife Regulations 1955
- Wildlife Sanctuary (Stephens Island) Revocation Order 1996
- Wildlife Sanctuary (The Brothers Islands) Order 1970

Some international environmental agreements under which the Department of Conservation has obligations

- 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
- United Nations 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

Many coastal cresses, once common along New Zealand's coastline, are now rare. These species are best known as the source of vitamin C that helped prevent scurvy on early European voyages. Cook's scurvy grass (*Lepidium oleraceum*) is the most widespread and well known. Less well known is its close relative, the coastal peppergrass (*Lepidium banksii*), one of our most threatened native coastal cress species. First collected during Dumont d'Urville's survey of Abel Tasman National Park's coastline in the 1820s, coastal peppergrass was also recorded in the Marlborough Sounds. By 1990, 170 years later, it was confined to the north of Abel Tasman National Park and Waimea Estuary, near Nelson, and was close to extinction in the wild.

In 1990, 26 plants were known to grow in the wild.

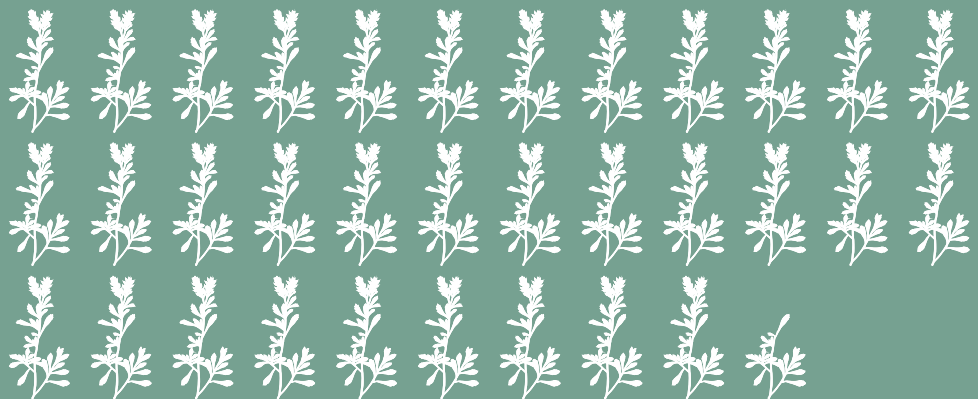


Note: One peppergrass icon represents 10 peppergrass plants.

By 2000, using nursery-raised plants, numbers had risen to just 59 plants - so the plan changed. We began creating habitat along the rocky coastline, sowing seed and grubbing weeds, while still keeping insects and diseases at bay.



In 2006, this intensive strategy is beginning to pay dividends - today there are 335 wild coastal peppergrass plants.



TREASURING OUR EXTRAORDINARY HERITAGE

Conserving coastal peppergrass is challenging. Not only are plants vulnerable to a wide range of introduced insect pests and diseases, they are difficult to cultivate and nursery-raised plants are poor survivors. The cresses' habitat has also declined as the seals and seabirds that once provided fertiliser and dispersed its seed are also far fewer in number.

Without the intensive conservation management introduced in 2000, coastal peppergrass is almost certain to have become extinct in the wild. To secure the species from extinction, new populations will continue to be established, including reintroducing the plant to the Marlborough Sounds.