



Briefing to the incoming Minister of Conservation

2013



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1. INTRODUCTION

Welcome back to the Conservation portfolio.

As you have a long association with this portfolio and have worked extensively in the natural resources sector, this briefing is confined to outlining upcoming matters for your decision and current significant policy and implementation issues. It does not summarise the context in which the Minister and Department of Conservation operate.

The Department would be pleased to provide you, at any time, with further information on these and any other matters relating to the portfolio.

2. UPCOMING MATTERS

2.1 Matters for your decision or advice

Budget 2013

A timetable for the 2013/14 Budget process is expected to be available from the Treasury in January 2013. A likely timeframe is:

Early 2013	SSC and the Treasury assess Four-year Plan and advise outcomes and next steps
Late March 2013	Submission of Estimates documents to Joint Ministers
April 2013	Cabinet considers final Budget Cabinet paper (all departments).

A draft Conservation Output Plan is scheduled to be made available for your comment by mid June 2013. It will need your approval by the end of that month.

Statement of Intent 2012–2017

The previous Minister of Conservation, Hon Kate Wilkinson agreed that the Department need not produce a new triennial SOI for the period 2013–2018, but will re-table with the House the current SOI to fulfil Public Finance Act 1989 requirements.

Land protection

Kauri National Park proposal

The Government's 2011 policy includes making progress on the creation of a new Kauri National Park in the Waipoua Forest. The New Zealand Conservation Authority is responsible under the Act for considering proposals for the establishment of new national parks. The Director-General reported to the New Zealand Conservation Authority in June 2012 on a proposal to establish a kauri national park. The Authority is currently undertaking consultations in relation to the report, keeping you informed on progress. The iwi of the area (Te Roroa) opposes the proposal.

Marine conservation

Conservation Services Programme

Each year a Conservation Services Programme Annual Plan identifies the research and observer activities to be funded by levies on the fishing industry. The 2013/14 plan is due to be presented for your approval in May or June 2013 following consultation with stakeholders.

Restricted coastal activity applications pending

A number of applications for resource consents for restricted coastal activities are likely to require your decision in the near future. These include applications for dredging at Port of Tauranga, and discharge of treated wastewater to the Waiuku Estuary in Manukau Harbour. You will receive full briefings when hearing committee recommendations or Environment Court reports are available. These are the last applications you will receive, as hearing committees or the Environment Court now make final decisions on such applications.

Treaty of Waitangi negotiations

The Department is currently involved in a range of negotiations throughout the North Island. These are led by the Office of Treaty Settlements, and may also involve Chief Crown Negotiators appointed by the Minister for Treaty of Waitangi Negotiations.

Decisions on redress items for specific negotiations will be sought from you as negotiations advance.

Differential sports fishing license

In March 2011, the Minister of Conservation instructed the Department to work with the New Zealand Fish and Game Council (NZFGC) to develop a workable proposal to establish a higher charge for sports fishing licenses required by non-resident fishers. This followed the Government's 2011 policy to address the issue of non-resident fishing licences.

A discussion document was released in September 2011 calling for comments, by 28 October 2011, on the proposal. The Department, with NZFGC, analysed the results during 2012 and a summary of submissions was circulated to submitters. Subsequently, a final proposal was developed by NZFGC, with the Department's advice, and forwarded to the Minister in 2012. The Minister agreed to the final proposal for a differential license, and media advice was released by the NZFGC, in consultation with the Department of Conservation (DOC). The differential licensing regime will be implemented in the 2013/14 fishing year.

Hector's and Maui's dolphins

Hector's and Maui's dolphins are managed under the Hector's and Maui's Dolphin Threat Management Plan. This plan, which was developed jointly by the Department of Conservation and the Ministry for Primary Industries (MPI), was to be reviewed in 2013. Review of the Maui's dolphin portion of the plan was brought forward to 2012 due to concerns about the sustainability of the population. Public consultation on the plan was completed and the results analysed in 2012. Government will shortly decide on the content of a revised plan.

Appointments

Queen Elizabeth II National Trust

Appointments to the Trust attract significant interest and require consultation with the Minister of Agriculture, Federated Farmers and the Minister of Māori Affairs. Two vacancies arise in June 2013. The Chair has recommended the incumbents be reappointed for one year and two years respectively, to maintain stability and continuity at a time of change for the Trust in its structure and management.

The Department will provide you, early in 2013, with a full briefing on the appointments to the Trust.

Conservation boards

There are 86 vacancies on the 12 conservation boards in 2013, due to terms expiring on 30 June 2013 and some resignations. This is an unusually high number, resulting from the postponement of appointments in 2012, primarily to maintain the institutional memory of members during the conservation board consultation phase for reviewing the first six conservation strategies that are to be revised. These appointments require consideration by Cabinet. Nominations closed on 25 January 2013 and the Department and New Zealand Conservation Authority will forward their recommendations to you shortly.

New Zealand Game Bird Habitat Trust Board

The terms of appointment of this six-person board expires in November 2013. Apart from the Chair, all members are appointed on the recommendation of organisations specified in legislation. They are the New Zealand Fish and Game Council (3 members), Ducks Unlimited (1 member) and the Director-General of Conservation (1 member).

Nature Heritage Fund Committee

The terms of appointment of all members of the Nature Heritage Fund Committee expired in 2010, but the previous Minister decided to let their terms run on as the work of the committee is essentially suspended due to the low level of available funding; funding having been committed over a six-year period in 2008 for the purchase of St James Station.

Nga Whenua Rahui Komiti

The Nga Whenua Rahui Komiti has an approved membership of seven but only four members at present. Two appointments are indefinite with no specified term (Sir Tumu te Heuheu and Kevin Prime). The other two terms of appointment have expired but the members remain in office.

3. KEY ISSUES

3.1 Operational matters

Biodiversity and ecosystem services

DOC works with the Natural Resource Sector on our common objective of ensuring that the policy settings of government address the environment and the economy. The sector recommends an approach that recognises limits, allocates resources efficiently, innovates and builds lasting institutional arrangements.

International thinking has shifted towards recognising and maximising the value of ecosystem services, as well as biodiversity, in decision-making by government, local government and business. This includes accounting for natural capital. The Department is partnering with business around conservation engagement as it increasingly recognises the need for, and value of, accounting for its impacts on nature in ways that create conservation gains.

New Zealand Biodiversity Strategy

Article 6 of the Convention of Biological Diversity (CBD) requires that all states parties develop a national biodiversity strategy and action plan (NBSAP) to guide implementation of the convention within their national context. These NBSAPs should be reviewed at least every five years.

In addition, the 10th meeting of the Conference of Parties to the CBD (COP10) approved a revised and updated strategic plan for biodiversity, which included a suite of targets for the 2011–2020 period, known as the Aichi biodiversity targets. COP10 agreed that states parties should translate this strategic plan into their NBSAPs within two years of the COP (i.e. by 2012). Furthermore, the Conference of Parties decided that CBD national reports, due by 31 March 2014, should focus on the implementation of the 2011–2020 strategic plan and progress achieved towards implementation of the Aichi biodiversity targets at the national level.

New Zealand prepared and released its NBSAP in 2000 (New Zealand Biodiversity Strategy), and implemented its review in 2005. In refreshing the New Zealand Biodiversity Strategy, it would be helpful to demonstrate the relationship between biodiversity, our economy and prosperity.

Pest management

The Department uses a range of pest control methods, including aerial applications of 1080 poison. 1080 is the most cost-effective tool available, particularly over steep and remote terrain. Its use remains controversial, but has been supported by two major independent scientific reviews. In addition, the Parliamentary Commissioner for the Environment's report in 2011, *Evaluating the use of 1080*, concluded that "not only should the use of 1080 continue (including in aerial operations) to protect our forests but that we should use more of it". We need to continue to improve our methodology to meet reasonable concerns but consider that opposition to 1080 is diminishing.

Biodiversity Forum for a predator-free New Zealand

A representative group of stakeholders will, in 2013, begin the development of a plan for achieving the aspirational goal of a predator-free New Zealand. Its role is to:

- enlist the best science and innovation to prove feasibility
- co-ordinate fund raising
- enlist the support of principal stakeholders
- co-ordinate the enthusiasm of NGOs and the community
- manage negative issues around use of toxins, threats to pets etc.

This work, which focuses on the key predators (possums, mustelids and rodents), is required by Government's 2011 Policy for conservation.

Working with iwi

DOC works with the Office of Treaty Settlements in the negotiation of Treaty settlements. As cultural redress, iwi generally receive ownership of culturally-significant land, with conservation values including public access protected, and a relationship document with the Minister or Department. All redress must be approved by Ministers.

Where there is little land (the case in many North Island areas) and/or little active conservation management in an iwi's rohe, meeting expectations can be challenging.

Settlements offer excellent opportunities to confirm ongoing partnerships and strengthen relationships. As settlements are enacted and implemented, iwi have a greater role and influence in the governance of public conservation land. The Department sees this as creating new opportunities to enhance conservation, but recognises the ongoing challenge of ensuring that the governance mechanisms are fit for purpose, cost-effective for both Crown and iwi, and connected to the existing public governance of conservation land.

Working with business

The Business Growth Agenda for Building Natural Resources allocates the following actions to DOC for maintaining and advancing biodiversity. These are to:

- develop guidance on biodiversity offsetting, to assist businesses to achieve economic and environmental objectives, and
- grow the number of new business opportunities on public conservation land, such as species tourism, in order to deliver increased economic prosperity and conservation gain.

DOC has established a Commercial Business Unit to increase revenue while delivering strategic partnerships and appropriate business opportunities on public conservation land. This recognises that the business sector has considerable potential to contribute directly to conservation work, and for businesses to realise actual benefits from these partnerships. Recent high-profile partnerships include those with Air New Zealand and Genesis Energy.

DOC's strategic direction shifts thinking from 'allowing' commercial activity on public conservation land to 'enabling' it, where such activity is consistent with achieving conservation outcomes.

DOC is leading the development of internationally aligned cross-departmental guidance on best practice biodiversity offsetting in New Zealand, based on the findings of a three-year cross-departmental research programme. The purpose of the guidance is to provide transparent, consistent, practical advice on what constitutes best practice biodiversity offsetting in New Zealand. The Department is currently working through issues raised by stakeholders and is expecting to publish the guidance around the middle of 2013.

Working with local councils

An action in the Business Growth Agenda is to engage with local councils to improve co-ordination and more effectively manage biodiversity and ecosystem services.

DOC is increasingly engaging at a strategic level with local councils to improve co-ordination and management of biodiversity and ecosystem services. Examples include:

- The 'Nature Central' initiative between the Department, Greater Wellington, Hawke's Bay and Horizons Regional Councils, focusing on combining efforts in the areas of recreation, biodiversity, regional park management, biosecurity issues and the sharing of technical expertise.
- The 'Kia Wharite' initiative with Horizons Regional Council, working together across a large section of public and private land, and involving innovative partnerships with tangata whenua, landowners and other agencies across 180,000 hectares of the Whanganui River catchment.
- A memorandum of understanding with Auckland Council, establishing a framework for collaboration across a wide range of functions, from strategy and planning to service delivery. The Department is currently working with Auckland Council on marine spatial planning, tourism and destination development, and the biosecurity of pest-free islands in the Hauraki Gulf Marine Park.
- Joint management projects and initiatives with the Waikato Regional Council, e.g. the Peninsula Project on the Coromandel Peninsula where the Department was in partnership with the Waikato Regional Council, the Thames Coromandel District Council and the Hauraki Maori Trust Board.
- The Kaimai Catchments Project with Environment Bay of Plenty and Environment Waikato, which aims to co-ordinate agency and community effort so that natural resources in the catchments can be protected and sustained.
- The Taranaki Biodiversity Accord, working with Taranaki Regional Council and others to improve the alignment of our operations and to jointly promote community-led conservation activities across the region.
- Joint planning, with Hawke's Bay Regional Council, on integrated catchment management.
- The Environment Management Committee in Northland. This is a full committee of council and is the one in which biodiversity projects, regional pest management strategies, catchment schemes, water quality issues etc. are debated. DOC has a seat (and full voting rights) on this committee.
- 'CoBoP'. This is a network of all Bay of Plenty local and regional council chief executives, and the regional managers of 26 central government agencies with Bay of Plenty responsibilities. CoBoP promotes and accelerates the achievement of locally and regionally significant community aspirations through fostering effective co-operation.
- The Enviro-schools initiative between the Department, ECAN and six District Councils.
- The Department is also linking with the Civil Defence Emergency Management Groups of Northland, Horizons, and Environment Waikato Regional Councils.

Recreation

Encouraging participation in outdoor recreation is a critical component of the Department's outcomes framework, as it will increase the number of people who are interested in, and will be prepared to contribute to, conservation. Domestic and international tourism based on conservation land is also a key source of jobs and income for many New Zealanders.

In order to increase participation, DOC is moving from a supply-based asset management approach to being a demand-driven organisation. This will enable DOC to respond to

the recreation needs of New Zealanders and those visiting this country, both now and as demand changes. The Destination Management Framework is designed to achieve this by identifying and focusing on those locations and experiences most likely to encourage participation, whether by domestic or international tourists, by newcomers to the outdoors or by experienced outdoor users. Some recent high-profile examples illustrate the intent of this approach.

The first of these is the substantial redevelopment of visitor facilities at Cape Reinga. Working with local iwi, the New Zealand Transport Agency and representatives of commercial tourism interests from the far north, DOC co-ordinated a significant programme totalling more than \$6 million. This work focused on improving access to the Cape (sealing the last remaining section of State Highway One, new car parking and a new track that is able to be used by people of all abilities) and better acknowledgement of the cultural significance of this important location. This included removing existing facilities located on the 'spiritual pathway', replanting and restoring the landscape and providing high-quality interpretation about the significance of the site. The result is a truly 'must see' New Zealand visitor experience that is being enjoyed by more people than ever before.

The second is the substantial increase in recent years in mountain biking on public conservation land. In response to the continued growth and interest in this outdoor activity, DOC has developed many dedicated tracks and has adapted and allowed shared use of hundreds of kilometres of the existing walking and tramping track network throughout the country. The Department is a key partner in the development and management of many of the Great Rides established under the Government's New Zealand Cycle Trail initiative.

The Destination Management Framework also enables DOC to work in partnership with external stakeholders in the delivery of recreation opportunities. The Great Walks partnership with Air New Zealand illustrates the potential of these partnerships to increase awareness and uptake of recreation opportunities on public conservation lands and waters.

The Government's Business Growth Agenda, for 'Building Export Markets' identifies an action for DOC and the Ministry of Business, Innovation and Employment to increase the value derived from public conservation lands and waters. DOC and the Ministry for Business, Innovation and Employment will present a joint paper to the Minister of Tourism and Minister of Conservation in the first quarter of 2013.

Marine protection

Improvements can be made in the legislative and policy frameworks for marine protection, and in ensuring that appropriate marine areas receive the protection they require. There is no provision for marine reserves in New Zealand's Exclusive Economic Zone and the current Marine Reserves Act does not provide effectively for collaborative planning, recognition of the Marine and Coastal Area (Takutai Moana) Act 2011 or a flexible range of tools for the establishment of marine protected areas. The Marine Reserves Bill can address some of the limitations of the current Act.

The recent collaborative planning approach to marine protection, involving forums (similar to the approach of the Land and Water Forum) of all sectors, has led to the first two successfully delivering more balanced marine protection recommendations, which the Government has endorsed. Other collaborative processes are under way, including marine spatial planning for the Hauraki Gulf, led by councils, DOC and the Ministry for Primary Industries. Nevertheless, there are still significant marine ecosystems with no protection, but there is now an opportunity to consider and learn from these successes to improve the planning of marine protection, and to ensure that it is consistent with wider interests in management of the marine environment.

Offshore Islands Regional Coastal Plan

The proposed Regional Coastal Plan: Kermadec and Subantarctic Islands (notified 15 January 2011) is currently at the beginning of the Environment Court process. The plan has been prepared for you by the Department as you have coastal planning responsibility for the islands. Two key issues emerged from submissions. The first is the prohibition on using heavy fuel oil (HFO) as a fuel and/or carrying it as a cargo in the Territorial Sea of the islands. The deepwater fishing fleets of the Southern Ocean are opposed to this prohibition because the fuel they use comes within the definition of a heavy fuel oil in the plan (which is consistent with the definition of HFO and the prohibition introduced for the Antarctic in August 2011). The other key issue is the requirement to have a hull check, to minimise the risk of introducing organisms not native to the islands. This requirement is opposed by the fishing industry and an expedition cruise operator. There were three appeals (Sanfords Ltd, NZ Seafood Industry Council and Heritage Expeditions Ltd). Four other fishing interests joined the appeals (Deepwater Group, Sealord, Talleys and Solander).

Coastal management

The New Zealand Coastal Policy Statement 2010 (NZCPS 2010), which sets national policies to achieve sustainable management in the coastal environment, is given effect through the Resource Management Act. The Department, in partnership with local government, has a work programme to ensure that district and regional councils are well informed about the NZCPS 2010 and supported to implement its policies.

The Department will provide advice to Ministers in 2013 on options to improve funding for regional coastal planning for coastal activities, including aquaculture. It notes that the current occupation charging regime is not effective.

You have a number of roles under the Marine and Coastal Area (Takutai Moana) Act 2011 including recommending regulations and making bylaws for the management of the common marine and coastal area. The Department is currently working with the Ministry of Justice to draft regulations relating to the ownership of abandoned structures in relation to this Act.

You may also perform the managerial or administrative functions that are contemplated by the Act, but not conferred on anybody else, and are the decision-maker in respect of outstanding applications to vest reclaimed coastal land where the applicant has not requested that its application be decided by the Minister of Lands.

Aquaculture

Legislative amendments governing aquaculture were made in 2011, through changes to the Resource Management Act 1991, Fisheries Act 1996, and the Māori Commercial Aquaculture Settlement Act 2004. The Department is working with the Ministry for Primary Industries (MPI) Aquaculture Unit to support implementation of these changes. This work relates closely to the implementation of the NZCPS 2010.

Freshwater

DOC is closely involved in the whole-of-government work programme, which is working alongside the Land and Water Forum to improve the management and stewardship of freshwater. Initiatives such as the National Policy Statement for Freshwater and the establishment of funds to aid irrigation development and the recovery of degraded water bodies are significant first steps and will help safeguard freshwater ecosystems whilst also improving economic, social and cultural outcomes from its use.

Focusing on the health of ecosystems draws us to work beyond public conservation lands, and to work with others for whole-of-catchment management.

High country

Review of Crown pastoral leases for high country farming in the South Island has led to the establishment of significant new areas under conservation management. The tenure review programme continues, led by Land Information New Zealand (LINZ).

The Department provides advice to LINZ on the 'significant inherent values' of properties, through conservation resource reports. Conservation management of high country freshwater catchments also contributes significantly to downstream water quality and flow.

3.2 Legislative work and plans

Bills currently in the House

Game Animal Council Bill

The Game Animal Council Bill delivers on the previous Government's 2008 confidence and supply agreement with the United Future Party. It will establish an independent statutory council to improve the management of deer, tahr and wild pig, including the improvement of opportunities to hunt those animals.

The Council is expected to engage practically with local and government authorities, landowners and other sector groups. It would have no fewer than 9 and no more than 11 members, with functions as set out in the Bill. Its primary funding is to be from a levy on the export of trophy heads, with Crown funding of \$100,000 in the first year and \$50,000 each year thereafter.

The Bill will enable you to designate any herd of game animals in a defined location on public conservation land to be a herd of special interest and to delegate to the Council your powers under the Bill to manage those herds.

The Bill was reported back to the House on 13 December 2012.

Subantarctic Islands Marine Reserves Bill

The key purpose of this Bill, which was introduced on 7 July 2011, is to create three new marine reserves: Moutere Mahue/Antipodes Island Marine Reserve, Moutere Hauriri/Bounty Islands Marine Reserve, and Moutere Ihupuku/Campbell Island Marine Reserve. Except as provided in the Bill, the provisions of the Marine Reserves Act will apply to the three marine reserves created by the Bill. The Bill also provides for a review of the Moutere Ihupuku/Campbell Island Marine Reserve five years after the Bill's commencement, to consider protecting the remainder of the Campbell Island territorial sea by including it in the marine reserve.

The Bill has had its first reading and has been referred to the Local Government and Environment Select Committee.

Crown Minerals (Permitting and Crown Land) Bill

The Crown Minerals (Permitting and Crown Land) Bill aims to promote the prospecting, exploration and mining of Crown-owned minerals for the benefit of New Zealand. Parts of the Bill implement government decisions announced in 2010 that promote, or restrict, mining-related activities on public conservation land. It amends the Crown Minerals Act 1991, the Continental Shelf Act 1964, the Conservation Act 1987, the Reserves Act 1977, and the Wildlife Act 1953. The Bill is currently before the Commerce Select Committee.

The Bill simplifies the description of public conservation land closed to mining activity by automatically including eight categories of high conservation value land on Schedule 4 of the Crown Minerals Act. The categories are: national park, nature reserve, scientific reserve, wilderness area, conservation sanctuary, wildlife sanctuary, marine reserve, and Ramsar wetland. The classification of land into these categories will in future all be made by Order in Council rather than by you. Currently, only national parks and marine reserves are classified by an order in Council.

The Bill also provides for public notification and joint decision-making by the Minister of Energy and you.

3.3 Matters for your information

King Salmon Plan Change and Resource Consent Applications

The New Zealand King Salmon Co. Limited (NZ King Salmon) applied to the Environmental Protection Authority (EPA) for two plan change requests to the Marlborough Sounds Resource Management Plan (MSRMP) and applications for resource consents for salmon farms and salmon farming at nine sites in the Marlborough Sounds. Eight of the sites applied for are located within areas currently prohibited under the Plan and the ninth site—at White Horse Rock—currently has consent for a mussel farm. The NZ King Salmon Board of Inquiry's Draft Report and Decision, dated 14 December 2011, has been issued.

In summary, the Board of Inquiry has allowed the plan change request and concurrent applications for resource consent for four sites—being Papatua, Ngamahau, Waitata and Richmond; declined the plan change request and concurrent applications for resource consent for four sites—being the Kaitapeha, Ruaomoko, Kaitira and Tapipi farms; and declined the resource consent application for the White Horse Rock farm. The EPA is currently receiving comments on the Draft Report and Decision.

The comments period closes at 5 pm on 8 February 2013. Comments may only be made on minor or technical matters. The Board of Inquiry will consider the comments and then release its Final Report and Decision by 22 February 2013. The EPA will brief your office about the final decision and its release closer to the time.

Realising greater value from international visitors

The Building Growth Agenda, for 'Building Export Markets' identifies an action for DOC and the Ministry for Business Innovation and Employment to increase value to New Zealand businesses and New Zealand from public conservation lands and waters.

In June 2012, the Ministers of Tourism, Conservation and Economic Development directed the Ministry of Business, Innovation and Employment and the Department of Conservation to identify options for realising greater value from international visitors' use of public conservation lands and waters, while also seeking to improve conservation outcomes. Officials are due to report to Ministers on 31 January. The report is likely to propose changes to conservation legislation, policies and systems.

Kepler Guided Walks

Hollyford Valley Walks Ltd (subsidiary of Ngāi Tahu Tourism) and Tourism Milford Ltd (subsidiary of Trojan Holdings), an unincorporated joint venture, have applied for a concession for conducting overnight walks on the Kepler Track. The proposal includes construction of two lodges, two shelters and one jetty, and access is required for helicopters

and boat transport. The application has been classified as both a lease (for proposed structures) and a licence (for the guided activities) and will be processed via the notified concession application process.

Milford Dart Tunnel

The Minister's delegate signalled an intention to grant the concession, subject to conditions and public submissions. A public hearing was held in June 2012. A report for the decision-maker is being prepared. A final decision on the tunnel will be made soon.

Monorail

Riverstone Holdings Limited (RHL) has applied for a concession for the construction, operation, and maintenance of a monorail, which would run from the Mararoa River (near the Mavora Lakes Road) for approximately 29.5 km through the Snowdon Forest Stewardship Area to the Milford Road at Te Anau Downs.

The Minister's delegate signalled an intention to grant the concession, subject to conditions and public submissions. A public hearing was held in April 2012. The hearing commissioner is preparing a report for the decision-maker's consideration.

Bathurst mine proposal at Denniston

Bathurst Resources Ltd has applied to the Department of Conservation for a concession under the Conservation Act to develop mining infrastructure and also for an access agreement under the Crown Minerals Act to access public conservation land to operate an open cast mine. The Department is processing the company's applications. While the decision is the responsibility of the Minister of Conservation, the previous Minister delegated the decision-making power to the Department.

The application under the Conservation Act for relevant infrastructure (e.g. a haul road) is likely to be notified for public submissions shortly. Under the existing legislation the access agreement does not require public notification.

Aerially assisted trophy hunting

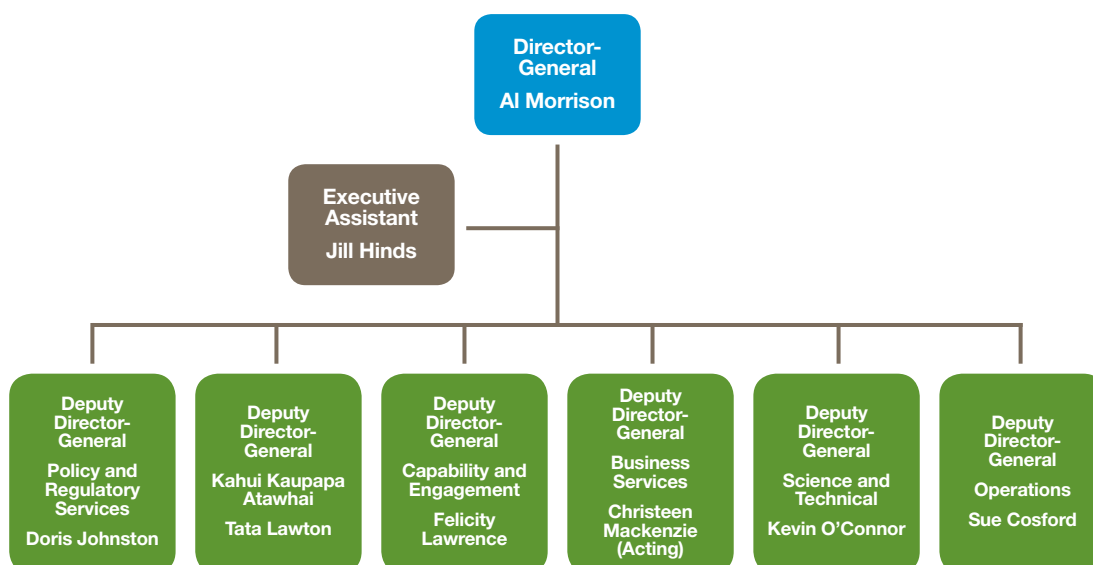
The Associate Minister of Conservation granted 16 applications for aerially assisted trophy hunting for two years rather than ten years being the period sought for. Six of the applicants sought judicial review alleging bias and predetermination, among other matters, based on the Minister's statements before and after becoming Associate Minister and being delegated the decision-making functions in relation to the applications. The matter was heard in the High Court on 31 October 2012. The judge reserved his decision.

Akaroa judicial review

The Akaroa Harbour Marine Protection Society sought judicial review of the Minister's decision in August 2010 to uphold objections on recreational grounds to the establishment of a marine reserve at Akaroa Harbour. In May 2012, the High Court held that the Minister had applied the wrong test in making her decision. Accordingly, it quashed the decision and directed her to make it again. Aspects of the Director-General's report are being re-written. Once this has occurred and any necessary consultation with the applicant has been undertaken, the society's application will be re-submitted to the Minister for a decision.

4. OUR ORGANISATION

The Executive Leadership Team, based in the National Office in Wellington, has the following structure:



Purpose of the organisation's operational groups

Policy and Regulatory Services Group (Formerly Policy Group)

The purpose of the group is to:

- influence and lead conservation thinking across central government and other strategic relationships
- provide a one-stop-shop for integrated professional services that are solution-focused and fit for purpose
- be customer focused: prioritise work for best outcomes; give advice that is well grounded by science and operational experience; and continue to develop professional capability.

Kahui Kaupapa Atawhai Group

The purpose of the group is to develop a cultural platform that connects people with the natural world, and to lead the integration of Kaupapa Māori as essential to conservation management. Its focus will be on:

- building cultural awareness and developing organisational capability for working in a Māori dimension
- developing the foundation for iwi conservation leadership
- leading the Department's approach to implementing section 4 of the Conservation Act
- leading and growing the biodiversity and cultural gains on private land through the strategic delivery of non-departmental funds.

Capability and Engagement Group

The key purpose of the group is to:

- provide professional support, service and strategic direction to the organisation
- support the Department to increase conservation outcomes by building the capability of our colleagues to grow engagement of others in conservation work across the country
- find the best and fastest ways to build skills
- understand and generate innovative ideas and best practices, and then to replicate them in communities all over New Zealand.

Business Services Group

The group provides effective and efficient business systems and services that support the organisation and its partners. Its focus is on:

- providing fit-for-purpose and integrated business systems that support people working within the Department and sectors
- leading the Department's provision of shared business services and managing its framework for shared services across other groups, and with partners
- providing core business systems to meet customer and statutory requirements.

Science and Technical Group (Formerly Research and Development)

The purpose of the group is to lead and provide co-ordinated support, technical knowledge and science:

- across DOC to achieve the delivery of DOC's organisational priorities
- to national partners, stakeholders and iwi
- to achieve more conservation and, through this, greater prosperity.

Operations Group

The purpose of the group is to:

- significantly increase the amount of conservation work done by local partners (business, local agencies, tangata whenua and communities)
- continue to deliver high-quality conservation work in the field ourselves.

The Operations Group includes the Department's conservancies and area offices.

4.1 Finances

The Department's total budget is just over \$300 million a year, with the main components being *Management of Natural Heritage* (circa \$150 million) and *Management of Recreational Opportunities* (circa \$140 million).

The following tables summarise the Department's financial performance over the past year and its position at the year's end.

Statement of financial performance for the year ended 30 June 2012

	Actual (\$000)
Revenue	
Crown	293,856
Other	38,829
Total	332,685
Expenses	
Personnel costs	147,185
Operating costs	99,436
Depreciation and amortisation	31,946
Capital charge	44,657
Finance costs	144
Loss on sale of property, plant and equipment	2,279
Total	325,647
Net surplus	7038

Statement of financial position as at 30 June 2012

	Actual (\$000)
Assets	
Current	84,620
Non-current	545,483
Total	630,103
Liabilities	
Current	54,331
Non-current	19,058
Total	73,389
Taxpayers' funds	556,714
Total liabilities and taxpayers' funds	630,103

The following table summarises baseline reductions and efficiency savings from Budgets 2009 and 2011, which have reduced the DOC's budget by \$20 million. The \$8.8 million efficiency savings required in 2013/14 will be achieved by a review of delivery functions.

Budget Reductions	2011/12 \$m	2012/13 \$m	2013/14 \$m	2014/15 \$m
Department				
Budget 2009 Baseline Reduction	11.650	11.650	11.650	11.650
Budget 2011 Efficiency Savings		2.911	8.752	8.766
Total Department	11.650	14.561	20.402	20.416
Crown				
Budget 2009 Baseline Reduction	1.850	1.850	1.850	1.850
Budget 2011 Efficiency Savings		8.738		2.500
Total Crown	1.850	10.588	1.850	4.350
Total Vote: Conservation				
Budget 2009 Baseline Reduction	13.500	13.500	13.500	13.500
Budget 2011 Efficiency Savings	0.000	11.649	8.752	11.266
Total Vote: Conservation	13.500	25.149	22.252	24.766

4.2 Concessions

Concessions are issued in your name but decisions are generally delegated to departmental managers or conservators. Decisions on activities of national significance can be made by the Director-General or by you. The majority of the permissions work in the Department is now processed from four service centres located around the country as a shared service. The moving of this work into shared services has provided further opportunity to take advantage of the improvements made as a result of the Concessions Processing Review 2010.

The Department's decision-making processes for concessions vary according to the situation. The aim is to deliver decisions efficiently and cost-effectively while taking due account of conservation risks and stakeholder interests. Much more is involved for a hydro dam proposal, for example, compared to an application for a guided walk on existing tracks, and current processes reflect this.

An environmental impact assessment is usual for all concession applications. Consultation with the public, tangata whenua and boards can be required, particularly where significant effects, long terms of operation, or exclusive use of an area are anticipated. Conditions can be set to minimise impacts and promote safety. Research and monitoring can also be required.

In recent years, there have more than 1000 concession applications a year. Revenue from concessions in 2011/12 totalled just over \$ 14.3 million. The following tables show indicative statistics for 2011/12.

Concession applications 2011/12: processing and outcomes

Status	Number	%
Received	651	100
Approved	433	67
Rejected	4	<1
Declined	12	2
Withdrawn	54	8
Pending	148	23

Concessions in effect at 30 June 2012

Activity	Number	%
Access/easement	997	25
Grazing	650	16
Guiding	520	13
Accommodation	470	12
Structures	266	7
Telecommunications	231	6
Aircraft	218	5
Boating	117	3
Vehicle	104	3
General agriculture	88	2
Events	77	2
Wild animal control	74	2
Extraction	58	1
Unidentified	52	1
Education/instruction	28	<1
Skifields	26	<1
Storage	19	<1
Horticulture	18	<1
Retail	15	<1
Attractions	12	<1
Filming/photography	3	<1
Aquaculture	1	<1
Total	4044	100

4.3 Non-departmental outputs

You determine the distribution of biodiversity funding across funding bodies that support biodiversity protection – the Nature Heritage Fund, Queen Elizabeth II National Trust, Nga Whenua Rahui, and community grants schemes, the biodiversity condition and advice funds.

In Budget 2012, the Minister of Conservation took the opportunity to place far greater emphasis on encouraging conservation on private land by transferring \$4 million per annum from the Nature Heritage Fund to create the following increases from 2014/15: Nga Whenua Rahui \$2 million, Queen Elizabeth II National Trust \$1 million and Biodiversity Condition and Advice Funds \$1 million.

Nature Heritage Fund

The Nature Heritage Fund (current budget of \$1.503 million) is a contestable Ministerial fund that was established in 1990 to support the objectives of the Indigenous Forest Policy for private land. In 1998, its scope was widened to include non-forest ecosystems on private lands.

The Fund is administered by a technical advisory committee, appointed by you and chaired by Di Lucas, to protect indigenous ecosystems that represent the full range of natural diversity originally present in the New Zealand landscape. It does this by providing incentives for voluntary conservation by way of direct purchase and covenanting.

The committee receives and makes recommendations to you on applications from landowners, non-government organisations, local authorities and government departments.

A total of 1,339 applications have been processed since 1990. Some 734 cases have been approved, resulting in the protection of 340,449 ha of indigenous ecosystems, either by direct purchase or through covenants, at a cost of around \$155.93 million. This equates to an average cost of around \$458 per hectare. Approximately 80% of these applications have come from private sources, 18% from the Department and 2% from local authorities.

In 2008, the purchase of St James Station, near Lewis Pass, was funded by way of drawdown from the Fund over six years (with additional funding from Vote Lands). This reduced the scheduled appropriations for the Fund until 2013/14.

Since 2002, it has had the role of administering the conservation component of the South Island Landless Natives Act 1906 (SILNA) package. From an allocation of \$16 million, the Fund facilitates conservation payments for covenants over areas of these lands identified as having high conservation values.

To date, \$7.665 million has been spent to protect 808 ha of SILNA land, including \$0.5 million for the successful Waitutu pest management programme. A further \$7.915 million has been committed for properties totalling 2,948 ha, over which negotiations are continuing.

Queen Elizabeth II National Trust

The Queen Elizabeth II National Trust receives an annual government grant (\$3.274 million) to support its business of securing the long-term protection of natural and cultural heritage on private land.

Nga Whenua Rahui

The Nga Whenua Rahui Fund supports the protection of indigenous ecosystems on Māori land. It is administered by a Komiti (committee), currently of six members, chaired by Sir Tumu te Heuheu. The Komiti considers applications and makes recommendations for your

approval within a current budget of \$4.066 million per year. It is serviced by a secretariat in the Department.

Organisations representative of iwi and hapū can apply to Nga Whenua Rahui for funding. Protection mechanisms include covenants (kawenata), fencing, and establishment of Māori reservations under the Te Ture Whenua Act 1993. The criteria and mechanisms of Nga Whenua Rahui allow the owners to retain tino rangatiratanga (ownership and control).

Matauranga Kura Taiao Fund

The Nga Whenua Rahui Komiti also administers the Matauranga Kura Taiao Fund, which supports retention and use of traditional Māori knowledge in biodiversity management. This fund supports hapū and iwi initiatives to retain and promote traditional Māori knowledge and its use in biodiversity management. The Komiti allocates about \$0.5 million a year from this fund.

Biodiversity Advice Fund

The Biodiversity Advice Fund supports provision of information and advice to land managers. \$1.2 million is distributed annually to support projects that inspire landholders or groups to protect indigenous species on their land, by such means as workshops, field-days and publications.

Biodiversity Condition Fund

The Biodiversity Condition Fund aims to improve and maintain the condition of areas of indigenous vegetation, species and habitats. \$2.4 million is distributed annually to broaden community effort in the management of indigenous biodiversity. Suitable projects can include fencing or pest control on private land.

Terrestrial and Freshwater Biodiversity Information System (TFBIS)

TFBIS aims to increase awareness of, and access to, data and information about New Zealand's terrestrial and freshwater biodiversity. \$1.4 million is distributed annually to fund research and support the development and maintenance of databases. The Department administers TFBIS, with advice from a steering committee that includes representatives of the Ministry for the Environment, Ministry for Primary Industries, local government and Crown Research Institutes.

5. INSTITUTIONAL ARRANGEMENTS

5.1 Statutory bodies

The Conservation Act provides for public engagement with conservation management through a number of statutory bodies, some having members appointed by you. Early in 2013, you will receive a briefing on upcoming appointments.

New Zealand Conservation Authority

The New Zealand Conservation Authority (NZCA) advises you and the Director-General on the public interest in conservation at a national level. It approves key conservation management documents, including general policy for national parks, conservation management strategies, and national park management plans. You are required to consult the NZCA on certain matters, including appointments to conservation boards.

NZCA members are appointed by you for three years, on the recommendation of designated organisations, and in consultation with specified Ministers, or following public nominations. The current chairperson is Dr Kay Booth, Director of Lindis Consulting Ltd (a recreation, tourism and environmental consultancy).

Conservation boards

The Government's 2011 Policy statement for conservation identified that, in order to provide better recognition of the place of outdoor recreation in conservation, it would support outdoor recreation by renaming conservation boards as conservation and recreation boards. The resulting Conservation (Naming of Conservation Boards) Amendment Bill is in preparation, as described above under 'Legislative work and plans'.

Thirteen regional conservation boards are appointed by you to provide independent advice on the Department's policy and activities, including oversight of the development of their region's Conservation Management Strategy. Once the NZCA approves a strategy, the relevant board advises on its implementation. Boards report annually to the NZCA.

Approximately a third of a conservation board's members are appointed by the Minister each year, for three-year terms. Approximately 90 appointments are due in 2013.

Fish and game councils

Twelve regional fish and game councils manage freshwater sport fishing and game bird hunting. Each has 12 members, elected by licence-holders, and a non-voting departmental representative. Each council appoints one person to the New Zealand Fish and Game Council. This national council advises you, develops policy and guidelines, advocates the interests of anglers and hunters, and co-ordinates the fishery and game bird management. The current chairman of the New Zealand Fish and Game Council is Matthew Hall and the chief executive is Bryce Johnson.

You are responsible for approving the councils' annual budgets, financial reports, licence fees and conditions. You can require amendments to their recommended conditions for game seasons, but they are not otherwise subject to your direction. They have an annual budget of about \$6 million, funded from sales of sports fishing and hunting licences.

The Taupo sports fishery is managed separately by the Department of Conservation in consultation with the Taupo Fishery Advisory Committee, which has 10 members appointed by you. It is the only one not managed by a fish and game council.

Queen Elizabeth II National Trust

The Queen Elizabeth II National Trust assists landowners to protect significant natural and cultural features on their land, primarily through open space covenants. The Trust has an annual budget of about \$4 million, mostly from government grants. Its appropriation from Vote: Conservation is subject to your annual purchase agreement.

The Trust's board reports annually to you. You appoint its chairperson and three directors, and Trust members elect two more directors. The current chairperson is James Guild and Mike Jebson has been appointed as the chief executive.

Guardians

There are seven ministerially appointed Guardians of Lakes Manapouri, Monowai and Te Anau. They meet twice a year and work with electric power companies in monitoring the impact of power generation on the lakes, particularly on water levels.

Four ministerially appointed Guardians of Lake Wanaka monitor the environmental health of that lake.

Taupō-nui-a-Tia Management Board

The Taupō-nui-a-Tia Management Board administers the beds of Taupō waters. It has four Ngāti Tūwharetoa members and four Crown members appointed by you, in consultation with the Minister of Māori Affairs.

Waitangi National Trust

You are an *ex officio* member of the Waitangi National Trust Board, which oversees the management of the Treaty grounds at Waitangi.

Marine reserve committees

Some marine reserves have committees, which you may appoint to provide you with direct advice. Each is a committee of the relevant conservation board.

Reserve boards

Reserve boards control and administer reserves according to the Reserves Act 1977. In most cases, ministerial authority to appoint members is delegated to the Director-General. Exceptions to date are the Lake Okataina Scenic Reserve Board, the Rotoiti Scenic Reserve Board and the Kaiteriteri Recreation Reserve Board.

5.2 Statutory planning

Planning framework

Conservation management planning is governed by a hierarchy of planning documents established by conservation legislation, in the following descending order of priority:

Legislation: Conservation Act, Wildlife Act, Marine Reserves Act, Marine Mammals Protection Act, Reserves Act, Wild Animal Control Act, National Parks Act.

General policies: Conservation General Policy, General Policy for National Parks.

Conservation management strategies: Current reviews will reduce the number of strategies from 16 to 12 (one for each conservancy, plus the Chatham Islands).

Management plans: Conservation, Sports Fish and Game, and National Park Management Plans.

General policies

General policies provide guidance for the interpretation of conservation legislation and the development of conservation management strategies and plans. They guide and constrain the scope of direct decisions by the Minister, Director-General and other decision-makers under the legislation, such as the New Zealand Conservation Authority, conservation boards and fish and game councils.

Conservation management strategies

The requirement and process for preparing conservation management strategies (CMSs) is set out in the Conservation Act. They follow a public process and are approved by the New Zealand Conservation Authority, which must have regard to any recommendations from you on the final draft.

The Department's CMSs are currently being reviewed and public consultation has begun. Revised draft CMSs for Northland, Auckland and Waikato were notified for public submission in early December 2012. Those for Southland, Otago and Canterbury are being drafted for notification in mid 2013. The review of Nelson Marlborough, Wellington Hawke's Bay, Chatham Islands and East Coast Bay of Plenty CMSs will begin in mid 2013. The review of the Taranaki Whanganui Tongariro CMS will begin in 2014. A rolling review of national park management plans will begin in 2014.

Most first-generation CMSs are under review or due for review. Minister Wilkinson extended the review period for CMSs, which will now follow a common format.

Conservation management plans

Conservation management plans (CMPs) are detailed plans for the management of particular sites. They are only required if they have been specifically mentioned as a task in the relevant CMS. CMPs are approved by conservation boards or, on rare occasions, the New Zealand Conservation Authority. There are relatively few conservation management plans.

National park management plans

The National Parks Act requires a management plan for every national park. These are 10-year plans, the preparation of which includes public consultation. The New Zealand Conservation Authority approves them after having regard to your views on the final draft. Some national park management plans are under review or due for review soon. A rolling review of national park management plans will be recommended from 2016.

	Expiry date	Status
National Park Management Plan Te Urewera Aoraki/Mount Cook Tongariro Arthur's Pass Fiordland Abel Tasman Rakiura Mount Aspiring Whanganui	February 2013 August 2014 October 2016 December 2017 June 2017 October 2018 February 2021 June 2021 August 2022	Approved
Paparoa Kahurangi Westland Tai Poutini * Egmont Nelson Lakes	November 2002 June 2011 December 2011 February 2012 October 2012	Due for review

* Partial review of access provisions is under way.

