

Department of Conservation

Annual Report

FOR THE YEAR ENDED 30 JUNE 2002

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

Cover photo: "Suzanne's" foster brood in nest: "W1" 45 days
old, "W2" 52 days old, Codfish Island, April 2002

Photographer: Don Merton

Hon Chris Carter
Minister of Conservation

I present the Department of Conservation's annual report for the year ended 30 June 2002.

A handwritten signature in black ink that reads "Hugh Logan". The signature is written in a cursive style with a large initial 'H' and a long, sweeping tail on the 'n'.

Hugh Logan
Director-General

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HIGHLIGHTS FROM THE DIRECTOR GENERAL

This annual report reports back against the Department of Conservation's first Statement of Intent which sets out our immediate, medium and longer term strategic directions. The development of our Statement of Intent was a significant shift away from what we call 'outputs' (such as the number of hectares of possum control) towards focusing on the overall outcomes we are endeavouring to achieve in conservation (such as overall ecosystem health). Reporting against outputs is still important in order to understand our business. In the longer term, however, we need to be able to show the New Zealand public the conservation results we've achieved.

Along with a shift from outputs to outcomes there has also been a greater emphasis placed on working with communities. The Statement of Intent recognises that an integral part of our overall strategic direction is to work with the community. The department cannot halt the decline of New Zealand's indigenous biodiversity on its own. We need the help and support of the community. The *Park Rangers* television series allowed us to reach new communities and significantly improved our profile with the public. We will continue to look for opportunities for the public, iwi and the department to work together on conservation initiatives. Indeed, a recent partnership with Creative New Zealand, which has resulted in the Artists in Residence "Wild Creations" proposal, is one such opportunity to eventuate during 2001/02.

The past year has been one of significant conservation achievements. With strong government support we have been able to move ahead and make good progress on the goals and national priority outcomes identified in our Statement of Intent. The most prominent achievements have been the:

- transfer of the former Timberlands West Coast indigenous forests to the public conservation estate;
- creation of New Zealand's fourteenth national park, Rakiura/Stewart Island;
- introduction of the Marine Reserves Bill;
- eradication of rats on Campbell Island;
- establishment of a sixth kiwi safe-haven zone;
- successful breeding of kakapo on Codfish Island and taiko petrel on the Chatham Islands;
- expansion of the area of conservation land under long-term sustainable control of possums and goats;
- establishment of the Korowai/Torlesse Tussockland Park, New Zealand's first grassland park;
- creation of the Papanoa and Adams wilderness areas;
- new funding for visitor facilities which will ensure the long-term sustainability of these assets;
- development of conservation education super-site resources; and
- *Park Rangers* series on television.

These achievements are due in a large part to the efforts of my staff but there are many others who have made these successes possible. We continued to be well served over the past year by the Hon Sandra Lee who has been a staunch advocate for conservation. The year has seen her consider many difficult issues such as whether to allow mining at Reefton through to deciding how to minimise the emerging lahar risk at Mt Ruapehu's Crater Lake. This was the Minister's last term in Parliament and I would like to thank her for her role in defending and promoting conservation in New Zealand.

A handwritten signature in black ink that reads "Hugh Logan". The script is fluid and cursive, with the first letters of "H" and "L" being significantly larger and more stylized than the rest of the letters.

Hugh Logan
Director-General

CONSERVANCY HIGHLIGHTS

Northland Good progress has been made controlling a number of serious plant pests at priority sites, including mistflower, mothplant, African heathergrass, and spartina. Deer eradication has been substantially achieved, with only 3–4 animals believed to remain in the wild. Significant offshore island sanctuaries have been kept free of threats from animal and plant pests. A kiwi sanctuary programme has been established at Bream Head and associated sites. Opportunities have been developed for active community participation in conservation awareness and delivery of programmes, notably through a formal marine conservation strategy and the preparation of a public engagement training programme and toolkit. Key iwi relationships have been sustained in site management at Motatau, Bream Head, Cape Brett, Warawara, and the Pouto Peninsula.

Auckland The first marine reserve for an island in the Hauraki Gulf was approved by the Minister of Conservation and will be sited in Te Matuku Bay on Waiheke Island. Operational planning for the combined rat and cat eradication on Raoul Island in the Kermadecs was completed. The aerial application of poison rat baits over the 2,941 ha island has been completed and confirmation of the success of this operation is expected in June 2004. Operational planning for the removal of kiore from Hauturu (Little Barrier Island) was commenced, as was preliminary planning for eradicating wallabies from Kawau Island. The Auckland Conservancy initiated and supported several urban community conservation projects. This included a project with the Chinese community in Auckland resulting in New Zealand's first Chinese conservation trust (Chinese Conservation Education Trust). There was also the Mangere Mountain education project with the Manukau City Council and Te Wai O Hua Trust. Significant progress was made with the restoration of Fort Takapuna on the North Shore coastal historic reserve.

Waikato A kiwi zone has been established at Moehau, with 10,000 ha under management to protect viable populations of North Island kiwi from mammal pests. Tusked weta have successfully bred after their reintroduction to Middle Island. Captive raised juvenile tuatara were reintroduced to their original homes on Cuvier and Red Mercury Islands. Pest plant and animal control activities were undertaken at Moehau, Pikiariki and Waipapa priority conservation sites. Pest control was reactivated at the Mapara experimental site after eight years' monitoring of the resident kokako population. Practical conservation and management advice and support was given to several large and numerous smaller community conservation projects, including the National Wetlands Centre at Rangiriri, Maungatautiri Mainland Island Conservation Project, the Kuaotunu Kiwi Sanctuary and Landcare groups. An extensive 600 square metre roof system was placed over the Victoria Battery ore kilns at Karangahake Gorge near Paeroa, and the new Karangahake Walkway and carpark were opened. The Northern Coromandel Walkway linking Fletcher and Stony Bays was completed.

Bay of Plenty Good progress was made towards the extermination of a number of serious animal and plant pests including feral goats, pest fish, old man's beard and spartina. Over 12,000 ha of Whirinaki Forest was treated for possums with 1080. Invasive pines were controlled in most of the region's geothermal reserves. New Zealand's most successful dotterel breeding site on Matakana Island was maintained in partnership with the local iwi. The first charters of partnership were signed with iwi to formalise co-operative conservation arrangements. A number of community conservation projects were supported, including the Kaharoa Kokako Trust, and the Torupatatahi Landcare Trust's efforts to restore a natural pumice canyon area. The first stage of a high quality interpretation site and series of walking tracks through the restored remains of the Waiorongomai gold field near Te Aroha were completed.

East Coast/Hawke's Bay Deer numbers were reduced by 60% in the Kaweka Range. Rat control has been maintained in extensive forest tracts in northern Te Urewera, where kokako numbers have risen and some were able to be transferred to Boundary Stream Mainland Island. Indications are that the aquatic pest weed lagorosiphon has been contained in Lake Waikaremoana's Rosie Bay. Shore plover have been transferred onto Portland Island off Mahia Peninsula and kiwi are breeding on the Poketukutuku Peninsula and the Whinray Scenic Reserve at Motu after intensive predator control. Protected Natural Area Surveys have now been completed for all ecological districts in the conservancy. The Hikurangi Walkway has been marked and gazetted.

Tongariro/Taupo The conservancy's conservation management strategy has been approved after resolution of a Treaty of Waitangi claim. Ecological and cultural conservation of the Karioi Rahui has continued in partnership with iwi. Possum operations using 1080 poison have been conducted on Kakaramea, Tihia, Piohanga and Ketetahi as well as in the Tongariro Forest, with positive results for forest and bird life. *Pinus contorta* continues to be reduced in Tongariro National Park, and there is strong evidence of the effectiveness of biological control of heather at two sites. Deferred maintenance has been completed at all huts in the Tongariro National Park and Kaimanawa Forest Park. The Eastern Ruapehu lahar alarm and warning system has been completed and an embankment constructed to prevent a lahar overflow onto State Highway One and the Tongariro River. The Central North Island Blue Duck Restoration Trust and the Tongariro National Trout Centre Society were established.

Wanganui All known pockets of feral deer in north Taranaki were either eradicated or reduced to very low numbers. Over 160,000 ha of forest are under a 7–8 year cyclical treatment programme for possum control using 1080. New populations of short-jawed kokopu and giant kokopu were discovered in Taranaki. Good progress was made on the control of a number of serious plant pests, including an infestation of Chilean rhubarb on the South Taranaki coastline and spartina in the Manawatu estuary. A major upgrade to the facilities at Tieke Kainga on the

Wanganui River was completed in close cooperation with iwi. Two old huts at Puteore and Tahupo in the Waitotara Conservation Area were replaced. A month-long summer nature programme was fully booked with over 1500 participants. Conservation plans were completed for Awa Te Take Scenic and Historic Reserve and Ngangana Pa in consultation with iwi.

Wellington The Chatham Island petrel, or taiko, the world's rarest sea bird, has had its best breeding season since its rediscovery 24 years ago, with seven chicks fledging successfully. The total population may now be as high as 150. Intensive ground control of cats, possums, rats, weka and pigs is being used at the Tuku Nature Reserve in the Chatham Islands to protect the birds' nesting areas. The construction of an innovative fence has protected a 25 ha area on remote Pitt Island from predation by cats and weka. Chatham Island petrel chicks were transferred into the fenced area after pests were eradicated. A formal partnership established between The National Wildlife Centre Trust, Rangitaane o Wairarapa, and the department aims to restore Wairarapa's 942 ha Mt Bruce forest. This project will see kokako released into the forest (joining kaka recently released from the centre's captive breeding operation). Members of Rangitaane have cut 120 km of track in preparation for possum and rat control in the forest. Objections to the Taputeranga Marine Reserve application on Wellington's south coast were not upheld and the concurrence of the Ministers of Transport and Fisheries has now been sought. Conservation Awareness funding has enabled the establishment of and support for a network of 27 conservation groups involved in ecological restoration work in the Wellington area.

Nelson/Marlborough The Rotoiti Nature Recovery Project in Nelson Lakes National Park was expanded during the year and now covers 5,000 ha compared with its original 825 ha. Pest control in the area now involves stoat trap lines covering more than 5,000 ha, wasp control over 1,100 ha and rat trapping 1,400 ha. Stoat and rat trapping is being supported by the Friends of Rotoiti, a community group established with Conservation Awareness funding. Twenty-seven mohua were transferred to one of the Chetwode Islands (Marlborough Sounds). More populations of the pest fish gambusia and koi carp populations were found in the Nelson region, and an eradication programme was carried out on some of the Nelson populations. The foreshore of Abel Tasman National Park is to be managed under the Reserves Act 1977. It is intended that foreshore adjoining the national park will be managed by the department, while the Tasman District Council will manage foreshore next to council reserves and private land. A moratorium on new permits for commercial whale watching off the Kaikoura coast was extended for 10 years after researchers observed changes in whale behaviour in the presence of whale-watch vessels and aircraft. A major upgrade of toilet and sewerage facilities was begun in the Abel Tasman National Park, along with upgrades and improvements to recreational facilities throughout the conservancy.

Canterbury The Korowai/Torlesse Tussocklands Park was opened by the Minister of Conservation – the first tussockland park in New Zealand. Sixty-five kaki (black stilt) were released into the wild from a very successful captive breeding programme which has continued to boost the wild population and the number of breeding pairs in the wild. Several plant species believed to have been either extinct in the wild or locally extinct were rediscovered and cultivated for replanting: Cook's scurvy grass, button daisy *Leptinella filiformis* and *Carmichaelia juncea* – the latter was found growing in the Edinburgh Royal Botanical Gardens. Nursery Manager, Jorge Santos, was awarded the Loder Cup, New Zealand's premier conservation award. Wilding tree control has been an ongoing success in the Twizel Area. A combined South Island conservancy Wilding Conifer Strategy has been developed to tackle the wilding problem. A major fire at Cora Lynn in March 2001, was fought over 12 days with assistance from other agencies and conservancies. The Aoraki Area search and rescue team was the subject of a Natural History New Zealand television documentary film crew working on behalf of National Geographic channel. Macaulay Hut, the initiative of the Mackenzie Alpine Trust, was opened by the Prime Minister.

West Coast Intensive predator control programmes at the Okarito kiwi zone and Haast Tokoeka Sanctuary have achieved kiwi chick survival rates of 30% (compared with 5% in unmanaged populations). The transfer of 130,000 ha of indigenous forest formerly managed by Timberlands West Coast to the West Coast Conservancy was completed this year. Of this, nearly 18,000 ha has national park status. Community and Ngāi Tahu support was crucial to the successful construction of a new track with interpretation on the banks of the Arnold River, adjacent to Moana township. Strong community relationships have been built on projects involving schools and other community groups, notably at Cape Foulwind, and Project Crimson work. Community partnerships were formed to consider issues surrounding Hector's dolphin, black petrel and other local concerns. The conservancy was extensively involved in providing advice for a decision on an application by GRD Macraes Ltd for an access arrangement to mine conservation land near Reefton. Several huts were upgraded or replaced in the conservancy.

Otago The department successfully referred the Otago Regional Plan to the Environment Court, winning rulings increasing minimum flows for the Shag, Taieri and Manuherikia rivers, and other rulings that improve instream habitat for freshwater species. Another stage in a programme to remove wilding pines from the Cromwell Gorge was carried out in co-operation with Transit NZ, Contact Energy and landowners. Field investigations of 16 new properties entering the high-country tenure review programme were completed, with 34 others now in various stages of implementation. Tenure reviews are adding high natural and recreational value lands to those already managed by the department. At the same time, public access to the high country is being enhanced. Work was carried out on the conservancy's recreational and historic

heritage infrastructure to meet growing visitor requirements. Agreement was reached with the Kaitaki Rōpu i Araiteuru on a protocol for consulting rūnanga about concession applications. Brochures interpreting the Otago Tōpuni sites (Tititea/Mount Aspiring, Pikirakatahi/Mount Earnslaw, Maukaatua and Matakaea/Shag Point) were published in close collaboration with Te Rūnanga o Ngāi Tahu and Otago rūnanga.

Southland Highlights of the year include a dramatic increase in the kakapo population. Good progress is also being made with other threatened species such as mohua (yellowhead) and kakariki (yellow-crowned parakeet) in the Eglinton Valley. The successful eradication of rats from Ulva Island, which is now the conservancy's official showcase project, and Whenua Hou are a significant step forward in the provision of safe havens for endangered species. These successes have been followed by stoat clearance operations on Chalky Island in Fiordland and a major rat eradication project on Campbell Island. Projects with Ngāi Tahu include a joint venture to begin the restoration of native habitat on Rarotoka (Centre Island) in Foveaux Strait and rat eradication programmes on titi (mutton bird) islands. Other highlights include the establishment of Rakiura National Park on Stewart Island and the facilitation of the privately-owned and operated Hump Ridge Track. The conservancy enjoys a good level of support and understanding of conservation issues as a result of productive relationships with community groups, iwi, media articles and popular visitor programmes.

ABOUT THE DEPARTMENT OF CONSERVATION

Statutory Mandate

The Department of Conservation is the leading central government agency responsible for the conservation of New Zealand's natural and historic heritage. Its legislative mandate is the Conservation Act 1987 and other key statutes such as the National Parks Act 1980 and Reserves Act 1977. Like other government departments, the department has the responsibility to advise Ministers and the Government and to implement government policy.

The department's key functions as set out in the Conservation Act are to:

- manage land and other natural and historic resources;
- preserve as far as practicable all indigenous freshwater fisheries, protect recreational fisheries and freshwater habitats;
- advocate conservation of natural and historic resources;
- promote the benefits of conservation (including Antarctica and internationally);
- provide conservation information; and
- foster recreation and allow tourism, to the extent that use is not inconsistent with the conservation of any natural or historic resource.

The department has a particular responsibility under section 4 of the Conservation Act to interpret and administer the act so as to give effect to the principles of the Treaty of Waitangi. This includes building and supporting effective conservation partnerships with tangata whenua at the local level.

The department also contributes to the conservation and sustainable management of natural and historic heritage in areas for which it is not directly responsible. It does this through its roles under other statutes including the Resource Management Act 1991, the Fisheries Acts 1983 and 1996, the Biosecurity Act 1993, the Forest and Rural Fires Act 1977 and the Crown Pastoral Land Act 1998.

Conservation management and the work of the department are characterised by a high level of public input. Conservation is based on societal support and on the concept that conservation land is the common heritage of all New Zealanders. As such, conservation land is public land. These principles are inherent in all conservation legislation. This legislation also establishes a hierarchy of conservation boards and the New Zealand Conservation Authority, an independent body appointed by the Minister. The Authority has powers to approve formal management plans binding the department and also serves to advise the Minister.

Mission and Vision

The department's challenge is to manage natural and historic heritage assets for the greatest benefit and enjoyment of all New Zealanders, by conserving, advocating and promoting natural and historic heritage so that its values are passed on undiminished to future generations.

The department's mission is:

To conserve New Zealand's natural and historic heritage for all to enjoy now and in the future.

He āta whakaute, manaaki, me te tiaki ia Papatuanuku ki Aotearoa kia ū tonu ai tōna whakawaiūtanga hei oranga ngakau mō te tini te mano ināianei, āke tonu ake.

The department's vision is:

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

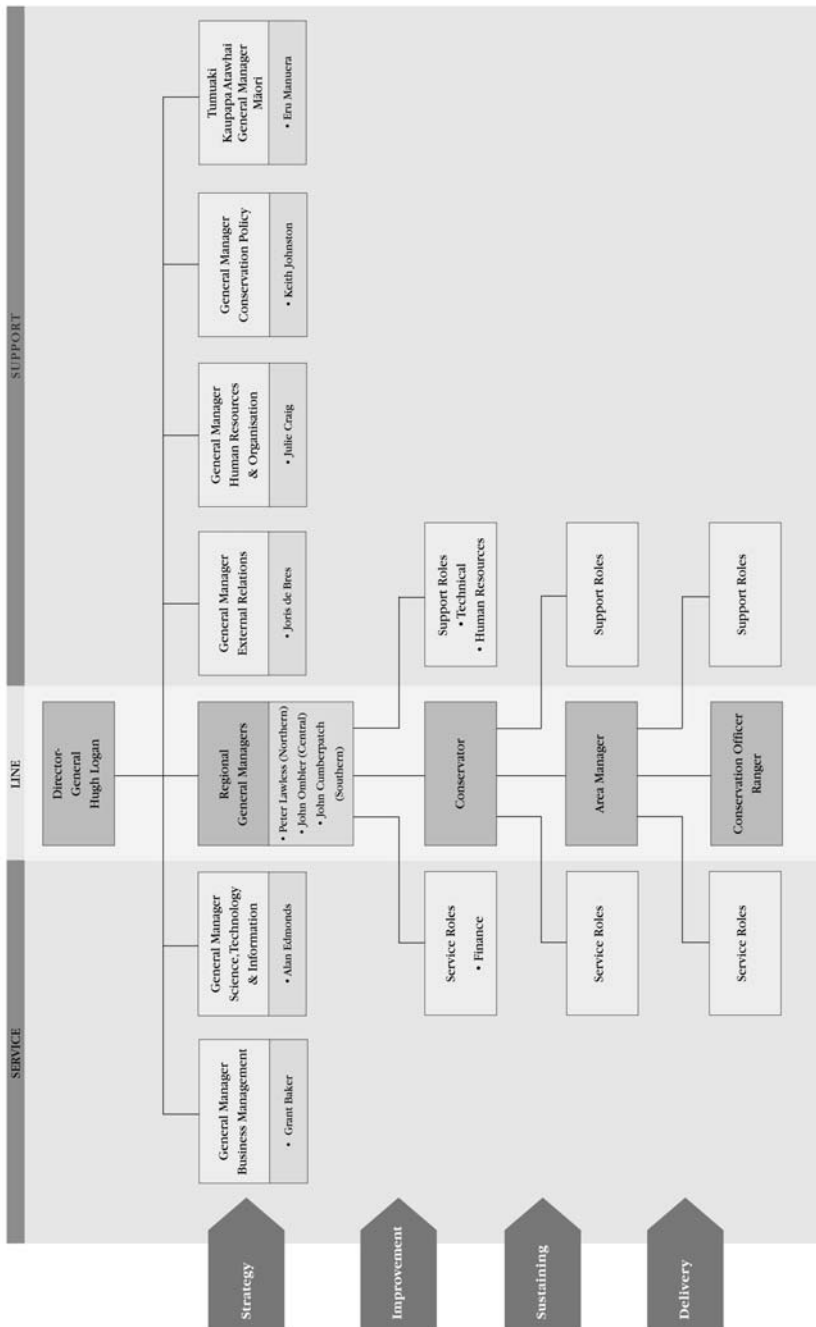
Kei te mahi ngātahi te Papa Atawhai me ngā iwi whānui ki te whakaute, te manaaki me te tiaki i ngā taonga koiora me ngā taonga tuku iho o Aotearoa hei painga mō te katoa.

The Department's Structure

The nature of the department's work means that structurally it is decentralised and operates a far-flung network of offices. The department manages almost one-third of New Zealand's landmass: about 8 million ha held in 14 national parks, 20 conservation parks and about 3,500 reserves and other categories of protected land. In the marine environment, the department manages almost 7% of the territorial sea (less than 1% of the area within the Exclusive Economic Zone). More than 1.3 million ha has some form of protection. Sixteen marine reserves (762,840 ha) provide comprehensive protection (which is 4% of the territorial sea) and at least a further 3% of the territorial sea has some form of protection in two marine mammal sanctuaries, two marine parks and one specially protected area.

The department has nearly 1,500 permanent staff, and employs a large number of temporary and seasonal staff and contractors. There are 13 conservancies located throughout New Zealand. Their main role is to ensure quality conservation management. Each conservancy has area offices that deliver conservation outputs. Three regional offices are responsible for continuous quality improvement. The department's head office, in Wellington, develops national policies, provides leadership, and national service and support functions. (See Diagram 1 over page.)

DIAGRAM ONE : DEPARTMENT OF CONSERVATION – ORGANISATION STRUCTURE



CONTRIBUTION TO KEY GOVERNMENT GOALS

As illustrated below each key step in the department's Statement of Intent (SOI) contributes to the achievement of the Government's key goals (*Key Government Goals to Guide Public Sector Policy and Performance April 2001*). It should be noted that biodiversity and historic protection, for example, also contribute to national identity and economic performance and that capability and iwi and community engagement in turn contribute to the protection of the environment.

Government Goals	Department's SOI Key Steps
Protect and enhance the environment	<i>Key Step 1</i> Expand biodiversity effort <i>Key Step 2</i> Minimise biosecurity risks
Strengthen national identity and uphold the principles of the Treaty of Waitangi	<i>Key Step 3</i> Increase emphasis on historic and cultural values <i>Key Step 5</i> Engage the community in conservation <i>Key Step 6</i> Promote effective partnerships with tangata whenua
Grow an inclusive, innovative economy for the benefit of all	<i>Key Step 4</i> Promote appropriate recreation and increased public enjoyment of protected places <i>Key Step 5</i> Engage the community in conservation
Improve New Zealanders' skills	<i>Key Step 7</i> Improve our capability

STATEMENT OF INTENT

The completion of the Statement of Intent was an important strategic milestone for the department. The Statement of Intent establishes 10-year national priority outcomes and three-year strategic directions. It is consistent with the department's roles and responsibilities in relation to the key Government goals and including those identified in the New Zealand Biodiversity Strategy (NZBS).

The department's first Statement of Intent spans the years 2001–2004. The department publishes the Statement of Intent annually in order to provide commentary information on short-term objectives, outputs and supporting financial information that was previously published in the annual Departmental Forecast Report. The longer-term strategic information contained in the Statement may periodically be updated.

The concept and format of the Statement of Intent was developed through the department's involvement as a participant in the State Services Commission's project to trial new approaches to capability, accountability and performance reporting. The seven key steps that the department will take towards fulfilling its conservation responsibilities are:

- Expand biodiversity effort;
- Minimise biosecurity risks;
- Increase emphasis on historic and cultural values;
- Promote appropriate recreation and increased public enjoyment of protected areas;
- Engage the community in conservation;
- Promote effective partnerships with tangata whenua; and
- Improve our capability.

The review of the 2001/02 year that follows is structured on the key steps identified above. The Statement of Service Performance (SSP) section of this document follows a different structure and is based around the Output Classes developed for appropriations and reporting to Government. Over time the SSP section and the Statement of Intent Key Steps sections will be integrated around the same structure for planning, appropriation and reporting purposes.

KEY STEP 1: EXPAND BIODIVERSITY EFFORT

Under this key step the department aims to maximise long-term biodiversity gains, especially by using additional New Zealand Biodiversity Strategy (NZBS) funding approved in the 2000 Budget.

New Zealand Biodiversity Strategy

The aim of the New Zealand Biodiversity Strategy (NZBS) is to involve New Zealanders in turning the tide, holding on to our biological treasures and in places working to restore them. The NZBS will establish a strategic framework for action to conserve and sustainably use and manage New Zealand's biodiversity.

TERRESTRIAL BIODIVERSITY

National Priority Outcomes for maximising long-term biodiversity gains on land are:

- i. Maintain and restore a full range of terrestrial habitats and ecosystems to an indigenous natural character.
- ii. No avoidable human-induced extinctions of indigenous species have occurred and, where practicable, representative populations of all indigenous species have long-term security in natural or semi-natural habitats within their natural range.
- iii. A more comprehensive range of terrestrial natural heritage is legally protected.

Species Conservation Programmes

This year recovery work on high priority threatened species under baseline expenditure included a number of programmes spanning Category A, B and C threatened species. Highlights included the implementation of a new recovery plan for the orange-fronted parakeet which was recently confirmed as a separate species from the yellow-crowned parakeet.

Nine recovery plans (including two multi-species recovery plans and the Invertebrate Action Plan which covers approximately 60 species) were completed and published during the year. Progress in the recovery of some high priority species is detailed below:

- Despite a relatively poor breeding season over 2001/02 for the wild population of takahe in the Murchison Mountains, the increasing trend (experienced in previous years) in numbers of breeding pairs continued with a 10% increase this year. A new recovery plan for takahe is being prepared.
- Progress with black stilt recovery has been sustained over 2001/02. The overall population size has increased from 39 to 47 in the last year; 75% of the wild population has now been reared in captivity, and all wild pairs now contain at least one captive-reared and released member. The population continues to grow at a rate close to that predicted in 1998, a testimony to the investment in the captive breeding programme.

- The Stewart Island dotterel population has seen a further 17% increase over 2001/02 to 205 individuals, a result of ongoing cat control work. Dotterel populations in the North Island continue to show positive responses to management. The Matakana Island population had a very good breeding season over 2001/02 with 34 known pairs fledging 39 chicks. A post-breeding census on Tauranga Harbour and Matakana Island in March 2002 recorded 250 birds – a record for the harbour.
- Otago and grand skink: positive progress has been made implementing predator control, stock removal and formal protection of prime skink habitat. The population trend, however, is still in decline based on recent data analysis.
- There has been a significant decline in the mohua (yellowhead) population after recent predator plagues in beech forests. The recovery effort is receiving a significant boost with an injection of new NZBS funding. A beech forest working group has been formed to guide the recovery effort for mohua, orange-fronted parakeet and other threatened species facing common threats in beech forests.
- There are a number of seedlings of the endangered *Kowhai ngutukaka* (kakabeak) that have germinated from Moturemu Island's natural seedbank and have survived their first summer. There are two species of kakabeak, *Clianthus puniceus* and *Clianthus maximus*. Most of the *Clianthus puniceus* planted last winter on Moturemu have died. While a number of these had considerable insect damage, analysis of this damage by the Forest Research Institute suggests that this was not the primary reason for the plants decline.
- Chatham Island species recovery programmes were advanced during 2001/02. Examples include increasing and securing the Chatham Island petrel population on Rangatira Island; the completion of an intensive field research programme on Forbes parakeet on Mangere Island; active efforts to reintroduce Chatham Island petrel to Pitt Island and shore plover to Mangere Island. Three years of intensive management of the Chatham Island oystercatcher resulted in an increase in numbers from less than 150 in 1997 to at least 215 in 2001/02, approaching the 10-year recovery plan goal of 250 individuals set for 2011.

Kiwi Recovery Programme

This flagship programme (carried out in partnership with the Bank of New Zealand) was enhanced by NZBS funding. The aim for the 2001/02 financial year was to have 25% of kiwi chicks in the five kiwi sanctuaries established in 2000/01 surviving up to 1 kg in weight, when they are thought to be safe from stoat predation. This would represent a 5% annual increase in kiwi populations at the sanctuaries (mainland populations are decreasing by about 5% annually). At the Tongariro kiwi sanctuary, 70% of kiwi chicks survived. It is estimated that 50% of kiwi chicks survived at the Coromandel sanctuary, and 30% in Okarito. It has not been possible to determine the survival rate at the Northland

kiwi sanctuary due to the high loss of transmitters and in Haast the numbers were too small to determine (two of the six chicks known to have hatched currently survive).

Kakapo Recovery Programme

The Kakapo Recovery Programme is sponsored by Comalco through the Threatened Species Trust, administered by the Royal Forest and Bird Protection Society and implemented by the department. After many years of research and development, the slump in kakapo breeding was finally broken with a very productive breeding season resulting in a 39% population increase. The recovery team has modelled the outcomes of this increase and are predicting a status change within 20 years, with the kakapo population increasing to more than 250 breeding adults and shifting from a Nationally Critical to Nationally Endangered classification. In total, 57 eggs were laid and 24 chicks survived into the 2002/03 year. Of the 24 chicks, 15 were female and nine were male.

Mainland Islands

The department manages six mainland islands in which intensive predator control work aims to enhance the survival or recovery of species and ecosystems.

- Populations of rare plants have been boosted in Wanganui Conservancy's Paengaroa Mainland Island this year. *Olearia gardneri*, *Brachyglottis sciadophylla* and *Anemanthele lessoniana* were grown in cultivation and planted back out. Monitoring has shown that all populations of threatened plant species are steady or increasing. The introduced robin population increased slightly, despite most males leaving the reserve as juveniles. Weed control trials for Chilean flame creeper have been very successful.
- From 1997 to 2001 the Rotoiti Mainland Island project in Nelson Lakes National Park showed an increase in species such as mistletoe and kaka in areas where there was wasp, rat, possum and mustelid control. It was decided to considerably expand the predator control regime in 2001 (from 825 ha to 5,000 ha) to assess if it is the intensity of the trapping or the size of the area being controlled that provides the greatest benefits for species and ecosystems.
- The kiwi chick survival rate at the Trounson Reserve in Northland in 2001/02 declined from the previous year. Despite this, the survival rate was still sufficient to ensure the recovery of the local population. Populations of kukupa have remained stable at increased densities achieved in past years.
- Kokako relocated to aviaries at Boundary Stream Mainland Island from Te Urewera National Park in May 2001 are likely to breed this summer. Kokako fledglings will be released into the reserve where pest control has kept goats, possums, rats, stoats, ferrets and weasels at low numbers. North Island robin have increased from 28 in 1998 to over 100, while the reintroduction of North Island brown kiwi is progressing well.

Island Management and Restoration

Pest-free island refuges are the last hope for many endangered native species threatened on the mainland by introduced predators. The goals for the 2001/02 financial year were ambitious but significant achievements occurred.

The planning and pre-operational phases of a rat eradication programme on Little Barrier (Hauturu) Island were completed. The operation, however, has been delayed until 2003/04 to allow for resolution of resource consent issues and iwi consultations.

A cat and rat eradication operation on Raoul Island (and Macauley Island) was planned and implemented. The aerial operation was completed on 11 July 2002. Ongoing monitoring is required to confirm its success.

An operation to eradicate Norway rats from Campbell Island was completed early in 2001/02. The success of this operation (the largest of its kind in the world) will be announced in 2003.

Threat Classification System

To determine the threat status of species, a new threat classification system was developed. Threatened species are now grouped into three major divisions: 'acutely threatened', 'chronically threatened' and 'at risk'. Acutely threatened species are those with a high risk of extinction; chronically threatened includes species facing extinction but which are buffered slightly by either a large total population or a slow rate of decline. At risk species do not meet criteria for either acutely or chronically threatened, but may have restricted ranges or small scattered sub-populations.

This system, together with formal species recovery planning, allows resources to be directed at the indigenous species with the greatest needs. The new threat classification system was completed in the 2001/02 financial year and covers all taxa where sufficient information exists, and lists taxa where sufficient data exists.

Animal Pest Control

A total of 172,926 ha received possum control during 2001/02. Some areas planned for control this year were not covered due to weather delays, operational problems or decisions to defer work. Goat control covered 1,397,486 ha, thar control covered 643,315 ha while deer control covered 358,167 ha.

Protecting a More Comprehensive Range of Terrestrial Natural Heritage

The department contributes to the Land Information New Zealand (LINZ) tenure review programme by providing technical assistance and advice on conservation and recreation values. The tenure review programme has been running for over a decade with 30 Crown pastoral leases

reviewed in Otago under the Land Act. 70,000 ha of land has transferred to the Crown as public conservation land under the Land Act. The advent of the Crown Pastoral Land Act in 1998 has seen the programme gain momentum in Canterbury and Otago over the last 12 months. The department has now inspected and is reporting on 53% (160) of the existing (305) pastoral leases. A number of these properties have been publicly advertised in the last year and it is anticipated that a number will be concluded to gazettal stage over the 2002/03 year. This will result in additional public conservation land being transferred to the department, as well as new recreation opportunities. Last summer some 40 properties were inspected by the department by a range of specialist staff for LINZ and these properties are being reported on now.

Ngā Whenua Rahui

Ngā Whenua Rahui is administered by an independent committee serviced by the department that is directly responsible to the Minister of Conservation. It was established in 1990 to facilitate the voluntary protection by Māori of indigenous ecosystems on Māori-owned land. The purpose of the fund is to provide an appropriate protection mechanism that allows for tikanga and tino rangatiratanga of landowners to be maintained. Through the fund the Government helps Māori landowners meet the costs associated with protection in recognition of the general public benefit that is derived from nature protection. The criteria and mechanisms of Ngā Whenua Rahui also gives special recognition to protecting and enhancing the cultural and spiritual values that tangata whenua associate with land and water bodies.

Ngā Whenua Rahui received \$2.21 million in 2001/02, including an allocation of \$500,000 from the NZBS package. Thirteen mechanisms/kawenata (or covenants) were signed during the year involving just over 8,000 ha.

Significant achievements for the year include the protection of:

- 1,800 ha at Titiraupenga and 1,700 ha at Hauturu;
- Tuhua (Mayor) Island under kawenata;
- two kawenata in Northland's Waikare rohe in the Bay of Islands which adjoin previously protected areas;
- two significant wetland areas, one in the Wellington area and one in Waikato;
- a 700 ha joint-venture project in the Bay of Plenty involving wetlands (and supported by local councils).

The NZBS allocation was used for the national pest programme which identified five projects as high priority for pest management.

Nature Heritage Fund

The Nature Heritage Fund (NHF) is an independent contestable fund for voluntary protection of nature on private land. The fund is administered by an independent committee supported by the

department. Of the 1,117 applications received since 1990, 643 have been approved protecting 181,000 ha of indigenous ecosystems throughout New Zealand, either through direct purchase or covenanting at a cost of \$45.5 million.

The fund's \$4.4 million budget included a \$2.2 million allocation from the NZBS package. A net figure of 5,202 ha was protected for the year. Highlights included:

- an agreement to add 250 ha of podocarp/terrace beech forest on the south bank of the Otututu River (adjacent to the Otututu Ecological Area) to Paparoa National Park;
- a joint project with the New Zealand Native Forest Restoration Trust to protect 18.5 ha of lowland, undrained kahikatea/swamp-maire/pukatea riparian forest remnant, at Mangapu, north-west of Te Kuiti;
- an agreement to end traditional grazing over 434 ha of tussock grassland in the Dart Valley within the Mount Aspiring National Park, Otago;
- the protection of 190 ha of red tussock grasslands at Pioneer Stream on the Loch Luella arm of Lake Maherangi, in the Hammerlaw Range, Otago;
- the protection of 173 ha of coastal broadleaf forest between Okiwi Bay and Paparoa Point on the Kaikoura Coast south of the Clarence River, adjoining Okiwi Bay Scenic Reserve, Paparoa Point Scenic Reserve and two other NHF purchases;
- the protection of 88 ha of significant podocarp and beech forest on Wahora Stream, South Wairarapa.
- the protection of 148 ha of beech/podocarp forest 50 km south east of Masterton, 5 km from the coast on Oumakura Stream in eastern Wairarapa.
- A joint project with the Miranda Naturalists' Trust to purchase a 11.1013 ha roosting site for a seasonal migratory wading bird population, adjacent to the Miranda (Taramaire) Wildlife Management Reserve, at Miranda, Firth of Thames, South of Auckland.
- A joint project with Fish and Game Nelson/Marlborough, to protect 16 ha of wetland at Tuamarina, between Blenheim and Picton, contiguous to two existing Fish and Game Reserves (73.9 ha) in the Para Ecological District.
- A joint project with Forest and Bird, Porirua City Council and the Lions club of Whitby to purchase 1.8652 ha of wetland at the east end of Porirua Harbour to be part of the Pauatahanui Wildlife Management Reserve administered by the Pauatahanui Wildlife Management Committee.

A number of other significant cases approved are still under negotiation.

FRESHWATER BIODIVERSITY

National Priority Outcomes are:

- i. A representative range of freshwater ecosystems and habitats is maintained in or restored to an indigenous natural character.

- ii. Where practicable, viable populations of indigenous freshwater species are maintained within their natural range, and freshwater fisheries administered by the department are managed effectively.
- iii. A more comprehensive range of natural freshwater ecosystems and habitats is legally protected.

Threatened Species Work

Survey work has continued to locate new populations of short-jawed kokopu in Taranaki. The area is now considered a stronghold for this species. Fisheries surveys in Central Otago have also uncovered new populations of non-migratory galaxiids, expanding the range of some species, although the rate of discovery of new populations has declined.

Two new galaxiid species have been recognised; the kauru long-jawed galaxias, a newly discovered fish in Kauru River, North Otago, is New Zealand's most threatened fish, known from only 6 km of one drought-prone stream. Historic data and surveys this year indicate this fish has probably only recently become extinct at its only other known location, the Hakataramea River, South Canterbury. Negotiations with water users are underway to protect stream flows at Kauru River. A second new fish has been found at two locations in the Waitaki Basin. Both species are now the subject of further investigation to determine their distribution and biology.

The pest fish survey of both North and South Islands located a number of new populations of rudd, tench, perch, gambusia and koi carp. Eradication of gambusia has continued in the Motueka region. The appearance of perch in Lake Otatua, Auckland is expected to cause a significant decline or death of the dwarf inanga population in this lake.

The Biodiversity Recovery Unit has completed preparation of three recovery plans and recovery groups have been established for large galaxiids, non-migratory galaxiids and the mudfishes. These plans set out management activities for 24 threatened native fish species and races for the next 10 years.

Wetlands

A newly installed weir in the Whangamarino wetland which will protect and restore water levels became fully operational. The construction of the weir was a joint initiative of the department and the Auckland/Waikato Fish and Game Council. The Whangamarino wetland is one of five internationally significant wetlands designated under the Ramsar Convention. The department continues to undertake restoration work in the wetland.

The department, the National Institute of Water and Atmospheric Research (NIWA) and the Waikato Regional Council continued their collaborative work on a peat lake complex in Waikato. Methods for removing an exotic fish (rudd) to protect rare native plant communities in the lakes were trialled. To date, over 1,200 rudd have been removed, and this work will continue in 2002/03.

Natural Heritage Management System (NHMS)

Finding the best interventions to sustain the indigenous biodiversity of New Zealand requires an increasingly sophisticated ability to collect and process information. Measuring the difference made by those interventions requires large volumes of accessible and reliable data. The NHMS is a unique new development that integrates priority outcomes, explicitly linking these to targeted interventions, and measuring the results in a way that establishes progress towards national goals. The overall goal is to enable the department and the community to be as effective as possible in enhancing the future of indigenous biodiversity in New Zealand. It will require a substantial investment over the next five years to have this new system fully integrated within the department.

MARINE BIODIVERSITY

National Priority Outcomes are:

- i. Marine protected areas are being maintained in or are recovering towards an indigenous natural character.
- ii. No avoidable human-induced extinctions of marine species have occurred and, where practicable, such species have long-term security within their natural range.
- iii. A more comprehensive range of marine areas is legally protected.
- iv. The natural character of the coastal environment is preserved.

Marine Reserves

The department has a target of creating 15 new marine reserves over the term of the biodiversity strategy. Achieving this goal will go a long way towards the NZBS's aim of achieving a network of representative marine protected areas through New Zealand.

With NZBS funding, the department undertook surveys of several possible marine reserve sites during the year – at Hokianga harbour and the surrounding coast, in Northland; Mimiwhangata in Northland, around Tiritiri Matangi Island, in the Hauraki Gulf; the Firth of Thames; eastern Bay of Plenty; on the Wairarapa/Cape Palliser coastline; and in Fiordland. Significant progress was made on the following proposed marine reserves – Whangarei Harbour and the Auckland Islands (statutory applications publicly notified), Volkner Rocks (Te Paepae) in Bay of Plenty (statutory application completed but not publicly notified) and Great Barrier Island.

No marine reserves were formed in the last year, although four applications were approved by the Minister of Conservation and concurrence sought from the Ministers of Fisheries and Transport (Te Matuku – Waiheke Island; Parininihi – North Taranaki; Taputeranga – Wellington south coast; Paterson Inlet – Stewart Island).

A public awareness strategy for marine protected areas was released. This will raise awareness and support for marine reserves and other marine protected areas. The department and Ngāi Tahu progressed a strategic approach towards marine protected areas resulting in improved support by Ngāi Tahu for marine reserves.

The 16 existing marine reserves, however, do not meet the criteria of a network (e.g. representative across biogeographic regions, replicated habitats, geographic spread, ecological functionality) and are only approximately 4.8% of the territorial sea.

NZBS funding enabled biological monitoring programmes to be undertaken at seven marine reserves (and two marine protected areas). Six marine reserves showed a trend to increased densities of populations of some species of plants and animals compared with similar areas without legal protection. This represents recovery towards a more natural character.

A draft national marine reserves biological monitoring framework that will guide monitoring in reserves administered by the department was completed. A marine reserve monitoring database system scoping exercise was also completed. The aim of the database is to secure all monitoring data from marine reserves for future analysis of trends and conditions in marine reserves.

Marine Mammals

The department worked closely with the commercial fishing industry and stakeholders, and developed good working relationships with the Ministry of Fisheries (MFish), on marine mammal management.

Declining populations of Hector's dolphin as a result of commercial and recreational set netting continues to be of concern. The North Island subspecies is now believed to number approximately 75, which led to the announcement of a set netting ban between North Taranaki and Dargaville from August 2001. This ban was largely overturned by judicial review in February 2002. The department has worked hard with MFish and stakeholders to have further measures implemented.

Concern is growing about the potential of marine farm development to block out important breeding and feeding areas for marine mammals such as Hector's dolphins and southern right whales. The department is moving to gather information to identify where problems exist and understand the potential threats this industry may pose.

The department and tangata whenua continue to work together on marine mammal issues, particularly with regard to the recovery of cultural materials from carcasses of stranded whales, such as the good working relationship with Ngatiwai.

No mass strandings of whales were recorded this year.

KEY STEP 2: MINIMISE BIOSECURITY RISKS

National Priority Outcomes

Where feasible and practicable:

- i. No new species, pathogen or genetic stock which pose a significant risk to indigenous flora and fauna have entered New Zealand and become established in the wild;
- ii. No newly naturalised animal pests and weeds which pose a significant risk to indigenous flora and fauna have entered New Zealand and become established in the wild.
- iii. Newly naturalised animal pests and weeds which pose a significant risk to indigenous flora and fauna have been eradicated or contained and those already established, but not yet widespread have not significantly expanded their range.

The department's biosecurity responsibilities were given a higher profile and more resources during 2001/02. As far as can be determined no new species, pathogen or genetic stock posing a significant risk to indigenous flora or fauna entered New Zealand and became established in the wild. It should, however, be noted that limited surveillance for new organisms is conducted on public conservation land, or within native habitats.

Policy development

The department has contributed to the development of a National Biosecurity Strategy, the draft of which is due in early 2003. The purpose of the strategy is to obtain agreement on the goals, objectives and measurable targets for New Zealand's biosecurity programmes. It will provide direction and guidance to all involved and raise biosecurity awareness of stakeholders and the general public.

The department has worked closely with the indigenous flora and fauna group established within the Ministry of Agriculture and Forestry (MAF) using funds from the New Zealand Biodiversity Strategy package. This group is integral to ensuring indigenous flora and fauna values are considered at all stages of MAF biosecurity decision making.

An interagency Memorandum of Understanding (MOU) was agreed to by the four main biosecurity agencies. This MOU sets out the various areas of responsibility and accountability, and improves clarity and transparency in the biosecurity framework, something which biosecurity agencies and stakeholders alike appreciate as fundamental to good biosecurity management. The department has participated in the development, revision and implementation of various biosecurity policy statements and processes in the MOU.

The department has provided ongoing input into the development of Import Health Standards by MAF. These standards are set to minimise the risk of the unintentional introduction of new organisms into New

Zealand. Departmental input has identified areas where risks to indigenous flora and fauna have not been considered adequately and this has resulted in additional measures being imposed for some standards (e.g. Californian grapes) and a change in general process to ensure these risks are considered for future standards. Similarly, the department has fulfilled its statutory obligations to provide input to the Environmental Risk Management Authority (New Zealand) into relevant new organism and genetically modified organism determinations and applications. No applications for release of new organisms or genetically modified organisms were received over the year.

Operational Work

Pest Animals and Weeds

The department has used Vote Biosecurity funds to control weeds and pests to facilitate the Crown's commitment to being a 'good neighbour'. Discussions with regional councils have taken place to determine the level of input to regional pest problems and this process. Control work is helping build positive relationships with regional councils and local landowners. Control work is delivered by departmental staff, contractors and to a limited extent by the councils themselves.

The department has provided substantial technical and policy input into programmes to limit the distribution of the southern salt marsh mosquito and the painted apple moth. Both have had a reasonable level of success to date. Funding has recently been provided by the Government to progress the southern salt marsh mosquito eradication programme.

The department contributed to the development of the National Pest Plant Accord with a list of plants agreed by the biosecurity agencies and regional councils for which active enforcement to prevent their commercial sale and distribution will be undertaken. The department contributed 64 of the 124 plants included on the Accord list and provided substantial input into the development of an Accord manual which will be distributed in the near future. This accord provides another tool to help prevent the spread of weeds around New Zealand with a particular focus on species which may be in the early stages of naturalisation. The department has (with support from MAF) funded research into the scoliid wasp in Northland, and contributed technical expertise into the control of Argentine ant across the country. Funding is not yet available to any agency to attempt to eradicate or contain these populations.

Anoploplepsis gracilipe and Paratrechnia longicornis

Two new species of ant (*Anoploplepsis gracilipe* and *Paratrechnia longicornis*) identified at border transitional facilities are not known to be established in the wild. These species are of concern to the department and, as a result, staff participated in response programmes

for both species. The department determined both species to be unwanted organisms under the Biosecurity Act 1993 and provided technical input into the response programmes. The results of the responses for both species are promising.

Caulerpa taxifolia

The invasive seaweed *Caulerpa taxifolia* was identified in New Zealand for the first time. Subsequent investigations, however, did not find any wild populations and the strain was identified as the less problematic tropical strain. This issue highlighted that the risk of introduction of this species via the aquarium industry is reasonably high.

Gambusia and koi carp

During 2001/02 the department surveyed the South Island for koi carp and gambusia after both species were found in the Nelson region the previous year. Gambusia and koi carp were found. The survey proved useful for identifying sites with other pest fish that had not previously been recorded.

Hornwort

The department undertook biosecurity action for hornwort (*Ceratophyllum demersum*) after it was found in Motueka – the first time this highly invasive aquatic weed had been found in the South Island. Containment measures have been instituted and eradication plans are being considered.

Blue tongue skinks

A similar response was undertaken in Palmerston North after reports that two blue tongue skinks had been found in a garden. While it has been confirmed that this species is not yet established in the wild, the department is investigating the possibility that future establishments could have a detrimental impact on indigenous biota.

Ferrets

The department declared ferrets to be unwanted organisms, effectively preventing the commercial sale and breeding of these animals as pets. This will help local government and the department to manage these animals. The aim is to prevent the spread of ferrets into natural areas as a result of pet escapes or the dumping of unwanted pets.

Royal Commission on Genetic Modification

The department provided input into the Royal Commission of Inquiry on Genetic Modification and is involved in advising on the Government's response to the commission's recommendations. The department takes a precautionary approach to the release of any new organism into the

New Zealand environment, but also recognises that, provided their use is acceptable and safe, biotechnology and genetic modification have the potential to provide new techniques for pest and weed control for conservation purposes.

Conferences

Over the last year, staff from the department have attended a variety of international conferences ranging from a meeting on *Bacillus thuringiensis* (a bacterium used commercially to control caterpillars and other insects), a marine bio-invader colloquium that spanned the policy-operational spectrum, to a meeting to discuss the impacts of *Caulerpa taxifolia* (green seaweed). Furthermore, in the week following attendance at the *Caulerpa* conference the plant was identified in an Auckland aquarium. These conferences provided essential information and networking opportunities to ensure the department can provide the best possible advice on these issues.

KEY STEP 3: INCREASED EMPHASIS ON HISTORIC AND CULTURAL VALUES

The department is the manager of historic resources on the Conservation estate. Its work in this area involves the collation of information, research, monitoring and restoration work on specific sites, preparation of interpretative material and the preparation of strategies and policy advice. Active management is carried out on 831 historic sites around the country. This includes the management of 142 of New Zealand's 213 historic reserves, and 140 historic places registered by the New Zealand Historic Places Trust.

National Priority Outcomes

The department has two national priority outcomes in this area of its work:

- i. Historical places in areas we manage are identified and protected and, where appropriate, conserved and interpreted.
- ii. A more comprehensive range of historic heritage is protected by a range of methods.

Identifying, Protecting, Conserving and Interpreting Historic Heritage

This year, work continued on the department's historic asset management plan, with emphasis given to the identification of heritage requiring active management. A Heritage Protection standard operating procedure is now in place.

Significant restoration work has been carried out on the following historic heritage assets:

- Mansion House Historic Reserve (1858) – drainage improvements
- Fort Takapuna Historic Reserve (1889) – restoration
- Victoria Battery Historic Reserve kilns (1897) – protective shelter
- Manganuku Truss Bridge (1931) – repairs
- Tauranga Suspension Bridge (1919) – repairs
- Otatarā Pa Historic Reserve – land added to reserve
- Kupe's Sail Historic Reserve – land purchased for reserve
- Ngarata Homestead (1918) – internal refurbishment
- Brunner Mine Historic Reserve (1876) – stabilise kilns
- Davidson Patent Chain-drive Locomotive (1928) – stabilise
- Almer Hut, Westland National Park (1948) – restoration

Emphasis this year has been on protection and conservation rather than on interpretation. Next year, the asset management plan will enable a focus on reporting in this area.

Conserving High Priority Places

Significant progress was made in developing the department's asset management plan. Baseline inspections of key heritage places are 85%

completed, and a quality assurance system implemented. An important national guideline – Caring for Archaeological Sites – was launched for public consultation.

Historic Asset Management

A three-year inspection of 500 historic and cultural sites on public conservation land was completed in 2001/02, marking an important step towards developing an improved management system for the many historic and cultural assets the department cares for.

The inspections were part of the department's new Historic Heritage Asset Management System, which is being developed to provide a clear understanding of what is required for the sustainable management of these assets.

A robust and detailed management approach is required because the diversity of sites is so vast. Determining what is required to preserve these sites is based on baseline inspections at each site which identify heritage values and their condition.

There are more than 11,000 historic and cultural sites on public conservation land throughout the country, of which the department actively manages 500. These include Māori habitation and garden sites, pa complexes, rock art and wāhi tapu, through to musterers' huts, Chinese miners' rock shelters and the opulent Governor Grey's Mansion on Kawau Island.

Enhancing Interpretation

A professional historian was recruited to help enhance interpretation of key historic heritage. A training course was run, a guideline produced, and pilot projects are underway.

Otatara Pa Site Protected

An historic pa site on the North Island's East Coast has received increased protection, thanks to funding from the department's Land Acquisition Fund. Otatara Pa Historic Reserve is one of the largest and most significant traditional and archaeological sites in New Zealand. However, the reserve does not encompass the entire historic site, so an agreement was reached to purchase more land for inclusion in the reserve.

Otatara is of national and possibly international importance. Purchase of the site enhances the reserve's integrity by including other extensive archaeological features that are part of the original site. Although some features still remain outside the reserve, it ensures legal protection for even more of this important historic place. The entire Otatara complex covers about 40 ha, and consists of numerous pits and terraces and two pa, Otatara and Hikurangi.

Working With Others

Other heritage agencies and groups participated in the National Historic Heritage Workshop, the 'Basic Principles of Heritage Management' training course and the 'Caring for Archaeological Sites' training course. National heritage identification studies were completed on 'Sealing' and 'Whaling'. Work commenced on 'High Country', 'Environmental Protection' and 'Transport'.

Big River Facelift

The department has begun restoring one of the oldest historic features of the former Big River Mine Site, near Reefton. The Big River quartz reefs, located in the hills behind the town, were mined from the 1880s. The mine's main shaft was begun in 1890. In 1911, a new winding engine was imported from England and commenced operations in 1913. The engine was capable of raising and lowering the cages in the shaft to a depth of 900 metres.

The winding engine at Big River is now the only example of such technology that remains on its original site in New Zealand. A contractor has erected a large replica building over the engine and boiler, while staff have cleaned years of accumulated rust from the engine and cleared out the foundations under the engine. After restoration work is completed it is hoped that the engine can be repainted in its original colours.

The Big River site is a popular mountain bike and four-wheel-drive vehicle trip from Reefton, and also has links to a tramping track from Waiuta. Accordingly, a number of information panels have been installed for visitors to the site to explain how the mine worked.

KEY STEP 4: PROMOTE APPROPRIATE RECREATION AND INCREASED PUBLIC ENJOYMENT OF PROTECTED AREAS

National Priority Outcomes

The department has three national priority outcomes for the work it carries out in this area:

- i. More New Zealanders enjoy protected areas and receive in full measure the inspiration, enjoyment, recreation and other benefits that may be derived from them consistent with the protection of their conservation values.
- ii. The department's facilities and services are located, designed, constructed, maintained and operated in accordance with all relevant legislation and best practice, to meet user needs and best practice standards.
- iii. Visitor impacts on natural and historic heritage values are minimal.

Recreational Use of the Protected Areas Network

The department currently manages approximately 4,082 visitor and historic sites which provide a range of recreational opportunities from natural settings adjacent to urban areas to the very remote wilderness areas of national parks and conservation areas. It is generally agreed that the overall use of these areas is increasing, however, recent results of a survey conducted by UMR Research indicated that there was a slight downturn in visitor numbers in the last six months. (The UMR survey was of New Zealanders. It does not tell us trends in visitation from overseas visitors). The significance of these results cannot be determined without long-term monitoring of trends, as short term changes in visitor numbers can be caused by something as simple as a period of poor weather. The department will monitor any further fluctuations in these figures.

Visitor Asset Management System

In 1997, the department set about establishing and implementing the Visitor Asset Management System (VAMS) with the goal of ensuring that all recreational facilities are safe and comply with legal requirements.

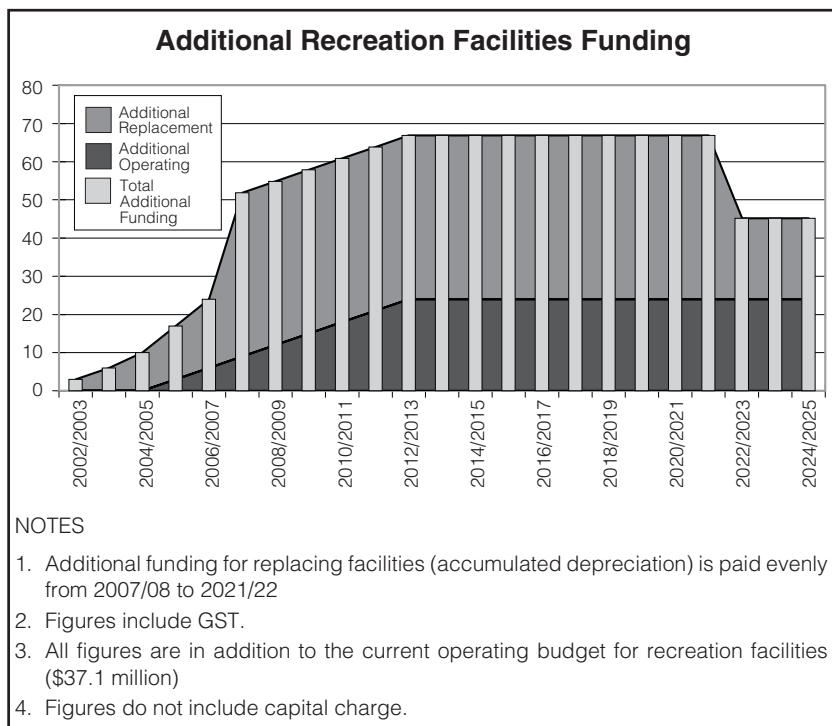
The department has continued with its maintenance programmes for the facilities it manages, whilst undertaking consultation with the Government on the long-term management of recreational facilities.

Long Term Sustainable Management of Recreational Facilities

The department has worked closely with the Government during the 2001/02 financial year on securing the resources necessary to maintain the current range of recreation opportunities available to the public more effectively. In September 2001, the department reported to Cabinet on

the condition of the recreational assets and provided several scenarios for the long term management of recreational opportunities. In December 2001, the department reported to Cabinet on two of the scenarios.

In May 2002, the Government announced its decision to allocate \$349 million additional funding over a 10-year period. This funding will commence in the 2002/03 financial year and will increase the department’s annual budget for recreational facilities (including maintenance) in stages until it reaches \$82 million per annum in 2012. This funding will enable the department to retain all existing recreational opportunities, but not necessarily all existing facilities.



Public Consultation

The department will consult with key stakeholders to ensure that the correct mix of front country and back country opportunities are provided for visitors and the appropriate standards and faculties for these are established. In preparation for this the department has developed a process to assess the recreation values for each visitor site and make proposals about which facilities and sites will be maintained.

Huts

The department has largely completed a baseline inspection of all back country huts and piloted new generation hut designs. Ten huts were replaced in accordance with the new design during the 2001/02 financial year. In the 2001/02 financial year, remedial work was completed on approximately 12% of back country huts to bring these buildings as close as possible to the service standards required for back country accommodation.

Structures and Tracks

The department inspects structures (including bridges, boardwalks, platforms and wharves) once every two years and all work identified is carried out as necessary. Approximately 7,250 structures were inspected in the 2001/02 financial year, and inspections and/or maintenance was undertaken on 6,948 km of track.

Recreation and Tourism Concessions Management

The department is committed to the continued improvement of the concessions system. Four main improvement projects initiated during 2001/02 will be completed in the next financial year. The first project will dramatically improve environmental impact assessment procedures for new concession applications. The second project aims to improve the processing of concession applications by better matching the process with the size, scale and potential effects of the proposed activity. This will continue to involve a rigorous process for those activities that are likely to be 'high' impact, but will also mean a shorter process for those activities that we know will have less impact. The third project is the development of the Permissions Information System that will support the ongoing processing and management of concessions, mining, marine mammal tourism permitting and collecting, research and Wildlife Act 1953 permitting. This system will provide the department and its stakeholders with a range of services and information but will particularly focus on supporting the processing and monitoring of these activities. The last improvement project enhances the way the department manages safety in relating to concession activities.

Visitor and Public Information Services

Visitor centres are primary sources of information on recreation opportunities and interpretation of New Zealand's natural, cultural and historic heritage. The department manages and staffs 32 visitor centres, (both on and off the Conservation estate) which provide information services to about 2.2 million visitors per year. This is achieved through direct contact, publications, displays, interpretive media and visitor programmes.

KEY STEP 5: ENGAGE THE COMMUNITY IN CONSERVATION

National Priority Outcomes

The department has five national priority outcomes for the work it carries out in this area:

- (i) New Zealanders treasure and derive inspiration from their natural and historic heritage.
- (ii) New Zealanders have enhanced awareness of and commitment to conservation.
- (iii) The department provides national conservation leadership through effective working relationships with international, national, conservancy and area levels.
- (iv) Increased participation by public agencies, non-governmental organisations, honorary rangers and volunteers increases the achievement of conservation outcomes.
- (v) Individuals, community groups and other agencies have access to the information, advice, techniques and incentives necessary to take their own conservation initiatives.

Conservation Awareness Programme

The Conservation Awareness Programme, which began in the 2000 Budget, continued with a broad programme of innovative and creative projects involving New Zealanders in conservation. The \$2.5 million (GST inclusive) funding was allocated to rural and urban conservation awareness, conservation education and the Extranet.

(i) Urban and Rural Awareness

Continuation of the new \$2.5 million Conservation Awareness funds has enabled the department to consolidate and continue to develop its innovative work in more than 60 projects around the country involving local communities.

The new work has strengthened existing relationships and helped forge links and partnerships with new and important groups. Staff have been able to expand their skills and share their expertise with the community. Examples include Northland's national pilot training package, which is developing skills and tools for communities and staff to deliver co-operative community conservation projects together. Wellington is continuing to develop community involvement in restoration and marine mammal issues and Auckland's new partnerships with the city conservation agencies and the Chinese community continue to develop best practice in this area.

Evaluation and feedback on a wide range of these projects continues to demonstrate the success of this new work, while the increased demand from communities to be involved or engaged in conservation activities reflects that it is a key area for the department to continue developing expertise.

Conservation and the Chinese Community

New Zealand's first Chinese Conservation Education Trust (CCET) was launched in 2002 with a ceremony that blended Māori, Chinese and European cultures and traditions.

The CCET's purpose is to foster a love and understanding of New Zealand's special places, plants and animals. Trustees are dedicated to bringing conservation to Chinese living in New Zealand, with a particular focus on Auckland.

In partnership with the department, the Trust has held several conservation activities, including: educational trips to the world-renowned wetlands at Miranda; tree planting trips; participation in the annual Rangitoto Beach clean-up; and open days at the MAF quarantine centre to promote biosecurity. The Trust also holds regular public meetings to discuss CITES (the Convention on the International Trade in Endangered Species) and its relevance to traditional Chinese medicine.

This initiative was one of many funded under the Conservation Awareness, Vote Conservation funding package announced as part of the 2000 Budget.

(ii) Conservation Education

The development of "supersite" education resources continued in 2001/02. These site-based, curriculum-linked resources help schools and other visitors enjoy conservation places while learning at the same time. About 80 sites around New Zealand use the resources, which cover islands, caves, marine reserves, sand dunes, forests and mountains.

A CD-ROM for kura kaupapa was produced, focusing on kiwi as a symbol for broader conservation messages.

A special education and website-based resource was developed in 2002 to celebrate the United Nations' International Year of the Mountains, www.yearofthemountains.org.nz, in partnership with UNESCO. It builds on the theme of Ngā Maunga Korero – the language of mountains, by showing four children from different parts of New Zealand talking about their special local mountain and its significance to them. Their stories are in English, Māori and Mandarin.

(iii) Extranet

An additional 12 organisations have signed up with the department to gain access to conservation information and databases including councils, community groups and research institutions.

Community Relations

The department's community relations programmes aim to promote a conservation ethic, increase public opportunities to participate in

conservation, and to work collaboratively with other groups to promote conservation outcomes. These goals are achieved through volunteer and public awareness programmes, national conservation events such as Conservation Week and Arbor Day, and a proactive relationship management programme with key stakeholders.

Conservation Volunteers

2001 was the United Nations International Year of Volunteers. The department joined in national and international recognition of volunteers by acknowledging the efforts of conservation volunteers. Many departmental offices held special functions to honour their volunteers.

In total, almost 10,000 volunteers assisted the department during the 2001/02 period.

Park Rangers Series

A high-rating television series about the work of departmental staff was screened in early 2002. *Park Rangers*, produced by Touchdown Productions with support from New Zealand On Air, was watched by over 800,000 viewers and received excellent reviews. The 10-part series focused on rangers (including one Ministry of Fisheries ranger) at a broad range of locations. It covered threatened species work with kakapo, kiwi and native lizards, marine reserves and Hector's dolphin protection work, management of Abel Tasman National Park and mountain rescue work at Aoraki/Mount Cook.

Conservation Sponsorship

The department's partnerships with businesses through conservation sponsorships continued in 2001/02. The highly successful kakapo breeding season (see Key Step 1) has been the highlight of Comalco New Zealand's 12-year involvement with the Kakapo Recovery Programme, in partnership with the department and the Royal Forest and Bird Protection Society.

The Bank of New Zealand's sponsorship of the Kiwi Recovery Programme, again with Forest and Bird, has achieved significant improved kiwi populations over its 11-year duration. The partnership is developing new components, in particular with BNZ staff being involved with practical kiwi work.

Project Crimson's work to protect New Zealand's endangered pohutukawa and rata trees continued in 2001/02. Carter Holt Harvey has sponsored the project, in partnership with the department, since 1990.

A strong partnership has been forged with the New Zealand National Parks and Conservation Foundation, an independent charitable trust established in February 2001 to promote and support the conservation and protection of New Zealand's natural heritage.

International Environmental Treaty Responsibilities

The department is the administering agency for the Convention on Biological Diversity (CBD), World Heritage Convention, the Ramsar Wetlands Convention and the Convention for the International Trade in Endangered Species (CITES). It also provides scientific and technical support to the Ministry of Foreign Affairs and Trade which administers a number of conservation agreements.

Convention on Biological Diversity (CBD)

New Zealand has continued to be active in the Convention on Biological Diversity. The Minister of Conservation headed the delegation to the Conference of the Parties (COP VI) in The Hague, April 2002, where New Zealand strongly participated in discussions on key issues such as alien invasive species and forest biological diversity. The Minister also launched an international co-operative initiative for alien species work on islands, which New Zealand had taken lead responsibility for developing. New Zealand attended a number of preparatory meetings before COP VI, and hosted and chaired a technical group process on marine protected areas (with two meetings in New Zealand), which will provide advice to COP VII.

Convention on the International Trade in Endangered Species (CITES)

The Convention on the International Trade in Endangered Species of Wild Fauna and Flora (CITES) applies to the import, export and re-export of living or dead specimens of plants, animals and their parts and derivatives that are listed in the three appendices to the Convention. The objectives of CITES are given legal effect within New Zealand under the Trade in Endangered Species (TIES) Act 1989, and the species of plants and animals that are regulated in trade are listed in the TIES Order 2001.

The department has continued to undertake and enforce obligations under the above Convention and TIES Act.

International Convention for the Regulation of Whaling (IWC)

IWC 53: The 53rd Annual Meeting of the International Whaling Commission (IWC), held in London during July 2001, provided mainly positive outcomes for New Zealand and the global protection of whales, despite the continuing influx of new members supportive of a resumption in whaling. The New Zealand delegation, led by the Hon Sandra Lee, performed very strongly at meetings of both the Scientific Committee and the Commission.

New Zealand was the architect of five resolutions (on transparency in IWC proceedings, Southern Hemisphere minke whales, by-catch of whales, coastal zone management and the Persistent Organic Pollutants Treaty) that were all adopted by good majorities or by consensus.

Expert Drafting Group: New Zealand was appointed to the eight-member Expert Drafting Group (EDG) to develop further the Revised Management Scheme. The EDG met twice, in Cambridge (October 2001) and Auckland (February 2002). The department was represented on the three-person New Zealand delegation.

IWC 54: The New Zealand delegation was again led by the Hon Sandra Lee.

New Zealand's main goal for the meeting was to defeat attempts to weaken the existing level of protection for whales and to increase votes for the South Pacific whale sanctuary proposal. The sanctuary proposal received a record number of votes in support (24 for, 16 against) but this did not constitute the 75% majority required for the proposal to be passed.

Convention on Migratory Species

This convention, signed by the Government in 1999, came into force in October 2000. An international conservation agreement on albatrosses and petrels (developed under this convention and ratified on 1 November 2001) has provided a co-ordinated and legally binding approach to their protection from fishing practices, alien predators and loss of habitat.

World Heritage Convention

Two large areas of national park on the mainland of New Zealand and a large area of New Zealand's sub-Antarctic islands form New Zealand's three World Heritage sites. All three sites have been included on the World Heritage List in recognition of their outstanding universal natural values.

The department is currently facilitating New Zealand's bid for election to the World Heritage Committee in November 2002.

Ramsar Wetlands Convention

World Wetlands Day, on 2 February 2002, once more served as a public focus for the sustainable use of wetlands, with activities promoted throughout the country by the department and Fish and Game New Zealand. The events received good media coverage.

Work continues to identify ways of responding to the concerns expressed by the Office of the Controller and Auditor-General about the implementation of the World Heritage Convention in New Zealand.

Natural Resource and Environment Protection Councils

These joint Australia/New Zealand ministerial committees provide a forum for information exchange and sharing of expertise between the two countries. They have replaced the former Australia New Zealand Environment and Conservation Council (ANZECC). The Director-General

and departmental officials supported the Ministerial representation at the last ANZECC meeting in July 2001 and have supported the transition to the new committee structure.

South Pacific Regional Environmental Programme (SPREP)

The SPREP meeting, held in the Marshall Islands, approved the 2003 budget and workplan. The department has continued to provide advice on protected species and invasive species management.

The World Conservation Union (IUCN)

The department was represented at the triennial congress meeting held in Jordan in October 2001. The key outcome of this meeting was the development of a four-year work programme for the whole Union, the first time that this has been attempted. The programme will lead to more focused and concerted action on the part of the Union and its members.

World Commission on Protected Areas (WCPA)

The Director-General took part in the (WCPA) leadership forum in Sydney, Australia.

Antarctic Treaty

The treaty promotes peaceful international scientific co-operation in Antarctica. The department provided specialist advice to the Ministry of Foreign Affairs and Trade by participating in the Officials' Antarctic Committee, Antarctic Treaty Consultative meetings, the 'Incidental Seabird Mortality in Longline Fisheries' programme, and the Convention on the Conservation of Antarctic Marine Resources.

KEY STEP 6: PROMOTE EFFECTIVE PARTNERSHIPS WITH TANGATA WHENUA

National Priority Outcomes

The department has three national priority outcomes for the work it carries out in this area:

- (i) We give effect to the principles of the Treaty of Waitangi in our work.
- (ii) Partnerships between the department and tangata whenua achieve enhanced conservation of New Zealand's natural and historic heritage.
- (iii) Tangata whenua are able to maintain their cultural relationship with their natural and historic heritage held or managed by the department.

Māori and Conservation

Māori as tangata whenua have strong connections with many conservation areas because they include ancestral lands, water, sites, wāhi tapu and other taonga. Much of the land is subject to Treaty of Waitangi claims. Section 4 of the Conservation Act 1987 recognises Māori interests in conservation management by providing that the Act be so interpreted and administered to give effect to the principles of the Treaty of Waitangi. It is one of the strongest and most proactive provisions in legislation.

The roles and responsibilities of the department in relation to Māori are complex and the issues can be difficult. The department, however, is placing considerable emphasis on developing enduring relationships with Māori. The results are encouraging in terms of mutual gains for conservation and with potential for much greater success.

Kaupapa Atawhai Strategy

The department's Kaupapa Atawhai Strategy was developed with a view to setting out how the department will work with Māori. The Kaupapa Atawhai Strategy's vision is "The department, Māori and the community at large are working co-operatively to conserve the natural and historic heritage of New Zealand for present and future generations."

Ngā Akiakitanga Nuka Kaupapa Māori Te Papa Atawhai (Kaupapa Māori strategic conservation policy initiatives)

This year, the department completed its consultation with tangata whenua and other stakeholders on its kaupapa Māori strategic conservation policy initiatives. The department has developed policies that enhance the ability of staff to build and support partnerships with tangata whenua. This is in line with its responsibilities under section 4 of the Conservation Act, and to achieve conservation outcomes for the natural and historic heritage of New Zealand.

Strategic policies released for consultation with iwi and stakeholders during the 2001/02 financial year were:

- **Giving effect to the principles of the Treaty of Waitangi in the work of the department.**
- **Customary uses of natural resources, according to kaitiakitanga, wise conservation and conservation legislation.**
- **Wāhi tapu policy guidelines** – Providing guidance for the management of wāhi tapu areas administered by the department.
- **Te kete taonga whakakotahi** – conservation partnerships toolkit.

These policies will be reviewed and finalised after responses to them have been received and analysed. They are expected to give clearer guidance on the outcomes the department can provide in relation to tangata whenua and conservation.

Building Partnerships at the Conservancy Level

Partnerships are just one of a range of mechanisms available to tangata whenua depending upon the degree of involvement that they would like to have in the management of Crown lands. The form that these arrangements take is on a case by case basis as each iwi has individual needs and requirements. The department must also meet its statutory requirements. The department will continue to monitor these relationships/partnerships as they mature in order to assess whether they are achieving the intended outcomes for both conservation and Māori.

Pukaha Forest Restoration

An innovative ecosystem restoration programme was launched in the northern Wairarapa in May, bringing the department, iwi and the National Wildlife Centre Trust together in a common cause.

On 1 May 2002, Rangitaane o Wairarapa, the National Wildlife Centre Trust and the department signed a Memorandum of Understanding to recognise shared interests in Mt Bruce/Pukaha and their intention to work together. Kaka have already been successfully released into the restoration area, and members of Rangitaane o Wairarapa have cut 120 km of track in preparation for the control of rats and pests in the 2002/03 financial year.

A CD recording of native birdsong and original waiata, entitled Pukaha – songs from the forest, has been specially produced for the restoration project, with proceeds helping to pay for the pest predator control.

Rangitaane has a long-standing relationship with this area and its wildlife. Rangitaane kaumatua have supported this project from its inception. They see the restoration of Pukaha as a project that brings Rangitaane people and their environment together in a way that is good for all of us.

Te Reo Māori Strategy

Work on the development of the Te Reo Māori Strategy has been ongoing during the 2001/02 financial year. This strategy is expected to be completed by the end of the 2002/03 financial year.

Te Pukenga Atawhai Training and Assessments

Te Pukenga Atawhai is an ongoing training programme developed to enhance staff engagement with Māori on conservation while also meeting the requirements of section 4 of the Conservation Act. This programme is designed to enable staff to understand the Māori ethos to the environment, giving staff confidence to engage with tangata whenua, an essential prerequisite to building effective working relationships and partnerships.

Stirring the Dust of the Land

A six-week interpretation programme ran over the summer at Kaura Tawhiti, one of three Canterbury topuni created through the Ngāi Tahu Claims Settlements Act 1998.

Kura Tawhiti, formerly the Castle Hill Conservation Area, lies alongside the main highway between Canterbury and the West Coast. The topuni confirms and places an overlay of Ngāi Tahu values on this reserve, which is administered by the department.

Guide and interpreter Joseph Hullen represented Ngāi Tahu on behalf of the department, and says that the programme offered a great opportunity to educate and inform people about Ngāi Tahu values and its links to the land.

The hapu have recognised the significance of the interpretation as it reinforces the co-management between the department and the rūnanga. The participation of the rangatahi gives another generation an opportunity to “stir the dust of their land” – it reinforces mana whenua.

Ngā Whenua Rahui Fund

Ngā Whenua Rahui is a contestable Ministerial fund which was established in 1991 to help achieve the objectives of the Indigenous Forest Policy. In 1998, the scope of the fund was widened to include non-forest ecosystems.

The purpose of the fund is to protect indigenous ecosystems on Māori land that represent the full range of natural diversity originally present in the landscape, by providing incentives for voluntary conservation. The fund, administered by the Ngā Whenua Rahui committee and serviced by the department, receives an annual allocation of funds from the Government. Further details on this fund can be found in Key Step 1.

Ecosystem Restoration Project on Māori-owned Land

This year, the Mangaroa and Other Blocks Incorporation added a further 800 ha of native bush to the 8,500 ha that had been formally protected under a Ngā Whenua Rahui kawenata (covenant) in 1999. The area is located on the true right of the Motu River in the Eastern Bay of Plenty, and adjoins the Raukumara Forest Park.

The block has exceptionally high ecological values with a small kiwi and kakariki population. As part of the kawenata agreement, the Ngā Whenua Rahui Fund has supported an ecosystem restoration initiative on the Mangaroa/Ohotu Blocks.

This arrangement has resulted in positive conservation gains while developing a positive working relationship between the department and tangata whenua.

Matauranga Kura Taiao Fund

The Matauranga Kura Taiao Fund is a contestable fund established with a view to providing support for tangata whenua initiatives that will assist with the retention and promotion of the use of matauranga Māori (Māori customary knowledge) and to participate in the management of New Zealand's biodiversity.

In the 2001/02 financial year, 25 applications to the fund were received. The committee approved financial assistance of up to \$172,000 for 14 projects. Eight of these projects targeted the use of traditional knowledge and its use in ecological management, four projects involved wananga as a means of transferring traditional knowledge concerning biodiversity, and two projects involved tikanga-based environmental planning.

The programme has also been promoted with local and central government agencies. In particular, one of the projects approved will involve a whole of government approach including input from Te Puni Kokiri, the Community Employment Group and Environment Bay of Plenty.

Treaty Settlements

The department plays a full and active role in the Treaty settlements process which is led on the government side by the Office of Treaty Settlements. Given the particular importance of the land and other natural resources administered by the department to Māori, the department is included as a member of each Crown negotiating team. The department's participation in Crown negotiating teams relates mainly to what is termed 'cultural redress' as opposed to other key aspects of settlements such as financial and commercial redress or the Crown's apology. The department manages its input into the Treaty settlements process through the Treaty Settlements Unit within its Head Office in Wellington.

Over the last year, settlement legislation has been introduced to Parliament for Northland iwi Te Uri o Hau and South Taranaki iwi Ngati Ruanui. Other progress in Taranaki included the signing and ratification by the iwi of a Deed of Settlement with Ngati Tama and the signing of an Agreement in Principle with Ngā Rauru. In the Bay of Plenty, a Deed of Settlement was initialled with Ngati Awa and negotiations continued with Tuwharetoa ki Kawerau and with Te Arawa over the Rotorua lakes claim. In the Far North, negotiations commenced with Te Aupouri and Te Rarawa, and continued with Te Roroa. The department also participated in the Crown response to the WAI 262 claim on flora and fauna.

KEY STEP 7: IMPROVE OUR CAPABILITY

Under this key step the department aims to improve its systems analysis, national strategies, and measurement and reporting, in order to improve our prioritising and decision making. Priority is placed on reinforcing our values and leadership style, and enhancing staff skills and learning to improve conservation management.

STEWARDSHIP OF THE AREAS AND RESOURCES IN OUR CARE

Goals

- i. We manage conservation areas and resources as public assets efficiently and effectively, add value to them, and make them accessible for the benefit of the community.
- ii. The public has confidence in our stewardship of conservation areas and resources.
- iii. The level of achievement of conservation outcomes increases.

The value to the community of the resources under the department's care has been increased through the development and implementation of the New Zealand Biodiversity Strategy (2000).

The department continually strives to increase the achievement of conservation outcomes through new techniques, operational collaboration, use of new resources and through efficiencies. The department also works to improve the quality of its systems analysis so that the wider implications and impacts of its strategic decisions are taken into account. Work done by general managers has clarified the connections between the core systems that underpin the department's work and identified priority areas for improving systems.

Major progress has been made with the department's Natural Heritage Management System. This system is an integrated suite of planning and achievement reporting tools and information systems designed to support the conservation of natural heritage. This work will take some time to be completed with several projects being undertaken concurrently over the next 3–5 years. Governance structures are in place to oversee the design and implementation of the components of the system. The system will provide tools to support programme and area managers and conservators and help them decide on priority places for conservation and an effective mix of projects.

Public confidence in the department's performance is measured through a regular question in an "omnibus" survey. The percentage of respondents who think the department is doing an excellent or a good job has increased from 73.5% to 76% in the past year.

STAFF CAPABILITY

Goals

- i. Our staff have the capability to work effectively, now and in the future.
- ii. Our staff work as a cohesive and skilled team and are supported by good organisational systems.
- iii. The diversity of our staff meets our operational requirements and reflects the community we serve.
- iv. We demonstrate our commitment to the department's People Plan vision that *staff who are valued, challenged and fulfilled achieve conservation results*.

The department's most important asset in terms of capability is its staff. Its operational bases are spread around the country in over 60 locations to provide geographically-focused management of the public land entrusted to it.

Performance Management

A new performance management framework for managers has been developed which focuses on performance, accountability and capability development. The new performance management system is being progressively implemented.

A General Managers' Handbook, a new management tool, was developed and will be distributed in July 2002. This handbook provides a full description of the department's organisational model, system of accountability, business systems and the required organisational values and leadership style.

The Management for Performance project has led to a review and alignment of the business planning and reporting systems with the organisational model. Work began on ensuring that human resources and organisational systems are aligned and integrated.

Management/Union Partnership

Implementation of the Management/Union partnership Agreement (signed in 1999 between the department, Public Service Association and the Amalgamated Workers' Union of New Zealand) continued this year. The National and Local Partnership Forums each met four times during the year. A programme of partnership training for the 13 local managers and delegates was developed for implementation in the new year.

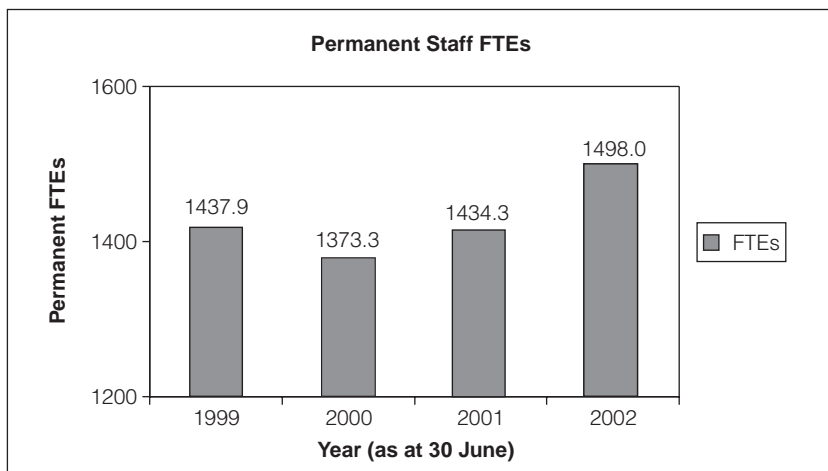
Staff Skills

Core national training programmes continue to be run. A total of 1,091 staff have now attended the Te Pukenga Atawhai Māori perspectives training (324 in the 2001/02 financial year), and most managers have attended Leadership Foundations. Many staff have attended People Matter, Ecological Management, Fire and Health and Safety training programmes. In addition, managers have received financial

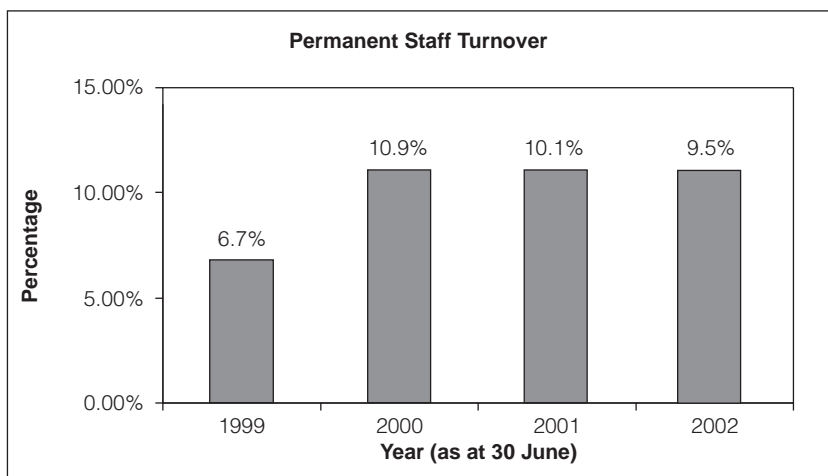
management training and all staff have received computer training. A new conservation management training module is also being developed.

Staff Statistics

The department employed 1,498 permanent full-time equivalent staff (FTEs) as at 30 June 2002. This represents an increase of 4.4% on the year to 30 June 2001. Additional information on full time staff numbers can be found near the end of the annual report following the additional information section.

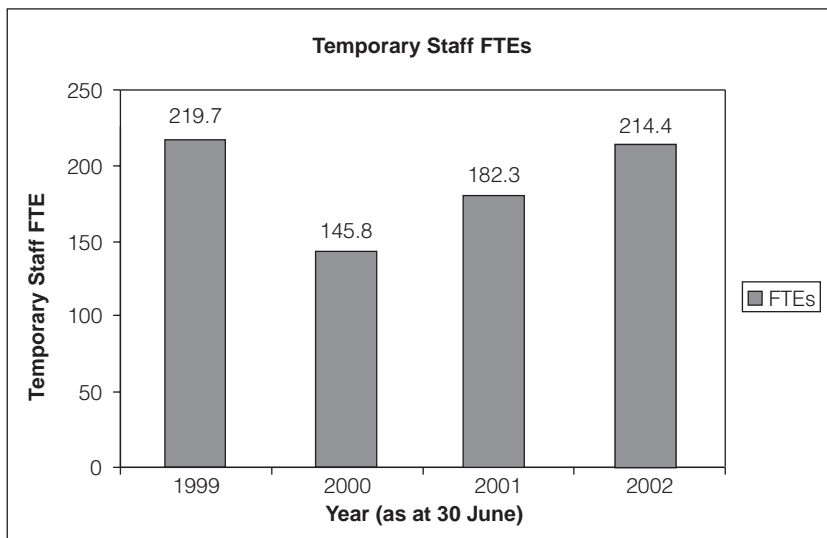


During the year to 30 June 2002, turnover of permanent staff was 9.5% compared with 10.1% for the previous year.



Typically, the department employs over 400 temporary staff in the peak summer season. Temporary staff numbers increase significantly in summer to raise capacity for handling the increased visitor numbers to

public land managed by the department, and to undertake seasonal work. During the summer of 2001/02 temporary staff numbers peaked at 567; during the winter months the numbers of temporary staff were considerably lower.



Staff Diversity

A significant number of actions have been undertaken over the year aimed at changing the department's culture and systems to bring about the desired change in diversity of staff.

- Specific actions have been developed to increase the participation of women and Māori and a 'diversity lens' has been developed to help remove any potential bias.
- Strong leadership – a particularly critical lever in the department because of low staff turnover – has been provided by raising the awareness of the department's managers and ensuring that required behavioural changes are included in departmental systems.
- Managers' responsibilities for the delivery of people diversity have been made explicit at a systems level in the revised Management Capability Framework.
- Focus groups and hui were held with women and Māori staff to identify barriers to greater participation. These led to the development of a series of actions designed to minimise barriers.
- Progress in meeting the department's EEO targets was monitored quarterly by the General Management Team. Low turnover means that the department looks closely at trend data.
- New harassment procedures have been promulgated and are being used by staff, a sign of growing confidence.

The department is committed to its People Plan vision that staff are valued, challenged and fulfilled, and achieve conservation results. This has been demonstrated in:

- the 'diversity work' described above and an emphasis on further development of a safe and inclusive organisational culture;
- the work of the management/union partnership forum on staff conditions, rewards and the involvement of staff representatives in the development of strategic initiatives;
- the support for staff networking processes and structures such as Kaupapa Wahine and Māori networks;
- the direct link between the boundaries and expectations of general managers' roles and their personal accountability.

Equal Employment Opportunities

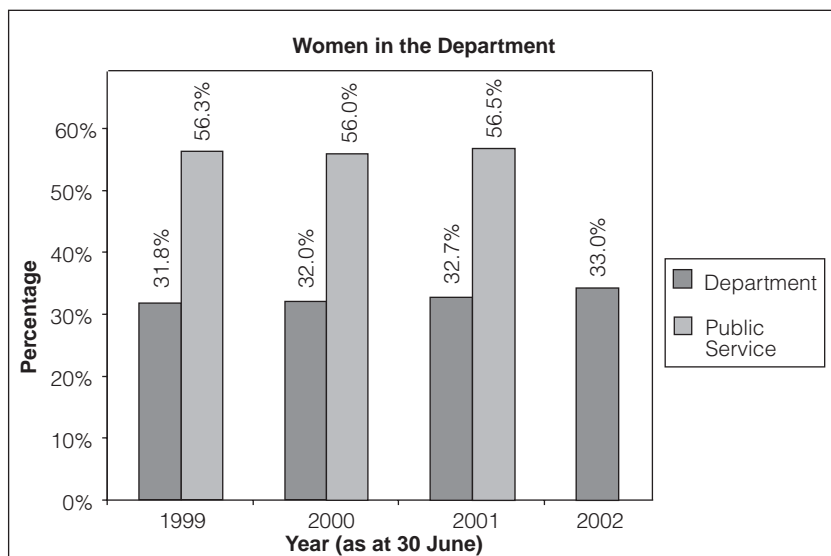
In line with Government policy, EEO targets were set by the department in July 2000.

EEO targets to 2010

Category	Statistics 30 June 2001	Statistics at 30 June 2002	Targets to 2010	Milestones to 2005
Women	32.7%	33.1%	40%	35%
Māori	10.1%	10.1%	18%	13%
Pacific Island Peoples	0.50%	0.50%	1%	0.6%
People with Disabilities	4.35%	5.7%	10%	7.5%

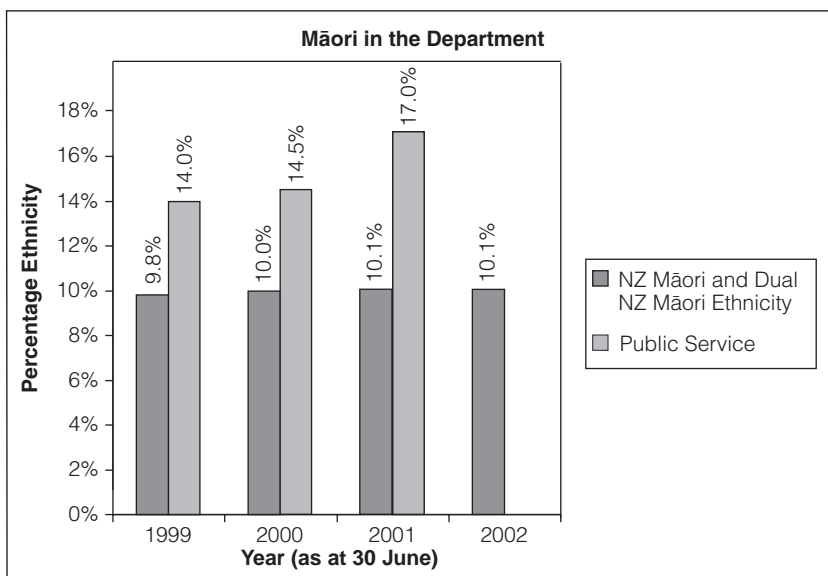
Women in the Department's Workforce

Women constituted nearly a third (33.1%) of the department's permanent and temporary workforce as at 30 June 2002. The long-term trends are positive for women working in the department with the percentage on an increasing trend since 1995. As part of a wider People Diversity programme of work, the barriers to the participation of women in the department are being identified through a series of focus groups. Strategies are being developed to remove these barriers.



Māori in the Department's Workforce

Employees with New Zealand Māori or dual New Zealand Māori ethnicity constituted 10.1% of the department's permanent and temporary workforce as at 30 June 2002. The long-term trends for Māori in the department are positive with the percentage gradually increasing. The department is undertaking ongoing work to assist with the integration of Māori into the department. As part of a wider People Diversity programme of work, the barriers to the participation of Māori in the department are being identified through a series of hui. Strategies are currently being developed to remove these barriers.



Clarifying the Department's Values, Style and Culture

A number of initiatives are underway in this area: the implementation of the Management for Performance Project, the development of the Individual Performance Management System for managers and the promulgation of the General Managers' Handbook. This builds on work in 2000/01 when all managers developed statements of organisational values and style, and has been the focus of modelling of behaviours by the Director-General and general managers.

KNOWING WHAT TO CONSERVE AND HOW

- i. The department has improved knowledge and technical capability to support improved conservation outcomes.
- ii. The department has improved planning and decision making based on the best available conceptual frameworks, strategies, science, technology, research and technology advice.
- iii. The department manages conservation information efficiently and effectively so that knowledge is used and shared to achieve the maximum benefit.

Improving the Department's Knowledge and Technical Capability

The Natural Heritage Management System brings improvement in planning and decision making and its development and deployment will assist a wide range of managers. The department's main conservation database, BioWeb, enables staff to find information on conservation activities. All Science and Research publications are now made available over the department's network to assist in planning and decision making. The Intranet, the department's internal website, has been developed to provide information on the full range of conservation activities (including management activities) for every staff member at their PC. A national information classification system has been developed and is being progressively implemented in all offices. The document management capability of the department's network has improved accessibility to information.

Improving Conceptual Frameworks and National Strategies and Plans

The department is establishing a long term financial plan for 2002–2012 this financial year. This will then lead to an ongoing 10-year financial strategy to ensure the department can effectively and efficiently deliver conservation priorities during the next decade.

Improving Knowledge about Natural and Historic Heritage

A wide range of research and planning has been undertaken in the past year aimed at improving the department's knowledge about New Zealand's natural and historic heritage, the risks to it and conservation techniques.

- Work continued this year trialling the Measuring Conservation Achievement (MCA) model developed in 1999 by the department's Science and Research Unit. A pilot project completed in the Maniapoto Area of Waikato Conservancy demonstrated methods for setting conservation priorities and measuring and reporting conservation achievements.
- Active research has extended the department's knowledge base which will improve the recovery chances of over 35 species of endangered plants and animals.
- Improved understanding on management requirements for maintaining key species in forest canopies and improved protocols have been developed for the management of multiple species and islands.
- In the marine area, progress has been made in developing population management plans and population models for protected and/or endangered species. Plans are in advanced stages for the Hector's dolphin and New Zealand sea lion, and underway for wandering albatross species. Population models for sea lion and Hector's dolphin are in advanced stages of consultation.

- A new marine environment classification system designed to identify sites of biodiversity interest is being piloted in the Hauraki Gulf and Fiordland.
- A new guideline has been released for the protection and management of archaeological sites. New techniques have been developed for the protection of historic steel and concrete structures.

Making Better Use of Science, Technology and Information

All Science and Research reports are now published on the department's Intranet and are readily accessible to all staff. A survey of the preferred ways of transferring new knowledge will provide directions for improved knowledge transfer within the department. The department's internal website contains readily accessible information on the full range of conservation activities.

WORKING WITH OTHERS

Goals

- i. We are valued as a conservation leader.
- ii. We are open to exchanging ideas, information and expertise.
- iii. We add value efficiently and effectively to the conservation work of others.

In recent public and stakeholder surveys, 76% of both stakeholders and the general public had a favourable view of the department's overall performance.

The department works closely with other public agencies (both government departments and research institutes) involved in biodiversity and historic conservation, and has an active programme of publishing scientific and technical information.

The department has also had significant involvement with a wide range of community groups (for example, the Karori Wildlife Trust) and with local government in furthering biodiversity and historic conservation. A community training scheme pilot has been developed in the Northland Conservancy.

Community Partnerships

The department is developing a "Conservation with Communities" strategy. The focus is to develop community partnerships, and enhance the department's capability to work with the communities. The strategy is due to be completed early in the 2002–03 financial year.

MEASURING AND REPORTING

Goals

- i. The Government's investment achieves the maximum conservation benefits for New Zealand.
- ii. Conservation actions, results and outcomes are well monitored and reported.
- iii. We provide effective policy advice and servicing to Ministers and the Government relating to conservation.

The department recognises the need to measure and report better on what it is doing, and how well it is doing it. Measurement of public sector performance is now moving beyond outputs and into areas of outcomes, capabilities and the value delivered. The department has a number of projects underway in this area. The department is continually revising its outcome indicators and developing its systems and measurement tools. This work is ongoing over the short-medium term.

Outcome Indicators

The department has revised its outcome indicators in the Statement of Intent released on 1 July 2002. These new indicators, which will be reported on in the 2002/03 Annual Report, will provide a far clearer indication of the department's progress towards achieving outcomes than has been possible to date.

Management for Performance Project

A new performance measurement and reporting framework for the Management for Performance project was designed and implemented during 2001/02 and will continue to be phased in over the next two reporting cycles (2002/03 and 2003/04). As a result of the new framework, the department's output classes have been aligned with its Statement of Intent and measures established which reinforce management of the business.

The new performance and measuring system will support good judgement and decision making at all levels, enabling an improvement in organisational performance, and will report on the value delivered and outcomes. This will enable effective communication with external agencies and staff so that performance is demonstrated to all stakeholders.

Standard Operating Procedure Compliance

The department currently has in place over 300 policies, standards, best practice documents, and standard operating procedures (SOPs) that guide its work. With such a large number of documents in place, the costs to ensure 100% compliance at all times in terms of staff and operational resources are very high. The department therefore runs an Operational Review System that includes Monthly Operating Reviews involving Managers at all levels of the business where exception reporting is used to identify operational issues such as compliance with standard operating procedures. This system also includes a process known as "Management by Walking Around" (MBWA) where managers discuss in the work place standards for the work underway and, in this informal setting, undertake spot checks in relation to these standards.

A recent Internal Audit Unit review undertaken of the SOP system focused on uptake and compliance with the department's SOPs. This audit found that in the SOPs audited (targeted at a cross-section of SOPs in place from high-risk areas to low and covering a range of staff/manager involvement throughout the department), there was a high level of assurance that SOPs were followed.

While these results cannot be applied to all SOPs, and the audit found there is room for improvement in compliance and performance monitoring, this snap-shot confirms the generally held view in the department that SOP compliance is high. It was also apparent from the work of this team that SOPs and Best Practice documents were being used for a range of purposes which further indicated that they were well-integrated into the Department's operations. Some examples of these additional uses are:

- as training documents for both staff and contractors;
- at induction of new staff;
- to provide confidence to stakeholders and external agencies at meetings and formal discussions;
- at staff meetings to develop work plans and review future work programmes.

Other SOP compliance assurance mechanisms are through the regular review of SOPs by SOP co-ordinators, with information on compliance from both the review teams and the network the co-ordinator has established for feedback on the SOP during the year, and the integration of standards and references to relevant SOPs in the Personal Performance Reviews (PPRs) between managers and their staff.

It should also be noted that many of the SOPs in areas considered to be high risk, e.g. visitor structures and animal/weed control, are integrated into external consent procedures (resulting in external review of compliance), internal funding mechanisms, and/or wider system development and roll-out processes. This requires the work areas to follow the SOPs in order to receive the consents or funding, or in order to implement new or updated systems. There is a very high level of compliance where this is the case.

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 2002.



Hugh Logan
Director-General of Conservation

Countersigned by



Grant Baker
General Manager
Business Management

**Audit New Zealand**

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF DEPARTMENT OF CONSERVATION FOR THE YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 61 to 146. The financial statements provide information about the past financial and service performance of the Department of Conservation and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 120 to 125.

Responsibilities of the Director-General

The Public Finance Act 1989 requires the Director-General to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of the Department of Conservation as at 30 June 2002, the results of its operations and cash flows and service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 and section 38(1) of the Public Finance Act 1989 require the Auditor-General to audit the financial statements presented by the Director-General. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed E M Mason, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Director-General in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Department of Conservation's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing

Standards issued by the Institute of Chartered Accountants of New Zealand, except that our work was limited, as explained below. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have carried out other assurance related assignments in the area of asset management and contract tendering for the Department of Conservation. Other than these assignments, and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the Department of Conservation.

Qualified opinion

As recorded in note 14 on page 141, the Department of Conservation, in recognising visitor assets for the first time, has reduced the amount recognised for optimisation. The note explains that the adjustment is made because certain assets will be removed and/or the service level of those assets reduced in the future. The visitor assets valuation did not take into account the effect of removal and/or reduction in service level of these assets on their remaining lives and rates of depreciation. In our opinion the valuation needed to take account of these matters and there should not have been a separate adjustment for optimisation. We were unable to obtain evidence of the appropriate value of visitor assets. Any misstatement of the value would affect fixed assets and total taxpayers' funds.

As stated in note 23 on page 145, the Department of Conservation has not recognised fencing assets nor the associated depreciation expense and capital charge in the financial statements. We were unable to obtain evidence, which is reasonably expected to exist of the ownership, completeness and value of fencing assets. Not recognising fencing assets is a departure from Financial Reporting Standard No. 3: *Property Plant & Equipment*. The effect of this departure on the financial statements is a misstatement of expenses and results for the year and an understatement of fixed assets and total taxpayers' funds.

In respect of the above items alone we have not obtained all the information and explanation that we have required.

In our opinion except for:

- adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the value of visitor assets; and
- the effect of not recognising fencing assets, as outlined above,

the financial statements of the Department of Conservation on pages 61 to 146:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Department of Conservation’s financial position as at 30 June 2002;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 4 October 2002 and our qualified opinion is expressed as at that date.



E M Mason
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

STATEMENT OF OBJECTIVES

AND

SERVICE PERFORMANCE

STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE

A: VOTE CONSERVATION OUTPUT CLASSES

D1 – POLICY ADVICE AND MINISTERIAL SERVICING

Description

This class of outputs covers the provision of policy advice to the Minister of Conservation on specific reviews of legislation or specific Government policies affecting conservation, including legislative reviews or policy initiatives involving other government departments or agencies, and/or managed by Ministers other than the Minister of Conservation. It also covers major internal departmental policy initiatives that contribute to a number of outputs or output classes.

This output class also covers the provision of policy advice relating to implementation of section 4 of the Conservation Act 1987, participation in negotiations of Treaty of Waitangi settlements, Waitangi Tribunal hearings and inter-departmental meetings, and management of operational relationships with tangata whenua. Implementation and monitoring of the department's Kaupapa Atawhai Strategy, Kupenga Atawhai and achievement of related goals in the department's Strategic Business Plan are also now included in this output class. Implementation of Treaty of Waitangi settlements is covered under Output Class 6.

It also covers the provision of a correspondence reply, coordinating and information service to the Minister of Conservation, and a co-ordination and editing service to the department in relation to the production of its accountability documents.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goal to "Protect and Enhance the Environment" by:

- Providing high quality and appropriate advice on legislation and policy initiatives affecting conservation.

Under this output class, the department also contributes to the Government's Key Goal to "Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi" by:

- Participating in the negotiations of Treaty of Waitangi settlements and fostering relationships with Māori.

All other Government Key Goals and desired outcomes are also taken into consideration when developing policy initiatives and legislation and providing advice.

OUTPUT 1.01: POLICY AND LEGISLATIVE REVIEW

Overview

This output covers the provision of strategic policy, legislative review and advice to Ministers and the Director-General of Conservation about current or proposed Government policies or legislation that affect the Conservation portfolio.

Performance

Policy

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> By June 2002, an ecological management strategy with particular reference to islands, animal pests and freshwater ecosystems will be developed. 	<p>The ecological management strategy includes a strategic framework for ecological management (completed and issued at the end of 2001) and detailed guidance in a number of areas to allow the strategic framework to be fully and efficiently implemented. These include guidance and tools such as the threat classification system for taxa (currently being published) and a consultation draft of the Freshwater Strategic Action Plan prepared for discussion after the election.</p>
<ul style="list-style-type: none"> Policy advice will be provided to assist in the preparation of a National Policy Statement to address the effects of private management on indigenous biodiversity. 	<p>The department has participated in the Ministry for the Environment-led Reference Group providing technical advice on significantly reduced ecosystems and reviewing drafts of the National Policy Statement.</p>
<ul style="list-style-type: none"> Policy advice will be provided to assist in the preparation of an Oceans Policy for New Zealand. 	<p>The department provided detailed advice into the Oceans Policy project through its representative on the Oceans Policy officials group. It also provided advice separately to the Minister of Conservation on its preferred approach to carrying out detailed analytical work to develop a draft Oceans Policy. The department also recommended that the Ministry for the Environment take responsibility for the project from July 2002. The department's views (often consistent with those of other agencies) were generally accepted by Oceans' ministers who have now confirmed the project scope and location at the Ministry for the Environment.</p>

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> By June 2002, a review of Kaupapa Atawhai strategic policies will be in place 	<p>The department has extended the period of consultation to allow more time for discussions with iwi throughout the country. This extension of the period of consultation on the Kaupapa Māori Strategic Policy Initiatives through to June 2002 has meant that work on reviewing the Kaupapa Atawhai Strategy has been delayed a year.</p>
<ul style="list-style-type: none"> By June 2002, a complete strategic policy for the management of recreation facilities will be developed and incorporated into a review of the visitor strategy. 	<p>The Minister has agreed that public consultation on the long term future of recreation opportunities and assets should start in February 2003. Work has begun to identify which facilities should be maintained in the long term to best meet the needs of recreation users.</p>
<ul style="list-style-type: none"> Amendments to the Marine Reserves Act 1971 will be introduced into the House by 31 December 2001. 	<p>The draft Bill was approved for introduction by Cabinet and introduced into the House on 10 June 2002. It has been carried forward to the next session of Parliament.</p>
<ul style="list-style-type: none"> The Freshwater Fisheries Regulations 1983 will be reviewed, in particular the provisions relating to fish passage, faunistic reserves and status of species of aquatic life. 	<p>The aquatic life transfer provisions of the Fisheries Regulations and the Conservation Act 1987 are now being reconsidered in the light of the intended revocation of the Freshwater Fish Farming Regulations 1983. A discussion paper has been prepared on issues and proposed reforms which could be pursued through either the Aquaculture Reform process or the Conservation Law Reform Bill. The review of the other provisions of the Fisheries Regulations is pending a more substantive clarification of jurisdictional boundaries with the Fisheries Act 1996.</p>

OUTPUT 1.02: TREATY OF WAITANGI

Overview

This output covers provision of policy advice on implementation of section 4 of the Conservation Act 1987, giving effect to the principles of the Treaty of Waitangi. It includes participation in Treaty of Waitangi settlement negotiations, Waitangi Tribunal hearings and inter-departmental meetings.

The output does not include the implementation of treaty settlements (see Output 6.04), staff training and development of iwi relationships/treaty issues, or specific consultation provided for under other outputs.

Performance

Projected Performance

- A range of advice will be provided to the Minister and the Office of Treaty Settlements on Treaty settlements and the department will participate as a member of the Crown's negotiating teams for up to 15 Treaty of Waitangi claims.
- Progress will be made on the negotiation of co-operative conservation management arrangements with tangata whenua.
- A Māori language strategy will be developed and implementation will have begun by June 2002.

Performance Achieved

- Ngati Awa Deed finalised for initialling in early July. Minister briefed as required on joint management and overlapping claim considerations.
- Tuwharetoa ki Kawerau negotiation set back by changes on iwi side.
- Issues arising from Ngati Whakaue settlement followed up.
- Te Aupouri on hold with offer rejected by iwi.
- Negotiations begun with Te Rarawa
- Discussions held with Ngati Kuri regarding the management of Te Paki Farm.
- Te Roroa negotiation progressed and Minister briefed on wāhi tapu issues.
- Minister's approval sought for conservation aspects of Agreement in Principle signed with Ngā Rauru.
- Issues arising from Ngati Tama Deed addressed.

A comprehensive national consultation process to inform iwi of the range of co-operative conservation management mechanisms available will run through to June 2003.

Fine tuning of definitions is currently underway with the expectation that the strategy will be ready for final signoff in February 2003.

OUTPUT 1.03: MINISTERIAL SERVICING

Overview

This output covers the provision of a correspondence reply, co-ordinating and information service to the Minister of Conservation and the department as well as a proof-reading, production and distribution service in relation to the department's accountability documents.

Performance

Ministerial Servicing

Projected Performance	Performance Achieved			
	2001/02		2000/01	1999/00
	Target	Actual	Actual	Actual
Responses to ministerial correspondence	1,850	1,667	1,625	1,314
Ministerial requests for information	400	430	516	238
Parliamentary questions	350	139	326	209
Official information requests	60	62	64	32

- A range of policy advice papers, submissions to Cabinet, briefing papers, ministerial correspondence and parliamentary questions numbering between 2500 and 3000 is anticipated. These are expected to include:
 - 75% of draft replies to ministerial correspondence will be provided within 20 working days.

66 % of draft replies to ministerial correspondence were provided within 20 working days.
(2000/01: 75%; 1999/00: 75%)
 - 100% of draft replies to parliamentary questions will be provided within the timeframes set by the Minister.

100 % of draft replies to parliamentary questions were provided within timeframes set by the Minister.
 - 90% of first draft replies to ministerial correspondence will be accepted by the Minister.

99 percent of first draft replies to ministerial correspondence were accepted by the Minister.
 - All accountability documents provided will be to the required standard and meet ministerial, departmental and statutory deadlines.

All accountability documents were produced to the required standards.

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	2,871	2,717	2,394	2,774
– Other	–	1	1	–
Total Revenue	2,871	2,718	2,395	2,774
Total Expenditure	2,362	2,718	2,695	2,598
Net Surplus	509	–	(300)	176

Note: A detailed breakdown of expenditure for the outputs which comprise this Output Class is set out in the "Additional Information" section on page 148.

D2 – IMPLEMENTATION OF LEGAL PROTECTION

Description

This class of outputs covers the survey, investigation and implementation of formal protection of land, freshwater and marine areas, including education. Protection may be achieved by conservation covenant, gift, purchase, lease, management agreement, setting apart, or public access easement, using statutes administered by the department. It also includes changes to the existing status and classification of land, freshwater and marine areas under the administration of the department.

This output class also covers the survey, investigation and implementation of formal protection of marine reserves and other marine areas using statutes administered by the department. The key statutes are the Marine Reserves Act 1971 and other marine protected area statutes specific to a given location within the territorial sea. It also covers participation by the department in the review of Crown pastoral leases and occupation licences under the Crown Pastoral Land Act 1998.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goal to "Protect and Enhance the Environment" by:

- Formally protecting land, freshwater and marine areas to create a network of protected natural areas that represent the full range of New Zealand's natural heritage.

Under this output class, the department also contributes to the Government's Key Goal to "Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi" by:

- Formally protecting conservation areas of cultural and historic heritage value.

OUTPUT 2.01: LEGAL PROTECTION AND STATUS CHANGES

Overview

This output covers the survey, investigation and implementation of formal protection of land, freshwater and marine areas, including education. Protection may be achieved by conservation covenant, gift, purchase, lease, management agreement, setting apart or public access easement, using statutes administered by the department. It also includes changes to the existing status and classification of land, freshwater and marine areas under the administration of the department.

Performance

Legal Protection and Status Changes

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> Seven Protected Natural Area Programme surveys by ecological district will be progressed, with seven surveys completed and their reports published. 	<p>Four surveys in ecological districts were in progress, and reports on two ecological districts were completed and published. The lower outcome was due to targets being revised once detailed work planning allowed a more accurate prediction of likely performance.</p> <p>(2000/01: 9 surveys progressed and 8 reports published)</p>
<ul style="list-style-type: none"> Agreements for protective management of 117* Recommended Areas for Protection (RAPs) will be progressed. <p>[*Note: The original target in the SOI (20 RAPs) was transposed from a different measure.]</p>	<p>Progress was reported on 106 agreements.</p> <p>(2000/01: 20 agreements completed)</p>
<ul style="list-style-type: none"> 20* site negotiations for protection will be completed. <p>[*Note: The original target in the SOI (117 site negotiations) was transposed from a different measure.]</p>	<p>Seven agreements were reported completed. Completion of agreements is dependent on the negotiation process and the co-operation of all parties.</p> <p>(2000/01: 101 site negotiations were progressed)</p>
<ul style="list-style-type: none"> Implementation will be completed of 48 legal protection agreements, covering 6,645 hectares. 	<p>24 legal protection agreements were completed totalling 4,570 hectares. There were delays in several negotiations and survey requirements.</p> <p>(2000/01: 32 agreements covering 4,412 ha)</p>
<ul style="list-style-type: none"> Up to 60 new reserves, additions or covenants are expected to be established. 	<p>59 new reserves or covenants were established.</p> <p>(2000/01: 44 reserves and covenants)</p>

OUTPUT 2.02: IMPLEMENTATION OF LEGAL PROTECTION OF MARINE AREAS

Overview

This output covers the survey, investigation and implementation of formal protection of marine reserves and other marine areas, using statutes administered by the department. The key statutes are the Marine Reserves Act 1971 and other marine protected area statutes specific to a given location within the territorial sea.

Performance

Projected Performance

- Six studies or investigations into possible marine reserve sites will be undertaken.
- One department marine reserve proposal will be progressed prior to lodging with the Director-General and one new department marine reserve application will be lodged with the Director-General.
- Two new marine reserve applications are expected from external applicants.
- One new marine reserve application is expected to be made jointly by the Director-General and an external party.
- By 30 June 2002, the key elements of a public awareness strategy for marine reserves that targets key stakeholders, iwi and the public will be implemented.

Performance Achieved

The department undertook studies into possible marine reserve sites in Hokianga, Mimiwhangata, Tiritiri Matangi, Firth of Thames, Eastern Bay of Plenty, Wairarapa and Fiordland.

Marine reserve proposals were progressed for Mimiwhangata, North East Great Barrier Island, and Volkner Rocks/ Te Paepae. The Auckland Islands Marine Reserve application was lodged.

Work continued on two potential external applications. Whangarei Harbour was the only external application received.

One joint application was received for Volkner Rocks/Te Paepae by Whakaari Marine Reserve Committee and the Director-General. Public notification of this application is expected in early 2002/03.

The strategy "Building community support for marine protection, Protecting special places in the sea", was completed. Purchase of renowned marine biologist Wade Doak's full range of photographic images was completed and will be a key element of strategy implementation. Further implementation will continue in 2002/03.

OUTPUT 2.03: TENURE REVIEW

Overview

This output covers the department's participation in the review of Crown pastoral leases and occupation licences under the Crown Pastoral Land Act 1998.

Performance

Projected Performance

- Nine conservation resource reports for Part II (Pastoral Leases) and Part III (Pastoral Occupation Licences) will be provided to the Commissioner of Crown Lands and 90% will be provided within the Commissioner's project plan timeframe.
- The department expects to be consulted on substantive proposals for 12 Crown Pastoral Lease reviews and consider any associated consents.

Performance Achieved

The department completed 35 reports, some of which were carried over from last year. Additionally, some urgent Pastoral Occupation Licence work was done at the request of the Commissioner of Crown Lands. 95% of the reports were completed within the Commissioner's timeframe estimates.

(2000/01: 1 report completed)

The department has been consulted on five substantive proposals. These will be the first tenure reviews completed under the Crown Pastoral Land Act 1998.

(2000/01: 1 draft substantive proposal)

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	4,030	4,495	5,044	3,893
– Other	3	72	114	19
Total Revenue	4,033	4,567	5,158	3,912
Total Expenditure	4,729	4,567	4,913	3,832
Net Surplus	(696)	–	245	80

Note: A detailed breakdown of expenditure for the outputs which comprise this Output Class is set out in the "Additional Information" section on page 148.

D3 – STATUTORY PLANNING AND COASTAL RESPONSIBILITIES UNDER THE RESOURCE MANAGEMENT ACT 1991

Description

This output class covers advocacy for the protection, or at least sustainable management, of natural and historic resources in terrestrial, freshwater and marine environments mostly outside protected areas. This involves working with local authorities, local communities and landowners through both non-statutory and statutory processes predominantly under the Resource Management Act 1991.

It also involves the provision of advice to councils and landowners about natural and historic resources and, from time to time, input into sustainable forest management plans and permits under the Forest Act 1949. Also included is advice to the Maritime Safety Authority and regional councils on oil spills and oil spill contingency planning, advice on implementing the National Ballast Water Strategy, marine fishery advocacy and, when requested, comments on Fisheries Act 1996 matters.

This output class also covers formal Resource Management Act 1991 responsibilities relating to the New Zealand Coastal Policy Statement, regional coastal plans and other plans that cover the coastal marine area, restricted coastal activities, vesting of reclaimed land and coastal tendering. It also includes advocacy in relation to coastal permit applications, the administration of the Foreshore and Seabed Endowment Revesting Act 1991, and residual lease and licence responsibilities under the Marine Farming Act 1971.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goal to "Protect and Enhance the Environment" by:

- Promoting effective lasting solutions for protection of indigenous biodiversity through statutory and non-statutory planning and consent processes, primarily under the Resource Management Act 1991, including working with and providing advice to local communities, local government and landowners.
- Managing the coastal environment in partnership with local government in a sustainable way.

Under this output class, the department also contributes to the Government's Key Goal to "Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi" by:

- Working with and providing advice to local communities and local government in statutory and non-statutory planning and consent processes in relation to protection of historic and cultural resources as well as indigenous biosecurity.

Under this output class, the department also contributes to the Government's Key Goal to "Grow an Inclusive, Innovative Economy for the Benefit of All" by:

- Providing appropriate environmental and conservation input into statutory planning activities to ensure sustainable growth.

OUTPUT 3.01: TERRESTRIAL, FRESHWATER, MARINE AND HISTORIC ADVOCACY

Overview

This output covers the protection of natural and historic resources in terrestrial, freshwater and marine environments mostly outside of protected areas. It involves working with local communities and key stakeholders using both statutory and non-statutory processes. Securing support for existing protected areas is also part of this task.

Performance

Projected Performance

- The department expects to be involved in¹ advocacy activities of the order of the following:
 - 60–70 regional policy statements, regional plans and district plans at the consultation or pre-submission stage (includes new plans, plan changes and variations).
 - 2000 non-notified and notified applications for resource consent.

Performance Achieved

The department was involved in 22 regional policy statements, regional plans and district plans for the year.

The number of policy statements and plans involved in was well below target because the number of such policy statements and plans released for comment by regional and local government was fewer than anticipated. This may be due to the number held up in the Environment Court, as well as a reluctance by regional and local government to release more for comment until the backlog clears.

(2000/01: 23 statements and plans)

The department was involved in 1,802 non-notified and notified applications for resource consent.

¹ "Involved in" means all but cursory actions associated with the policy statement, plan or consent from pre-statutory up to and including the hearing or section 94 approval stage. Depending on the stage in the process, this may involve the making of submissions and furthering submissions, attending pre-hearing meetings, presenting evidence at council hearings, lodging Environment Court references, attending pre-hearing negotiations over references and presenting evidence at Environment Court hearings.

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> 200 to 230 submissions likely to be lodged on policy statements, plans and notified resource consent applications to protect natural and historic resources. 	<p>180 submissions were lodged for the year. The reduced number reflects fewer resource consent applications and more use of non-notified processes. It also reflects improved consultation by applicants.</p> <p>(2000/01: 163 submissions lodged)</p>
<ul style="list-style-type: none"> 30 to 40 appeals or references expected to be lodged with the Environment Court on policies, plans and notified consent applications. 	<p>The department lodged 27 appeals or references with the Environment Court.</p> <p>(2000/01: 25 appeals and references lodged)</p>

OUTPUT 3.02: COASTAL RESPONSIBILITIES UNDER THE RESOURCE MANAGEMENT ACT 1991 AND OTHER LEGISLATION

Overview

This output covers formal Resource Management Act responsibilities relating to the New Zealand Coastal Policy Statement (NZCPS), regional coastal plans and other plans that cover the coastal marine area (CMA), restricted coastal activities, vesting of reclaimed land and coastal tendering.

It also covers coastal permit application advocacy, the administration of the Foreshore and Seabed Endowment Revesting Act 1991, and residual lease and licence responsibilities under the Marine Farming Act 1971.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> The department expects to be involved in: <ul style="list-style-type: none"> 10 to 12 proposed regional coastal plans (including the coastal component of unitary authority combined plans). 50 to 60 restricted coastal activity applications under section 117 and condition variations under section 119A. 400 to 600 coastal permit applications (non-restricted coastal activity). 	<p>The department was involved in 9 proposed regional coastal plans during the year.</p> <p>(2000/01: 13; 1999/00: 14)</p> <p>The department was involved in 57 restricted coastal activity applications during the year.</p> <p>(2000/01: 61; 1999/00: 59)</p> <p>The department was involved in 439 coastal permit applications.</p> <p>(2000/01: 52; 1999/00: 974)</p>

Projected Performance

- 20 to 40 restricted coastal activity application recommendations and/or reports are expected to be received, with 100% processed and forwarded to the Minister to allow the Minister to make a decision within the statutory deadline.
- 10–12 reclamation revesting applications are expected to be processed

Performance Achieved

Advice provided to the Minister of Conservation on 17 RCA recommendations/reports during the year, all within required timeframe.

(2000/01: 23; 1999/00: 17)

Six reclamation revesting applications were processed by the department during the year.

[The target was reforecast as six once detailed work planning was completed in June 2001]

(2000/01: 5 applications processed)

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	3,652	3,321	3,492	3,528
– Other	11	99	99	25
Total Revenue	3,663	3,420	3,591	3,553
Total Expenditure	4,176	3,420	3,420	3,595
Net (Deficit)	(513)	–	171	(42)

Note: A detailed breakdown of expenditure for the outputs which comprise this Output Class is set out in the “Additional Information” section on page 148.

D4 – MANAGEMENT SERVICES: CONSERVATION ESTATE

Description

This class of outputs covers the management of land administered by the department and, in particular, activities associated with:

- Maintenance of an effective fire control management capacity and extinguishing fires when they arise.
- Eradication or control of possums, goats, and other animal pests to prevent canopy collapse (forest vegetation), adverse habitat changes and species loss, and to prevent the establishment of populations in new areas, and all statutory obligations associated with animal pest management.
- Eradication, containment and management of invasive weeds that are, or are capable of, significantly affecting important natural areas, threatened species, or ecological processes.
- Conservation of historic heritage on lands managed by the department.
- Inventory of natural values, and the monitoring of trends in the condition of natural areas administered by the department.
- Ecosystem restoration programmes at sites other than those designated as “Mainland Islands” (See Output Class 5).

It also covers the management of marine reserves and other marine protected areas after their formal establishment in accordance with the Marine Reserves Act 1971 and other marine protected area statutes specific to a given location.

Relationship to Government Outcomes

This output class contributes to the Government’s Key Goal to “Protect and Enhance the Environment” by:

- Preventing and controlling fires, and eradicating and controlling animal and plant pests.
- Effectively managing marine protected areas, including monitoring condition and trends, and promoting compliance and intervening where necessary.

Under this output class, the department also contributes to the Government’s Key Goal to “Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi” by:

- Conserving historic heritage, and developing partnership and devolution arrangements relating to the conservation of historic heritage.

OUTPUT 4.01: FIRE CONTROL

Overview

This output covers activities directly associated with the maintenance of an effective fire management capability and extinguishing fires when they arise.

Performance

Projected Performance

- In order to suppress fires on or threatening land administered by the department, the department will maintain a fire control management capability that complies with the Forest and Rural Fires Act 1977, the National Rural Fire Authority's Rural Fire Management Code of Practice, and the department's Fire Control Standard Operating Procedures.

Performance Achieved

The department maintained a fire control management capability to suppress fires on or threatening land administered by the department that complies with the Forest and Rural Fires Act 1977, the National Rural Fire Authority's Rural Fire Management Code of Practice, and the department's Fire Control Standard Operating Procedures.²

The NZRFA completed five yearly audits:

- West Coast
- Wanganui
- Auckland
- Waikato
- Tongariro/Taupo.

All passed the NRFA audit, although the provision of fire mapping was identified for improvement. All other conservancies completed self audits. As a result, further work on fire mapping was identified and is underway in East Coast/Hawkes Bay, Bay of Plenty, Nelson/Marlborough and Otago.

	2001/02	2000/01	1999/00
	Actual	Actual	Actual
Fire support staff	335	354	304
Fire-fighters	1,010	985	981
Crew bosses	375	379	368
Officers in Charge of fire	136	134	151

OUTPUTS 4.02, 4.03, 4.04: POSSUMS, GOATS AND OTHER ANIMAL PEST CONTROL

Overview

This cluster of outputs encompasses activities associated with the control or eradication of animal pests and the prevention of populations establishing in new areas. Also covered are all statutory administrative obligations associated with animal pest management.

² The department is part of the five-yearly cycle under the National Rural Fire Authority (NRFA) audit programme. In the interim years the department undertakes self audits using the same process as that of the NRFA.

Work under these outputs includes:

- Eradication and control activity in respect of possums, goats, deer, thar, chamois, pigs, rabbits, horses, hares, wallabies, pest fish and wasps on the North and South Islands, Waiheke, Great Barrier, D'Urville, Stewart and main Chatham Islands. (Control programmes within the management units known as "mainland islands" and programmes on New Zealand's offshore islands fall under Output Class 5.);
- Eradication and control activity in respect of rodents, cats and mustelids on the New Zealand mainland but not animal pest control where the predominant purpose is part of specific species recovery programmes (Output Class 5);
- Planning, co-ordination, administration and liaison relating to animal pest control operations;
- Research and review, monitoring (result and outcome) and reporting;
- Fencing (both animal exclusion and boundary fencing);
- Public relations, training, and development of standard operating procedures;
- Statutory functions under the Wild Animal Control Act 1977, including the regulation, permitting and inspection of deer farms and the management of recreational hunting;
- Processing and approval under the Conservation Act 1987 of applications for the transfer of live aquatic life and noxious fish, in liaison with the Ministry of Fisheries and the New Zealand Fish and Game Council which have interfacing statutory responsibilities.

National control plans and policies set the broad goals and standards for managing these pest species. Many of the activities in the pest programmes are further controlled by detailed standard operating procedures.

Performance

	2001/02		2000/01	1999/00
	Target	Actual	Actual	Actual
Possoms				
Area (ha) treated	277,160	172,926	211,287	227,937
Total area (ha) under sustained management ³	858,022	854,836	761,074	668,887
Total benefit area (ha) ⁴	883,831	825,240	742,239	799,089
Goats				
Area (ha) treated	1,340,584	1,397,486	1,258,046	1,119,742
Total area (ha) under sustained management	1,721,988	1,802,626	1,714,424	1,574,200
Total benefit area (ha)	2,346,067	2,583,281	2,357,861	1,939,269
Thar				
Area (ha) treated	524,000	643,315	309,690	339,225
Total area (ha) under sustained management	871,500	917,014	489,400	614,600
Total benefit area (ha)	1,783,643	1,811,757	765,100	746,200
Deer				
Area (ha) treated	399,300	358,167	159,050	161,678
Total area (ha) under sustained management	400,700	406,417	159,000	148,643
Total benefit area (ha)	313,200	474,800	526,800	538,800

³ "Area under sustained management" means the total area within which control of the animal pest will be carried out and sustained over time.

⁴ "Total benefit area" means the total area deriving a conservation benefit from sustained control. If the animal pest would spread if not controlled, this includes the area that would be invaded within 10 years in the absence of the control. In the case of control when the species would not otherwise spread, it is the area where conservation benefits can be measured as a result of the control.

Additional New Zealand Biodiversity Strategy (NZBS) funding has allowed an increase in area to be treated under sustained management and total benefit area as follows :

	2001/02	2001/02	2000/01
	Target	Actual	Actual
Possums			
Area (ha) to be treated in 2001/02	74,326	46,077	16,661
Total area (ha) under sustained management	84,255	63,412	11,409
Total benefit area (ha)	85,892	68,777	11,609
Goats			
Area (ha) to be treated in 2001/02	161,873	163,800	38,133
Total area (ha) under sustained management	56,173	101,771	36,571
Total benefit area (ha)	372,010	429,582	86,084
Thar			
Area (ha) to be treated in 2000/01	337,000	378,545	255,000
Total area (ha) under sustained management	255,000	297,045	255,000
Total benefit area (ha)	925,543	932,588	820,000
Deer			
Area (ha) to be treated in 2001/02	n/a	109,817	20,000
Total area (ha) under sustained management	n/a	51,117	80,000
Total benefit area (ha)	n/a	11,000	11,745

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> • Additional NZBS funding will allow: <ul style="list-style-type: none"> – Increased technical support for animal pest issues and development of a pest information management system to be completed in 2003/2004. 	<p>Animal pest technical support projects are progressing through initiatives such as:</p> <ul style="list-style-type: none"> • Increased co-ordination of networks among animal pest staff; • Best practice for animal pest control techniques; • Enhanced electronic pesticides technical manual. • The database project has fallen behind schedule due to several programming problems highlighted during testing.
<ul style="list-style-type: none"> • A national inventory of freshwater fish pests will be undertaken with priority given to mapping the extent of recently found infestations in the North Island. 	<p>Field survey work is complete. The draft report is in the editing stage.</p>
<ul style="list-style-type: none"> • As a complementary method of control, it is expected that approximately 35 km of new fencing will be erected and 254 km of existing fencing repaired. 	<p>Over 32 km of new fencing has been installed and 154 km of existing fences repaired. New fences and repairs to existing fences are driven by Fencing Act 1978 requests from neighbours.</p> <p>(2000/01: 34 km of new fencing, 280 km of existing fencing repaired)</p>
<ul style="list-style-type: none"> • In the second year of implementation of the department's integrated stoat control research programme, a comprehensive suite of research projects (both in-house and under contract) will continue to build on first year results aimed at: <ul style="list-style-type: none"> – Making current "best practice" stoat control more cost-effective; – Developing innovative techniques to allow control to be undertaken in more and larger areas. 	<p>There have been 38 programmes funded with 26 being progressed and 12 completed. Most projects are on track, but extensions have been given to three projects that were to have finished. One new project was started to fill the gap left by the project terminated due to a lack of study animals.</p>

OUTPUT 4.05: INVASIVE WEED CONTROL

Overview

This output covers activities associated with the eradication, containment and management of invasive weeds which are, or are capable of, significantly affecting important natural areas, threatened species, or ecological processes.

Performance

Projected Performance

- 65 weed-led⁵ work plans will be completed.
- Site-led⁶ weed control work.

Performance Achieved

63 weed-led work plans were completed.
(2000/01: 44 weed-led workplans)

	2001/02	2001/02	2000/01
	Target	Actual	Actual
Total area (ha) treated including buffer and/or seed source areas.	235,000	220,800	194,814
Total area (ha) under sustained management including buffer and/or seed source areas.	480,000	609,367	420,637
Total benefit area (ha).	1,212,500	1,676,036	1,154,018

OUTPUT 4.06: HISTORIC HERITAGE

Overview

This output covers the conservation of historic heritage on lands managed by the department.

Performance

Projected Performance

- By 30 June 2002, in relation to the 831 historic assets actively managed by the department:
 - Remedial work will be completed to departmental specifications for 42 high priority historic assets based on the “International Committee for the Conservation of Monuments and Sites” standards.
 - Maintenance will be on track to departmental specification for 517 historic assets based on the “International Committee for the Conservation of Monuments and Sites” standards.

Performance Achieved

Remedial work was completed on 36 high priority historic assets.
(2000/01: 30 high priority historic assets)

Maintenance was on track for 528 historic assets.
(2000/01: 350 historic assets)

⁵ “Weed-led” work plans aim to minimise future risks by managing those new species that have the potential to be significant new environmental weeds, or established weeds that still have a very limited distribution.

⁶ “Site-led” control work manages critical weed threats in specific land, wetland and freshwater sites that are important to New Zealand’s natural heritage.

OUTPUT 4.08: MARINE PROTECTED AREAS

Overview

This output covers management of marine reserves and other marine protected areas after their formal establishment. The key statutes are the Marine Reserves Act 1971 and other marine protected area statutes specific to a given location, such as the Sugar Loaf Islands Marine Protected Area Act 1991 and the Hauraki Gulf Marine Park Act 2000.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> Ongoing biological monitoring programmes will be approved and implemented for nine key marine protected areas. 	<p>Ongoing biological monitoring programmes were approved and implemented in 12 marine reserves.</p>
<ul style="list-style-type: none"> Draft compliance and law enforcement plans for new marine reserves will be completed within one year of the gazette of that reserve and final plans will be completed within two years. 	<p>No draft plans were expected as no new marine reserves were gazetted. The final compliance and law enforcement plan for Pohatu (Canterbury, gazetted May 1999) has been delayed to wait for new marine reserves legislation.</p>
<ul style="list-style-type: none"> All approved compliance and law enforcement plans will be reviewed and updated annually. 	<p>One new compliance and law enforcement plan was completed for Poor Knights. Four other compliance and law enforcement plans were updated, with eight still in progress at time of reporting.</p> <p>(2000/01: 6 compliance and law enforcement plans reviewed and updated)</p>
<ul style="list-style-type: none"> All scientific permit applications will be processed within 60 working days of receipt. 	<p>Seven scientific permit applications were received, with six processed within the required period. One scientific permit application was returned to the applicant for further information, and was not re-submitted.</p>
<ul style="list-style-type: none"> By 30 June 2002, the draft marine reserves monitoring strategy will be finalised. 	<p>The draft marine reserves monitoring strategy has been finalised.</p>

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	48,533	56,950	50,374	46,888
– Other	3,038	5,057	6,448	3,667
Total Revenue	51,571	62,007	56,822	50,555
Total Expenditure	52,289	62,007	60,222	49,435
Net Surplus	(718)	–	(3,400)	1,120

Note: A detailed breakdown of expenditure for the outputs which comprise this Output Class is set out in the “Additional Information” section on page 148.

D5 – MANAGEMENT SERVICES: PROTECTED SPECIES AND ISLAND HABITATS

Description

This class of outputs covers all species conservation programmes including: distribution and habitat surveys, species recovery programmes, captive breeding programmes, transfers and introduction of species, control of predators and competitors, manipulation of habitats, habitat enhancement programmes, population monitoring, and associated permitting and all related research.

It covers the restoration and maintenance of the six approved “mainland island” sites:

- Trounson Kauri Park (Northland)
- Northern Te Urewera Ecosystem Restoration (East Coast/Hawke’s Bay)
- Boundary Stream Reserve (East Coast/Hawke’s Bay)
- Paengaroa Mainland Island (Wanganui)
- Hurunui Beech Forest Habitat (Canterbury)
- Rotoiti Nature Recovery Project (Nelson/Marlborough).

It also includes activities associated with the management and restoration of all islands except for the North, South, Waiheke, D’Urville, Stewart, Main Chatham and Great Barrier islands.

This output class covers work associated with the protection, conservation and management of marine mammals (whales, dolphins and seals) in New Zealand waters under the Marine Mammals Protection Act 1978. Also included is all work associated with undertaking and enforcing obligations under the Convention on International Trade in Endangered Species (CITES), and the Trade in Endangered Species (TIES) Act 1989.

Relationship to Government Outcomes

This output class contributes to the Government’s Key Goal to “Protect and Enhance the Environment” by:

- Maintaining and enhancing population numbers and distribution of threatened indigenous species and subspecies where recovery action will be effective.
- Restoring degraded protected areas and establishing offshore and “mainland” islands where invasive threats are minimised.
- Protecting marine mammals and their habitats, including the protection of migratory cetacean species.
- Reducing trade in endangered species through the undertaking and enforcement of international and statutory obligations.

Under this output class, the department also contributes to the Government's Key Goal to "Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi" by:

- Consulting with and working in partnership with iwi and other interested parties on the recovery of threatened indigenous species and on the restoration of degraded areas both on the mainland and on offshore islands.
- Working with tangata whenua to protect marine mammals and their habitats, and to allocate dead marine mammal specimens and distribute whale bone in accordance with agreed protocols and procedures.

OUTPUT 5.01: SPECIES CONSERVATION PROGRAMME

Overview

This output includes all activities associated with indigenous species conservation programmes. It does not include marine mammal conservation programmes (Output 5.04), or permitting and other work relating to the Convention on the International Trade in Endangered Species of Wild Fauna and Flora (Output 5.05).

The Molloy and Davis 1994 ranking system lays the framework for prioritising work on New Zealand's threatened species. This 1994 review of priority records:

- 98 Category A species – highest priority for conservation action;
- 214 Category B species – second priority for conservation action;
- 91 Category C species – third priority for conservation action.

The department carries out active recovery work in respect of high priority threatened species of indigenous flora and fauna, with priority given to Category A and B species.

Performance

Projected Performance

Performance Achieved

<ul style="list-style-type: none"> • The department will carry out active recovery work⁷ in respect of high priority threatened species of indigenous flora and fauna as follows, with priority given to Category A and Category B species: 	
<ul style="list-style-type: none"> – 74 Category A (Highest Priority) threatened species 	<p><i>Category A species</i></p> <p>Work on 67 programmes for Category A species were progressed as planned. Work for a further nine programmes was progressed but ended up slightly behind schedule.</p> <p>(2000/01: work for 59 Category A species progressed as planned. Work on 15 species progressed but behind schedule)</p>
<ul style="list-style-type: none"> – 120 Category B (Second Priority) threatened species 	<p><i>Category B species</i></p> <p>Work on 76 programmes for Category B species progressed as planned. Work for a further 25 programmes was progressed but ended up slightly behind schedule.</p> <p>(2000/01: Work for 97 Category B species progressed as planned. Work on 35 species progressed but behind schedule)</p>
<ul style="list-style-type: none"> – 30 Category C (Third Priority) threatened species 	<p><i>Category C species</i></p> <p>Work on 19 programmes for Category C species progressed as planned. Work for a further three programmes was progressed but ended up slightly behind schedule.</p> <p>(2000/01: Work for 21 Category C species progressed as planned. Work on 12 species progressed but behind schedule)</p>
<ul style="list-style-type: none"> – Six new or reviewed species recovery plans relating to high priority threatened species will be published 	<p>Nine recovery plans for high priority threatened species were published.</p> <p>(2000/01: four recovery plans for high priority threatened species were completed)</p>

⁷ The recovery work is carried out in accordance with species recovery plans published by the department which provide more detailed guidance on what the priority conservation actions are for each particular threatened species. These priority conservation actions are updated and reviewed at recovery group meetings. All species recovery plans are subject to peer review when they are first written and each time the plan is revised. Other documents such as the "Conservation Requirements of New Zealand's Nationally Threatened Plants" also provide more detailed guidance on priority conservation actions for threatened species that do not have recovery plans.

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> • The existing kiwi recovery work will be extended by intensively managing⁸ kiwi at five sanctuaries. This will involve more intensive monitoring, predator control and community relations campaign. 	
<ul style="list-style-type: none"> – Northland 	<p>Wild chick survivorship has not been accurately assessed due to high losses of transmitters and transmitters falling off. Collection of eggs for stocking of Bream Head Sanctuary has exceeded expected targets.</p>
<ul style="list-style-type: none"> – Waikato 	<p>Excellent results achieved within this sanctuary. Over 70% of chicks have survived predation to date, with less than two months to go till all chicks are above the critical weight threshold for stoat predation.</p>
<ul style="list-style-type: none"> – Tongariro/Taupo 	<p>Expectations are high that productivity will be well above 50%.</p> <p>The effectiveness of 1080 to increase kiwi productivity has been successful in as much as 42% of kiwi chicks have escaped predation by stoats and now above the critical stoat predation weight threshold. This is sufficient to ensure that kiwi numbers increase within the sanctuary. The Stoat Technical Advisory Group has put the research by Landcare on hold due to technical difficulties in regard to research design.</p>
<ul style="list-style-type: none"> – West Coast (2 Sanctuaries) 	<p><i>Okarito Sanctuary</i></p> <p>Thirty percent of chicks have survived of a sample of 20 radio-tagged birds with not all birds yet above the critical stoat predation weight threshold. Refinements to trap line operations are being investigated to see if trap efficiency can be raised further. Activities are progressing as planned, and 11 new birds have now settled into the population from their creche island in the Marlborough Sounds. These birds join the 29 birds that were in the forest this time last year.</p>

⁸ “Intensively managing” includes a range of activities to increase the productivity and survivorship of kiwi in sanctuaries, e.g., intensive predator control and Operation Nest Egg (ONE) management.

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> All species recovery programmes will be carried out in accordance with species recovery plans, be guided by the advice of recovery groups and will be carried out to meet work plan objectives. 	<p><i>Haast Sanctuary</i></p> <p>Monitored chick productivity this year has been too small to draw any firm conclusions of success. However, two of the six chicks known to have hatched currently survive.</p> <p>Species recovery programmes were carried out in accordance with species recovery plans, were guided by the advice of recovery groups and were carried out to meet work plan objectives in all 13 conservancies.</p>

OUTPUT 5.02: MAINLAND ISLAND SITES

Overview

This output covers the restoration and maintenance of the following six approved mainland island sites:

- Trounson Kauri Park Restoration Project (Northland);
- Northern Te Urewera Ecosystem Restoration Project (East Coast/Hawke's Bay);
- Boundary Stream Mainland Island (East Coast/Hawkes Bay);
- Paengaroa Mainland Island (Wanganui);
- Hurunui River (South Branch) (Canterbury);
- Rotoiti Nature Recovery Project (Nelson/Marlborough);
- Some animal control work associated with mainland island sites is funded in Output Class D4.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> All work at mainland island sites will meet the targets and objectives in the annual work plan for that site and will be consistent with the strategic and/or operational plan for that site. 	<p>All work plan targets were met by Trounson (Northland), Te Urewera Nature Recovery Project, Boundary Stream (East Coast Hawke's Bay), Paengaroa (Wanganui), and Hurunui (Canterbury).</p> <p>East Coast Hawke's Bay notes that its reporting is now on a six-year scale.</p> <p>Rotoiti Nature Recovery Project (Nelson Marlborough) has not met work plan targets owing to bad weather restricting its ability to undertake vegetation monitoring. This has been rescheduled for next year. The species reintroduction programme is being reassessed.</p>

OUTPUT 5.03: ISLAND MANAGEMENT AND RESTORATION

Overview

This output includes activities associated with the management and restoration of all islands⁹ except for the North, South, Waiheke, D'Urville, Stewart, Main Chatham and Great Barrier islands.

It does not cover fire suppression (Output 4.01); invasive weed control undertaken under Output 4.05; major species recovery or monitoring programmes or habitat manipulation undertaken as part of specific species recovery programmes under Output 5.01; or recreational or interpretative facilities (Output Classes D7 and D8).

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> 40 island management and restoration programmes will be progressed 	<p>48 island management and restoration programmes were progressed.</p> <p>(2000/01: 48 island management and restoration programmes progressed as planned)</p>
<ul style="list-style-type: none"> The Hauturu rodent eradication operation will be undertaken by 30 June 2002. This is dependent upon obtaining the necessary consents. 	<p>The planning and pre-operational phases have been completed. As the operation requires Resource Management Act consent and ongoing iwi consultation, the project is unlikely to occur until 2003/04.</p>
<ul style="list-style-type: none"> Implement the provisions of the Tuhua Quarantine Plan. Undertake cat monitoring. Purchase replacement baits, bait stations, traps and tracking tunnels. The goal is to confirm eradication by October 2002. 	<p>The quarantine hut has been constructed on the island. Monitoring has been undertaken and purchase of equipment completed. Successful eradication has been confirmed.</p>
<ul style="list-style-type: none"> Planning for and implementation of the eradication of rats and cats on Raoul Island (and Macauley Island) will continue with the objective of gaining all necessary consents by November 2001 and the aerial bait drop being completed by September 2002. The goal is to confirm rodent and cat eradication by June 2004. 	<p>The aerial operation was completed on 11 July 2002. Rodent and cat eradication will be confirmed by June 2004.</p>
<ul style="list-style-type: none"> Planning for the eradication of rats from Campbell Island will be progressed with the objective of completing the aerial bait drop by October 2001. Achievement of this is dependent on weather conditions allowing sufficient flying hours. The goal is to confirm rodent eradication by June 2004. 	<p>The operation was successfully undertaken within the timeframe owing to favourable weather conditions. Success to be confirmed in 2003.</p>

⁹ A number of standard operating procedures are used in undertaking this work including but not limited to the Island Pest Quarantine and Contingency Plans, and the Specific Island Techniques Best Practice Manual.

OUTPUT 5.04: MARINE MAMMALS

Overview

This output covers work associated with the protection, conservation and management of marine mammals (whales, dolphins and seals) in New Zealand waters under the Marine Mammals Protection Act 1978.¹⁰

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> Approximately 350 whale, dolphin or seal rescue operations or call outs are expected to be undertaken. 	<p>Approximately 450 whale, dolphin or seal rescue operations or call outs were undertaken.</p> <p>(2000/01: 438 whale, dolphin or seal rescue operations or call outs)</p>
<ul style="list-style-type: none"> 60% of live whales and dolphins involved in mass strandings are expected to be rehabilitated. 	<p>There were no mass strandings this year which has reduced the percentage of rehabilitation success. Most single animals typically come ashore to die, or are close to death. There were also very low numbers of live strandings this year as expected on a La Nina weather cycle.</p> <p>(2000/01: 63% mass stranding rehabilitation)</p>
<ul style="list-style-type: none"> About 50 scientific research, import or export, bone allocation or marine mammal tourism permits are expected to be issued. 	<p>There were 46 scientific research, import or export, bone allocation or marine mammal tourism permits issued. This is slightly lower than expected and possibly indicative of the limited opportunities now for new marine mammal tourism operations.</p> <p>(2000/01: 39 permits issued)</p>
<ul style="list-style-type: none"> All departmental area offices will have a marine mammal stranding contingency plan in place prior to each summer stranding season that meets the department's national standards. 	<p>All coastal area offices have a marine mammal stranding contingency plan in place to the department's national standards, or have prepared draft plans.</p> <p>(2000/01: 34 of 37 coastal area offices had a plan in place)</p>

¹⁰ A number of standard operating procedures are used in undertaking this work including but not limited to:

- marine mammal rescue permitting;
- sea lion mortality event contingency plan;
- national standards for conservancy marine mammal contingency plans; and
- commercial marine mammal tourism permit processing.

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> Tangata whenua protocols and procedures will be contained in all stranding contingency plans. 	<p>All stranding contingency plans contained tangata whenua protocols and procedures.</p> <p>(2000/01: all plans)</p>
<ul style="list-style-type: none"> Formal protection will be provided by Southland Conservancy for the seasonal nursery/breeding congregation of southern right whales in the subantarctic islands by June 2002. 	<p>The Director-General has approved a moratorium in the subantarctic on winter tourism operations coming in contact with southern right whales.</p>

OUTPUT 5.05: CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES (CITES)

Overview

This output covers all work associated with undertaking and enforcing obligations under the Convention on the International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the Trade in Endangered Species (TIES) Act 1989

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> 24,300 specimens or items are expected to be surrendered or seized at the border. 	<p>A total of 32,785 items were seized or surrendered. This increase was due to the Ministry of Agriculture and Forestry increasing its searching procedures.</p> <p>(2000/01: 21,355 specimens surrendered or seized)</p>
<ul style="list-style-type: none"> A target response time of two weeks to collect specimens or items and process the associated documents will be met on 95% of occasions. 	<p>99% of items were collected and processed within the timeframe.</p> <p>(2000/01: 99%)</p>
<ul style="list-style-type: none"> 350 trade applications for CITES permits or certificates and 510 other related trade applications are expected to be received. 	<p>336 CITES Permits and Certificates received.</p> <p>(2000/01: 372 CITES permits/certificates)</p> <p>1603 other related trade applications were received.</p> <p>(2000/01: 1524 other applications)</p>
<ul style="list-style-type: none"> Trade-related CITES applications will be processed within 20 working days and non-commercial applications will be processed within 10 working days. 	<p>Demand for both types of permits is externally driven.</p> <p>100% of applications processed within timeframes.</p> <p>(2000/01: 100%)</p>

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	36,392	35,698	35,709	35,158
– Other	1,037	1,741	2,321	1,162
Total Revenue	37,429	37,439	38,030	36,320
Total Expenditure	35,772	37,439	36,219	35,091
Net Surplus	1,657	–	1811	1,229

Note: A detailed breakdown of expenditure for the outputs which comprise this Output Class is set out in the “Additional Information” section on page 148.

D6 – MANAGEMENT OF STATUTORY ACTIONS, LEASES, LICENCES AND OTHER CONCESSIONS

Description

This class of outputs covers the following:

- Management, monitoring and enforcement of concessions and other consents for commercial and other activities on land that are administered by the department, including the processing of applications for concessions and other consents.
- The processing of applications from administering bodies holding an appointment to control and manage reserves where the department has a consenting or approval role.
- The department's responsibilities under the Crown Pastoral Land Act 1998 for advising the Commissioner of Crown Lands on the protection of inherent conservation values of pastoral leases and licences in the South Island high country, including the issue of recreation permits and discretionary consents under the Act.
- The recording and statutory management of land administered by the department, including the disposal of land, consents and approvals to statutory land transactions (including the processing of applications by local authorities) and the appointment of, and vesting in, administering bodies of reserves and managers of marginal strips.
- Advice on statutory land management issues to administering bodies and other agencies, and certain statutory consents to land transactions under other Acts not administered by the department.
- The department's responsibilities in relation to the implementation of Treaty of Waitangi settlements such as the Ngāi Tahu Claims Settlement Act 1998 and the Ngati Turangitukua Claims Settlement Act 1999.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goal to "Protect and Enhance the Environment" by:

- Managing the commercial and other use of conservation land in a manner that enables enterprise, tourism and recreational activities while protecting natural, historic and recreational resources and cultural values.

Under this output class, the department also contributes to the Government's Key Goal to "Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi" by:

- Implementing the conservation-related aspects of Treaty of Waitangi settlements.

Under this output class, the department also contributes to the Government's Key Goal to "Grow an Inclusive, Innovative Economy for the Benefit of All" by:

- Managing the commercial and other use of conservation land in a consistent and business-like manner that is cost-effective, maximises revenue and enables enterprise and tourism and recreational activities while protecting conservation values.

OUTPUT 6.01: CONCESSIONS MANAGEMENT

Overview

This output covers the management, monitoring and enforcement of concessions and other consents for activities on land that is administered by the department. This includes the processing of applications from external parties. It also covers the department's responsibilities for processing applications for concessions from administering bodies holding an appointment to control and manage reserves where the department has a consenting or approval role.

Performance

*Concessions Management*¹¹

Projected Performance

- The department expects to manage approximately 1,500 recreation or tourism concessions, and 3000 other resource use concessions or consents during the year in accordance with the department's standard concession contract.
- About 620 applications for recreation or tourism concessions will be processed during the year in accordance with the department's Standard Operating Procedures. This is made up of 400 one-off permits and 220 applications for longer-term concessions.
- About 450 applications for other resource use concessions or consents will be processed during the year.

Performance Achieved

The department is managing 980 recreation/tourism concessions and 2586 other resource use concessions, in accordance with the department's standard concession contract.

(2000/01: 1,134 recreation/tourism concessions; 2,417 other resource use concessions)

787 applications for recreation or tourism concessions have been processed during this financial year, including approximately 200 one-off permits. Unlike previous years these figures do not include local body permits for berthing vessels at Milford Sound or Wilmot Pass road user permits.

(Approximately 350 permits based on figures from last financial year)

1,385 applications for other resource use concessions were processed during the year.

(2000/01: 1,335 new applications processed)

¹¹ Note: Recreation/tourism concessions include short-term permits. Other concessions or consents include Crown Minerals Act 1991 consents, cultural resource consents and telecommunications sites concessions.

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> Decisions on 80% of these applications will be taken within the cost estimates advised to applicants. 	<p>Decisions on 93% of applications were taken within the cost estimates advised to applicants.</p> <p>(2000/01: Decisions on 86% taken within cost estimates)</p>
<ul style="list-style-type: none"> Decisions on 70% of these applications will be taken within the time estimates advised to applicants. 	<p>94% of the 2,172 applications considered were processed within time estimates.</p> <p>(2000/01: 92% processed within time estimates)</p>
<ul style="list-style-type: none"> 800 compliance/environmental checks and 300 rent reviews will be undertaken throughout the year. 	<p>1777 compliance and environmental checks were undertaken this financial year.</p> <p>289 rent reviews have been undertaken.</p>

OUTPUT 6.02: PASTORAL LEASES

Overview

This output covers the exercise of the department’s responsibilities under the Crown Pastoral Land Act 1998 for advising the Commissioner of Crown Lands on the protection of inherent conservation values of pastoral leases and occupation licences in the South Island high country. It includes the issue of recreation permits and discretionary consents under the Act. It also includes the department’s involvement with Molesworth Station.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> The department expects to provide 222 reports on discretionary consent applications under the Crown Pastoral Land Act 1998 and 28 reports on surrenders and applications for recreational permits under the Act to Knight Frank Limited (on behalf of the Commissioner of Crown Lands). 	<p>The department provided 166 reports on discretionary consent applications under the Crown Pastoral Land Act 1998, and 23 reports on surrenders and applications for recreational permits under the Act.</p>
<ul style="list-style-type: none"> 90% of requests for reports from the Commissioner of Crown Lands will be actioned within 20 working days. 	<p>99% of requests for reports from the Commissioner of Crown Lands were provided within 20 working days.</p> <p>(2000/01: 95% of requests for reports provided within 20 working days)</p>

OUTPUT 6.03: STATUTORY LAND MANAGEMENT

Overview

This output covers the management of the land asset for which the department is responsible. This includes statutory consents and approvals required to various land dealings under acts administered by the department, and certain other acts, and the recording of information about land administered by the department or in which the department has an interest. It also includes the appointment of administering bodies of reserves and managers of marginal strips, and technical assistance to reserve administering bodies on the administration of reserves.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> The department expects to receive around 400 applications and about 90% of these will be completed in the agreed time. 	362 applications were received from reserve administrative bodies for consents or approvals from the Minister of Conservation under the Reserves Act 1977, as well as consent applications from local government and central government agencies under the Public Works Act 1981. Target of 90% was met or bettered.
<ul style="list-style-type: none"> 13,000 conservation units out of a total of 18,500 will have complete data entered in the National Land Register. 	10,474 Conservation units have had complete data entered in the National Land Register.

OUTPUT 6.04: TREATY OF WAITANGI SETTLEMENT IMPLEMENTATION

Overview

This output covers the implementation of the department's obligations under Treaty of Waitangi settlements.

Performance

Projected Performance

- The department will meet all deadlines and obligations set by Ministers, as required for the Ngāi Tahu, Ngati Turangitukua, Pouakani and Te Uri O Hau Settlements including any protocols and Memoranda of Understanding.

Performance Achieved

All settlement deadlines and obligations (from Ngati Turangitukua, Pouakani, and Te Uri O Hau) have been met or are being progressed as required in the settlements.

With respect to the Ngāi Tahu settlement, all deadlines have been met other than the promulgation of the Conservation (South Island) Customary Freshwater Fishing Regulations. The 'parking' of the regulations was sought by Ngāi Tahu as an interim measure until wider issues are resolved. Other obligations as specified in the Ngāi Tahu settlement are being progressed as required. This work is ongoing.

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	8,142	6695	6,470	7,866
– Other	1,328	1,385	1,456	1,241
Total Revenue	9,470	8,080	7,926	9,107
Total Expenditure	8,483	8,080	7,549	8,418
Net Surplus	987	–	377	689

Note: A detailed breakdown of expenditure for the outputs which comprise this Output Class is set out in the "Additional Information" section on page 148.

D7 – PROVISION OF RECREATION OPPORTUNITIES: ACCESS, FACILITIES, AND SERVICES

Description

This class of outputs covers the provision of recreational opportunities on land administered by the department. Facilities are provided at approximately 3,800 visitor sites. These facilities include:

- Huts, serviced campgrounds, camp sites and other booked accommodation.
- Roads and tracks to scenic attractions, New Zealand Walkways and associated structures and assets, including bridges, toilets, signs and back country shelters.
- Amenity areas where the primary use is recreation, formed roads, parking areas for motorised visitor activities, wharves and other structures.

All facilities will be managed under a national asset management programme that includes a regular inspection programme, a maintenance programme and the development and maintenance of a national visitor asset database.

This output class also covers the provision of safety services and hazard management programmes, visitor monitoring and recreation planning. It also includes the management, maintenance and enhancement of sports fish within the Taupo Fishing District.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goals to "Protect and Enhance the Environment" and "Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi" by:

- Managing assets, visitor services and facilities on the public conservation estate in a manner that enables visitors to appreciate and enjoy the natural and historic values in ways that are safe and sustainable.

Under this output class, the department also contributes to the Government's Key Goal to "Grow an Inclusive, Innovative Economy for the Benefit of All" by:

- Contributing to tourism through the provision of access by domestic and international visitors to the conservation estate and facilities, services and information.

OUTPUT 7.01: VISITOR ACCOMMODATION

Overview

This output covers the inspection, construction/removal, maintenance, and management of visitor accommodation and the collection of fees for huts, serviced campgrounds, camp sites and other booked accommodation.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> The department will administer 1,020 back country huts. 	<p>As at 30 June 2002, the department administered 1,038 back country huts for visitors.</p> <p>(2000/01: 1,013 back country huts)</p>
<ul style="list-style-type: none"> Approximately 55% of huts will be maintained, as closely as possible, to the department's service standards¹² for backcountry accommodation. 	<p>52% of huts were maintained¹³ as closely as possible to the department's service standards for back country accommodation.</p> <p>(2000/01: 54% of huts had maintenance carried out)</p>
<ul style="list-style-type: none"> All huts identified in the 2000/2001 baseline¹⁴ inspections as potentially serious risks to visitors will be closed and either brought up to standard, replaced or removed. A hut will be removed only when a review has concluded it is a low priority, no club or organisation is willing and able to bring it up to standard and maintain it, and there has been active consultation with the interested public. 	<p>No huts inspected in 2001/02 pose a serious risk to visitors. One hut, in Nelson Lakes National Park was removed following a geological hazard assessment that identified a serious risk of the hut being destroyed by flood. One small hut was washed away in a flood in Canterbury and has been removed. Two huts with fire egress issues will be addressed in the 2002/03 period, as they do not presently pose a serious risk. Two huts in Nelson will have geological hazard issues mitigated in 2002/03.</p>
<ul style="list-style-type: none"> The department will undertake deferred maintenance on approximately 200 back country accommodation buildings (alpine huts, great walk huts, bunkrooms etc) to bring them up to the required structural and/or service standard. 	<p>Conservancies report that deferred maintenance was completed on 119 huts in the 2001/02 year. Considerable deferred maintenance and service standard work was carried out on other huts and will be completed in 2002/03. The result is lower than the target for several reasons, the most important being that in many cases greater efficiencies and cost savings have been made by carrying out work for a number of huts (e.g., replacing mattresses) in preference to completing all the work on a particular hut.</p>

¹² The department's service standards for back country accommodation are defined as the level of service that different categories of visitors expect and need when visiting the department's facilities, e.g. heating, cooking, cleaning and sewage disposal.

¹³ Hut maintenance is defined as any programmed or emergency work (<\$5000) undertaken to ensure that the hut remains serviceable and useable by the primary visitor group.

¹⁴ A "baseline inspection" is an assessment of condition undertaken by a suitably qualified individual for the Department of Conservation and where data has been entered into the Visitor Asset Management System (VAMS) database.

OUTPUT 7.02: TRACKS AND WALKWAYS

Overview

This output covers the inspection, construction, maintenance and management of all tracks and New Zealand Walkways managed by the department, and associated structures.¹⁵ These facilities include tracks to scenic attractions, and all visitor assets associated with the track or walkway (e.g., bridges, toilets, and back country shelters) and visitor monitoring equipment (e.g., counters).

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> Tracks and walkways will be maintained as closely as possible to the appropriate service standard for the primary user group using the track or walkway.¹⁶ 	<p>The department administers 12,567 km of track. Year to date, inspections and maintenance were undertaken on 6,948 km of track.</p> <p>(2000/01: 12,569 km track; 6,791 km maintained)</p>
<ul style="list-style-type: none"> Approximately 50% of structures will receive an ongoing condition inspection. 	<p>At year end there were 12,878 structures on tracks and, of these, 57% (7,349) had received an ongoing inspection.</p> <p>(2000/01: 11,622 structures on tracks; 3,234 received on ongoing condition inspection)</p>

¹⁵ Structures on tracks and walkways are managed within an asset life-cycle process that includes regular inspection against service and legal standards and ongoing maintenance, upgrade and replacement where required. All structures receive an ongoing inspection by department staff every two years – high-risk structures (defined according to the characteristics of the structure) are also re-inspected by an engineer every six years. The inspections involve a visual check of inventory information (length, width, height etc) and an assessment of structural conditions. An electronic data logger is used to record any changes to inventory information and items of remedial work required. Remedial work is then scheduled in the work programme. Standards used for tracks are the “Track Service Standards” while standards used for structures are the “Draft Means of Compliance with the Building Code for Outdoor Visitor Structures” for new structures, post-Building Act 1991, and the existing “Structures Standards” for pre-Building Act 1991 structures.

¹⁶ The department’s service standards for tracks and walkways are defined as the level of service that different categories of visitors expect and need when using the department’s facilities e.g., track surface, grade and width.

OUTPUT 7.03: AMENITY AREAS, ROADS, CAR PARKS, WHARVES AND OTHER STRUCTURES

Overview

This output covers the inspection, construction, maintenance and management of amenity areas, where the primary use is recreation, formed roads, parking areas for motorised visitor activities and other structures.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> The department will undertake a review to assess recreational facilities involving consultation with key stakeholder groups in order to align opportunities to be provided with visitor requirements, now and in the future. Progress with this review is reported to Cabinet on a six-monthly basis. 	<p>The Cabinet paper on the options for the management of visitor assets was prepared and considered by Cabinet in September and December 2001. Government approved the department's capital and maintenance bid (May 2002 Budget), and the Minister has agreed that public consultation on the long term future of recreational opportunities and assets should start in February 2003.</p>
<ul style="list-style-type: none"> Amenity areas (including car parks) will receive maintenance and servicing as required and will be maintained and serviced to meet the needs of the primary visitor group using the site. 	<p>The department administers 1,730 amenity areas. Maintenance and servicing was undertaken on 1,353 amenity areas. This is an increase on the total number of amenity areas as the definition of amenity areas has been extended to include a wider range of sites managed for their amenity values.</p> <p>(2000/01: 777 amenity areas all of which were inspected and maintained)</p>
<ul style="list-style-type: none"> Approximately 45% of roads will receive ongoing maintenance and/or inspection and, where required, will be maintained to the appropriate standard for the primary visitor group using the road. 	<p>The department administers 2,324 km of road. Conservancies report that year to date, maintenance and/or inspections were undertaken on 81% (1900 km) of roads. This is an increase on the total number of roads previously recorded as it includes new sites in Otago and West Coast conservancies with roads.</p> <p>(2000/01: 702 km of roads inspected and maintained where required)</p>

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> Approximately 50%¹⁷ of structures on amenity sites will receive an ongoing condition inspection 	<p>At year end there were 1,704 structures on amenity areas, and 346 (20%) structural ongoing inspections were undertaken, with the balance of the inspection programme to be completed next year.</p>
	<p>(2000/01: 632 of 2055 visitor structures on amenity areas received an ongoing condition inspection)</p>
<ul style="list-style-type: none"> Where the ongoing condition inspection of structures identifies the need for maintenance, this work will be programmed for completion within the current or next financial year and will be undertaken to the department's standards for structures. Where there is a high risk to visitor safety, this work will be undertaken immediately. 	<p>Ongoing inspections identified the need for work on 119 structures with other programmed work being undertaken on a total of 286 structures. Work on the majority of these structures has been completed with work on 41 structures programmed for completion next year. Two structures were identified as posing a high risk to visitors; these structures have now been repaired, while work on one high risk structure carried over from 2000/01 has been completed.</p>

OUTPUT 7.04: VISITOR SERVICES

Overview

This output covers the provision of safety services, hazard management programmes, visitor impact surveys and monitoring programmes, strategic recreation planning and management, research, development and maintenance of standard operating procedures (SOP), guidelines and databases for all visitor assets and services.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> The national visitor-monitoring programme will continue to be phased in. At least 15% of visitor sites will be monitored. 	<p>The department administers 4,082 visitor and historic sites and has undertaken monitoring of the number of visitors using these places at 277 or 6.8% of sites.</p>
<p>[*Note: This target was mistakenly recorded as 15% in the Statement of Intent. The correct target was 10%]</p>	

¹⁷ The structure inspection programme is a two-year programme. However, it is spread over both 7.02 and 7.03 where the target is 50%. While only 20% of structures in 7.03 have been inspected, the overall target of 50% of structures has been exceeded (with 12,878 structures on tracks and 1,704 structures on amenity areas, 50% equals 7,291 structures).

Projected Performance

Performance Achieved

<ul style="list-style-type: none"> The identification of sites with a high priority for monitoring under the "Natural Quiet" programme will be completed, and implementation of a monitoring programme will begin. 	<p>While this is below the target of 10% of sites, the target itself is under review as part of the implementation of the department's national monitoring system. Additionally, the total number of sites administered has increased owing to the addition of historic sites to the national database.</p> <p>The "Natural Quiet" programme will map the degree of noise intrusion (the impact) on the recreation experience of visitors. Where noise is found to adversely affect the recreation experience, methods to mitigate the impact may be implemented. An impact monitoring programme will then be used to track changes in the noise levels within the different natural quiet zones.</p> <p>This project has commenced with the preparation of a key stakeholder communications plan. The methodology will be delivered to conservancies later this calendar year. This programme has experienced delays owing to other higher priority work.</p>
<ul style="list-style-type: none"> A programme for the management of visitor-related hazards will be implemented, with visitor hazards assessed at approximately 25% of sites by 30 June 2002. 	<p>This project was deferred this financial year and will now be completed in 2002/2003.</p>

OUTPUT 7.05: TAUPO SPORTS FISHERY

Overview

This output covers the management, maintenance and enhancement of sports fish within the Taupo Fishing District.

Performance

Projected Performance

Performance Achieved

<ul style="list-style-type: none"> Approximately 70,000 fishing licences are expected to be sold. 	<p>63,869 licences were sold. This is a provisional figure as final tallying from all agencies will not be completed until early September 2002.</p> <p>(2000/01: 69,962 fishing licences sold)</p>
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Projected Performance**Performance Achieved**

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Angler satisfaction monitoring scores will achieve not less than 3.3 for success and not less than 4.5 for enjoyment out of a maximum score of 5. • Licensing non-compliance will not exceed 2% of anglers sampled. • Relationships with Ngati Tuwharetoa and their role in licence fee setting will be strengthened. • A five-yearly fishery Harvest Survey Report will be completed. | <p>946 interviews were completed.
Average score for success = 3.3
Average for enjoyment = 4.7</p> <p>Licensing non-compliance averaged 0.53% of the anglers sampled.
(2000/01: Licensing non-compliance averaged 0.47% of anglers sampled)</p> <p>Productive discussions with the Tuwharetoa Māori Trust Board resulted in agreement on licence classes and fees being reached in March 2002.</p> <p>The five-yearly Harvest Survey Report has not been completed due to commitments to Hinemaiaia and Tongariro Power Development resource consents hearings and environment court cases.</p> |
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OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	30,019	30,946	30,054	29,001
– Other	8,757	8,949	9,015	8,351
Total Revenue	38,776	39,895	39,069	37,352
Total Expenditure	40,286	39,895	38,463	37,885
Net (Deficit)	(1,510)	–	606	(533)

Note: A detailed breakdown of expenditure for the outputs which comprise this Output Class is set out in the "Additional Information" section on page 148.

D8 – MANAGEMENT OF VISITOR AND PUBLIC INFORMATION SERVICES

Description

This class of outputs covers:

- Maintenance and management by the department of visitor and information centres.
- Provision of information and interpretation to the public about the natural, cultural and historic heritage of New Zealand including publications, displays and interpretative media.
- Community relations work, including public awareness, relationship management at all levels including international, and community participation or involvement programmes.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goals to "Protect and Enhance the Environment" and "Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi" by:

- Providing visitor and information centres, information and interpretation to the public about New Zealand's natural, cultural and historic heritage.
- Promoting public awareness, community participation and involvement programmes, and managing relationships, including international relationships.

Under this output class, the department also contributes to the Government's Key Goal to "Grow an Inclusive, Innovative Economy for the Benefit of All" by:

- Contributing to tourism through the provision of access by domestic and international visitors to the Conservation estate and facilities, services and information.

OUTPUT 8.01: VISITOR CENTRES

Overview

This output covers the maintenance and management of visitor and information centres.

Performance

Projected Performance

- Information services will be provided to about 2.1 million visitors at departmental visitor centres.

Performance Achieved

Despite the turbulence experienced by the tourism industry in the latter part of 2001, visitor numbers were slightly ahead of predictions, with the visitor centres hosting 2,213,138 people.

(2000/01: 2.2 million visitors)

OUTPUT 8.02: PUBLIC INFORMATION

Overview

This output covers the provision of information and interpretation to the public about the natural, cultural and historic heritage of New Zealand, including publications, displays, and interpretative media.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> The department will provide: <ul style="list-style-type: none"> – 60 new interpretation displays at visitor centres or on site. – 260 visitor programmes to 5,500 participants. 	<p>67 new interpretation displays at visitor centres or on site were completed. (2000/01: 57 new and revised displays)</p> <p>335 visitor activities were delivered to 9,375 participants. (2000/01: 409 visitor activities to 12,215 participants)</p>

OUTPUT 8.03: COMMUNITY RELATIONS

Overview

This output covers community relations work, including public awareness, relationship management and community participation and involvement programmes.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> 8550 volunteers are expected to provide 19,000 volunteer workdays. 	<p>The number of volunteer workdays and volunteers numbers were significantly higher than expected with 9,973 volunteers offering their services on 24,332 days. (2000/01: 10,271 volunteers; 23,242 volunteer workdays)</p>
<ul style="list-style-type: none"> About 100 New Zealand Conservation Corps schemes will be sponsored or supported. 	<p>The department sponsored or supported 60 Conservation Corp schemes. A number of conservancies report that significant errors were made at planning time. As a consequence performance targets were not met in this measure. (2000/01: 108 Conservation Corp schemes)</p>

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> 200 or more activities will be run as part of the annual conservation events programme that includes World Wetlands Day, Sea Week, Arbor Day, Conservation Week and Clean Up New Zealand Day. 	<p>The department ran 299 activities as part of the annual conservation events programme.</p> <p>(2000/01: 260 activities were run)</p>
<ul style="list-style-type: none"> At least one special promotion will be undertaken relating to each conservancy showcase project. 	<p>The department undertook 12 special promotions relating to showcase projects.</p> <p>(2000/01: 26 special promotions)</p>
<ul style="list-style-type: none"> The department will meet its reporting and other obligations under international conservation conventions, and contribute to key international fora. These include the Natural Resource and Environment Protection Councils (formerly ANZECC), the South Pacific Regional Environment Programme (SPREP), the Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR), the International Whaling Commission (IWC), and the Convention on Biological Diversity (CBD). 	<p>The department met its reporting and other obligations under international conservation conventions and contributed to key international fora. These included a meeting of CCAMLR in Hobart, a joint meeting of the Standing Committees on Environment Protection, Heritage and Natural Resource Management, SPREP, IWC, and CBD.</p> <p>ANZECC was disbanded during the year and replaced with a meeting of the Heads of Agencies – Australia/New Zealand.</p>
<ul style="list-style-type: none"> The current rates of favourable opinion about the department and its role, as ascertained through independent surveys, will be maintained or increased. The current rates are 73.5% of the general public (surveyed monthly) and 80% of the key stakeholders (surveyed annually). 	<p>The department's favourability rating from the general public for the 2001/02 financial year was 76%.</p> <p>(2000/01: 74.5%; 1999/00 72.8%)</p> <p>The total favourability rating amongst the stakeholders was 80%, an increase of 9% from 2000/01.</p>

OUTPUT 8.04: CONSERVATION AWARENESS

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> New initiatives will enable: <ul style="list-style-type: none"> An increase in the usage and identified value of conservation education resources as shown in a survey of education providers and compared with the benchmark survey in 2000/01. 	<p>The supersite conservation education resources have been finished for almost all the 80 departmental sites, with 50 resources available via the DOC website for the Auckland, Bay of Plenty, East Coast/Hawke's Bay, Waikato, Wanganui, Wellington, Canterbury and West Coast regions. Teacher workshops to learn about using the resources have been oversubscribed in some places, and feedback, where surveys have been conducted, is positive.</p>

Projected Performance**Performance Achieved**

- An increase in the number of information sharing agreements, from the benchmark in 2000/01.
- An increase in New Zealanders' involvement and understanding of conservation shown through a survey and compared with the benchmark survey in 2000/01.

Schools are starting to visit the supersites and use the resources, with some local schools "adopting" sites.

Environment Southland, New Zealand Plant Protection Society, Institute of Geological and Nuclear Sciences, Forest Research Institute, Genesis Power Ltd, US Geological Survey, Enginuity Ltd, QEII National Trust, horizons.mw, New Zealand Ecological Restoration Network, Landcare Research and Te Papa entered into information sharing agreements allowing them access to departmental databases via an extranet during 2001/02. This is an increase of 12 new agreements on the benchmark in 2000/01.

A survey of 800 people was conducted in June 2002. Benchmark results show nearly 1 in 4 people surveyed had been involved in conservation projects outside of their work in the past 12 months. The most important conservation activity was considered to be preventing weeds and pests from entering New Zealand (95% of respondents). The survey will be repeated in 2002/03.

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
- Crown	16,147	16,405	16,441	15,600
- Other	3,987	4,177	4,243	4,062
Total Revenue	20,134	20,582	20,684	19,662
Total Expenditure	20,254	20,582	20,194	19,711
Net (Deficit)	(120)	-	490	(49)

Note: A detailed breakdown of expenditure for the outputs which comprise this Output Class is set out in the "Additional Information" section on page 148.

D9 – CONSERVATION MANAGEMENT STRATEGIES AND SERVICING OF STATUTORY BODIES

Description

This output class covers all work involved with management planning for natural and historic resources, by means of:

- Conservation management strategies (CMSs) under Part III A of the Conservation Act 1987, which establish general policies and objectives for the integrated management of natural and historic resources managed by the department and for recreation, tourism and other conservation purposes within a regional area.
- Management plans (NPMPs) under Part V of the National Parks Act 1980.
- Conservation management plans (CMPs) under Part III A of the Conservation Act 1987, which implement the conservation management strategy and establish detailed objectives for the management of resources within a specified area..

This work includes extensive public consultation with individuals, tangata whenua, conservation, recreation and farming groups, community groups, and local government, prior to the submission of these strategies and plans to the New Zealand Conservation Authority (NZCA) for approval (CMSs and NPMPs) or the appropriate conservation board (CMPs).

It also covers the provision of administrative support and advice to conservation-related statutory bodies to enable them to fulfil their statutory roles. These bodies include the New Zealand Conservation Authority, the 14 conservation boards, and the Ngā Whenua Rahui and Nature Heritage Fund committees. It also includes the management of the processes leading to the appointment by the Minister of Conservation of members of conservation boards and other conservation bodies.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goals to "Protect and Enhance the Environment" and "Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi" by:

- Developing conservation management strategies and plans, and national park plans in consultation with the public and interest groups.
- Providing administrative support and advice to conservation-related statutory bodies such as the New Zealand Conservation Authority, regional conservation boards, Ngā Whenua Rahui, and the Nature Heritage Fund.

OUTPUT 9.01: CONSERVATION MANAGEMENT STRATEGIES, NATIONAL PARK MANAGEMENT PLANS, AND CONSERVATION MANAGEMENT PLANS

Overview

This output covers all work involved with management planning for natural and historic resources, by means of:

- Conservation management strategies (CMSs) under Part III A of the Conservation Act 1987, which establish objectives for the integrated management of natural and historic resources managed by the department and for recreation, tourism and other conservation purposes;
- National park management plans (NPMPs) under Part V of the National Parks Act 1980;
- Conservation management plans (CMPs) under Part IIIA of the Conservation Act 1987, which implement the conservation management strategy and establish detailed objectives for the management of resources within a specified area.

Performance

Conservation Management Strategies, National Park Management Plans, and Conservation Management Plans.

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> • Twelve national park management plans will be reviewed, including Te Urewera, Tongariro, Egmont, Whanganui, Abel Tasman, Nelson Lakes, Westland, Aoraki/Mt Cook, and Fiordland 	<p>Nine national park management plan reviews were initiated or progressed with one plan forwarded to the NZCA for approval, one plan approved by the NZCA, and one plan printed, distributed and in use.</p> <p>(2000/01: nine national park management plan reviews initiated or progressed)</p>
<ul style="list-style-type: none"> • Two new management plans will be initiated: <ul style="list-style-type: none"> – Te Waihora (Lake Ellesmere) Plan (Ngāi Tahu Claim Settlement Act 1998 implementation) management plan preparation; a joint Ngāi Tahu and department project. – Mimiwhangata Marine Park and Reserves CMP. 	<p>This new management plan has progressed to the consultation phase with a draft due for release in August 2002.</p> <p>This CMP was inadvertently added into the Statement of Intent. This Conservation Management Plan was not programmed for this year.</p>

OUTPUT 9.02: SERVICING OF STATUTORY BODIES

Overview

This output covers the provision of administrative support and advice to conservation-related statutory bodies to enable them to fulfil their statutory roles. It also includes the management of the processes leading to the appointment by the Minister of members of conservation boards and of other conservation bodies.

It does not cover advice and support to the Queen Elizabeth II National Trust, Lake Taupo Fisheries Advisory Committee, local authority reserves boards, or the New Zealand Fish and Game Council.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> Surveys of the NZCA, conservation boards, Nature Heritage Fund and Ngā Whenua Rahui committees to assess their satisfaction with the level of administrative support will achieve an average rating of satisfied or very satisfied. 	<p>Statutory bodies were surveyed to assess their satisfaction with the level of administrative support from the department.</p> <p>The annual survey results for NZCA are to be reported in the first quarter of 2002/2003.</p> <p>Of the 13 boards surveyed this year, 12 reported they were “very satisfied” with the level of administrative support received.</p> <p>The Ngā Whenua Rahui committee is very satisfied with the level of support it is receiving.</p> <p>The Nature Heritage Fund Committee rated the service received as very satisfactory.</p>
<ul style="list-style-type: none"> Annual appointments to conservation boards will be processed in accordance with the Conservation Act 1987 and the department’s contributions to this process will be completed within the timeframe agreed with the Minister. 	<p>Provisional decisions were made in early June but appointments were held over owing to the announcement of the general election.</p>

OUTPUT CLASS OPERATING STATEMENT OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	3,180	2,935	2,894	3,072
– Other	47	39	39	150
Total Revenue	3,227	2,974	2,933	3,222
Total Expenditure	2,892	2,974	2,933	2,972
Net Surplus	335	–	–	250

Note: A detailed breakdown of expenditure for the outputs which comprise this Output Class is set out in the "Additional Information" section on page 148.

VOTE BIOSECURITY – CONSERVATION OUTPUT CLASSES

D7 – POLICY ADVICE

Description

This output class includes the purchase of a range of policy advice and decision support for the Minister for Biosecurity and the Government. The scope of the class covers:

- Advice on biosecurity legislation and organisation of the Biosecurity portfolio.
- Advice to Ministers and others in relation to the introduction of unwanted organisms and the effects on native fauna and flora.
- The development of departmental policy and pest management strategies.
- Risk analysis and risk management in relation to protected/threatened native species and ecosystems.
- Establishment, where needed, of systems for monitoring, surveillance and the early detection of new pests in indigenous forests and other natural ecosystems.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goal to "Protect and Enhance the Environment" through the provision of high quality and appropriate advice on legislation and biosecurity policy initiatives affecting conservation.

Performance

Projected Performance

- The quantity, nature and timing of advice are agreed with the Minister.

Performance Achieved

This has been achieved in accordance with the Criteria for Policy Advice.

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	208	201	211	201
– Other	–	–	–	–
Total Revenue	208	201	211	201
Total Expenditure	205	201	201	193
Net Surplus	3	–	10	8

D8 – CROWN PEST/WEED EXACERBATOR COSTS

Description

This class of outputs includes “Crown as exacerbator” contributions to the administration of Regional Pest Management Strategies (RPMS) developed and implemented by regional councils under the Biosecurity Act 1993. These strategies can impose costs and obligations on land occupiers, including the Crown (for example, the Department of Conservation in respect of lands that it administers). It also covers funding for weed and pest work to be undertaken by the department to meet agreed “Crown as exacerbator” obligations under these RPMS.

Relationship to Government Outcomes

This output class contributes to the Government’s Key Goal to “Protect and Enhance the Environment” by contributing to the costs of administration of Regional Pest Management Strategies developed and implemented by regional councils under the Biosecurity Act 1993.

Performance

Projected Performance

- Where the department carries out pest control on Crown land in accordance with a RPMS, pests will be controlled to the levels specified in the RPMS as provided for in the relevant Order in Council.
- The department will provide annual reports to regional councils on work carried out in meeting its obligations under RPMSs.

Performance Achieved

Funding was confirmed for all signed-off pest management strategies. Expenditure progressed in line with agreed department/regional council projects.

Orders in council did not eventuate this financial year but commitment to regional council expenditure was assured through the agreed projects.

Reports and discussions were completed in the first quarter of 2001.

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	2,267	2,093	2,038	2,190
– Other	–	–	–	–
Total Revenue	2,267	2,093	2,038	2,190
Total Expenditure	1,997	2,093	2,093	1,699
Net Surplus	270	–	(55)	491

D9 – INDIGENOUS FOREST BIOSECURITY PROTECTION

Description

This class of outputs involves monitoring the health of indigenous forests in order to detect unwanted organisms that may affect indigenous forests. This includes aerial survey of at risk indigenous forests, ground examination of a representative range of indigenous tree species at hazard sites, and examination of indigenous tree species within five kilometres of specified ports for new introduced insects and diseases. It also covers the provision of forest health diagnostic and advisory services and field evaluations.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goal to "Protect and Enhance the Environment" by monitoring the health of indigenous forests to detect unwanted organisms.

Performance

Projected Performance

- The Indigenous Forest Biosecurity Surveillance Programme subcontracted to Forest Research, will be delivered in accordance with the specifications and standards agreed between the department and Forest Research.

Performance Achieved

The Indigenous Forest Biosecurity Programme was delivered as agreed, and included access to forest health diagnostic and advisory services and field evaluations, ground surveillance of specified hazard sites and delivery of Biosecurity Incursion Awareness programmes.

No new organism reports were made during the year.

Twenty organism diagnoses were made.

Ground surveillance of specified hazard sites and surveillance summary reports were received through the year.

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	43	42	42	42
– Other	–	–	–	–
Total Revenue	43	42	42	42
Total Expenditure	33	42	42	42
Net Surplus/(Deficit)	10	–	–	–

D10 – SPECIFIC PEST AND DISEASE RESPONSES

Description

This output class involves the delivery of services associated with responses to exotic disease or pest incursions, including the costs of a programme of eradication and control of *Undaria* seaweed in southern New Zealand.

Relationship to Government Outcomes

This output class contributes to the Government's Key Goal to "Protect and Enhance the Environment" by responding to exotic disease or pest incursions such as the eradication and control of *Undaria* seaweed.

Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> • Eradication and control of <i>Undaria</i> seaweed in Bluff Harbour and Big Glory Bay, Stewart Island, will be carried out to the agreed technical standards set out in the operational plan. 	<p>The contract, which covers surveillance and on-site eradication operations, was finalised on 20 June 2001.</p>
<ul style="list-style-type: none"> • A vessel monitoring programme will be undertaken in Southland, Otago and South Canterbury to determine the extent of hull infestation by <i>Undaria</i>. 	<p>During the past two years the vessel monitoring programme has collected a substantial amount of data on the hull fouling of vessels. This data will be handed over to the Ministry of Fisheries for analysis.</p>
<ul style="list-style-type: none"> • Systems will be implemented to monitor and reduce the risk of reinvasion through vessel hull infestation, including the undertaking of a public awareness programme. 	<p>The vessel monitoring programme continues to monitor and reduce the risk of reinvasion.</p>
<ul style="list-style-type: none"> • An annual report on the eradication programme will be provided to the Ministers of Conservation, Fisheries, Biosecurity and Finance and to the Treasurer on the progress and results of the programme against the above performance standards. 	<p>Due to a decrease in funding and a new infestation site in Halfmoon Bay, Stewart Island, a full public awareness programme was not undertaken. However, the Ministry of Fisheries has taken the lead on <i>Undaria</i> public awareness as stated in its "Action Plan for Unwanted Species".</p> <p>The annual scientific report will be produced after the comments from the scientific panel have been received, in the next financial year.</p>

Projected Performance

- Identified, prioritised waterbodies in the South Island have been surveyed for koi carp and gambusia, and sites containing these species have been recorded and prioritised for management action.

Performance Achieved

The pest fish survey of the South Island was completed in February 2002.

New populations of gambusia and koi carp were found in the Motueka area. These species were not found elsewhere in the South Island. New populations of rudd were identified in Canterbury and south Marlborough.

The survey results were presented to the South Island Pest Fish Advisory Committee on 22 April 2002. Advice on further pest fish survey work will be included in the final report. This report is nearing completion and will be published in the new financial year.

Further funding has been allocated to continue surveys for pest fish in Nelson, Canterbury and on the West Coast in 2002/03.

OUTPUT CLASS OPERATING STATEMENT

	30/06/2002	30/6/2002	30/6/2002	30/6/2001
	Actual	Main Estimates	Supplementary Estimates	Actual
	\$000	\$000	\$000	\$000
Revenue				
– Crown	622	898	943	601
– Other	–	–	–	–
Total Revenue	622	898	943	601
Total Expenditure	938	898	898	599
Net Surplus	(316)	–	45	2

FINANCIAL

STATEMENTS

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2002

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 SYSTEM

The general accounting systems recognised as appropriate for the measurement and reporting of results and financial position on a historical cost basis, modified by the revaluation of certain fixed assets, have been followed.

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 Night Estimates (Main Estimates) as amended by the Supplementary Estimates and any transfer made by Order in Council under section 5 of the Public Finance Act 1989 (Supplementary Estimates).

Revenue

The department derives revenue through the provision of outputs to the Crown, for services to third parties and donations. Such 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 a cost allocation system which is outlined below.

Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information.

Criteria for direct and indirect costs

“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. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output.

For the year ended 30 June 2002, direct costs accounted for 56% of the department's costs (2001: 53%).

Basis of assigning indirect and corporate costs 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 2002, indirect costs accounted for 44% of the department's costs (2001: 47%).

Receivables and advances

Receivables and advances are recorded at estimated realisable value, after providing for doubtful 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

- (i) Freehold land and administrative buildings are valued by Valuersnet (registered valuer) for accounting purposes on a cyclical basis every five years. The latest valuation was done as at 31 December 2001.
- (ii) Visitor assets are revalued annually using a life cycle model developed by the department to calculate standard replacement costs and accumulated depreciation. These costs are reviewed by an independent registered valuer (Valuersnet) in accordance with standards and guidance comparable on the valuation pronouncements issued by the New Zealand Property Institute.
- (iii) When an asset is under construction the actual cost is accumulated in a work in progress account. On completion of the project, visitor assets are recorded at standard cost. Any difference between the actual cost and the standard cost is transferred to the movement in equity.
- (iv) The cost of developing, purchasing and upgrading software is capitalised. Where the software is an integral part of the hardware (computer cannot operate without that specific software), it is treated as part of the equipment.
- (v) Infrastructure assets at Mt Cook were valued by K D Smith of Crighton Anderson and Associates Ltd, an associate member of the New Zealand Property Institute (ANZP) in October 2002. Subsequent revaluations will be conducted on a cyclical basis, every three years. These assets are aggregated at a component level and recorded at optimised depreciated replacement cost.
- (vi) If the estimated current replacement cost of vessels is more than \$200,000 then those assets are aggregated at component level and recorded at optimised depreciated replacement cost. Vessels under \$20,000 are recognised at asset level at optimised depreciated replacement cost. All other fixed assets costing more than \$5,000 are capitalised and recorded at historical cost.

Subsequent movements in revaluation are transferred directly to revaluation reserve unless they offset a previous decrease in value recognised in the Statement of Financial Performance. The amount that offsets previously recognised decreases is reflected in the Statement of Financial Performance where it exceeds the amount of the revaluation reserve for that particular class of assets.

When an asset is revalued the accumulated depreciation of that asset is restated using the latest valuation figures. Any movement in accumulated depreciation is shown in the Statement of Financial Performance.

Depreciation

Depreciation of fixed assets, other than freehold land 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
Buildings	20–40 years
Furniture, computers and other office equipment	5 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
Motor vehicles	6 years and 8 mths
Plant and field equipment	10 years
Radio equipment	5–10 years
Software	3–5 years
Vessels	
Electronics	4 years and 2 mths
Engines	10 years
Hulls	15 years
Visitor Assets	
Amenity areas	10–25 years
Signs	5–10 years
Structures	25–50 years
Tracks/Roads	30–70 years
Huts and toilets	20–50 years
Other buildings	35 years

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 not reflected in these financial statements. Typically this land includes the national and forest parks as well as Crown reserve land, and is recorded in the Consolidated Crown Accounts. Historic assets used by the department as recreational facilities are recognised in the department's books at optimised depreciated replacement cost of similar assets for the same purpose.

The department is currently developing an asset register to record all Historic assets managed by the department.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts and in short-term deposits.

Operating activities include cash received from all income sources of the department and record the cash payments made for the supply of goods and services.

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

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

Goods and Services Tax (GST)

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

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

Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

Donation receipts

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

- (i) donations which are received without a specific purpose are recognised as revenue in the period of receipt;
- (ii) 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;
- (iii) 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, while the retirement and long service leave have been calculated on an actuarial basis based on the present value of expected future entitlements.

Financial instruments

The department is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, accounts payable and receivables, and short-term deposits.

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 equally 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 with the current year's presentation.

CHANGES IN ACCOUNTING POLICIES

In the past not all assets were recorded as assets in the financial statements. Some of them were expensed in the Statement of Financial Performance. Assets that were capitalised were shown at historical cost modified by revaluations. The new Financial Reporting Standard (FRS-3) Property Plant and Equipment that came into effect for accounting periods ending on or after 31 March 2002 requires all assets be shown at fair value.

Fair value is determined by reference to its highest and best use as opposed to market value under old SSAP -28. This has the affect of increasing the net carrying value of net assets by \$235.6 million being \$223.4 million in unrecognised visitor assets and \$12.2 million of other unrecorded assets.

No allowance will be made to account for any impairment in the visitor assets included in the Conservation estate, because these assets will be revalued annually at standard optimised depreciated replacement cost. Revaluations will take into account accelerated depreciation arising from the reduced useful lives of assets.

In the past, after a revaluation the gross carrying value of an asset was recorded at depreciated replacement cost, and accumulated depreciation was cleared to nil. From

the financial period ended 30 June 2002 onwards, when an asset is revalued, the gross carrying value is restated at full replacement cost and accumulated depreciation is restated based on the new replacement cost and the expired life of the asset. Any movement in the gross carrying value is recognised against the revaluation reserve and the movement in accumulated depreciation is recognised as a depreciation expense in the year of the revaluation. We cannot estimate the impact of this change in the financial statements.

The department has changed its accounting policy to recognise as a liability the environmental obligation it has as result of its responsibility for the administration of certain contaminated sites. Previously the obligation was not recognised as a liability. The change has been made to comply with FRS – 15 : Provisions, Contingent Liabilities and Contingent Assets. This is the first year of application of the standard. The net effect of this change is to increase expenses by \$95,000, decrease taxpayers' funds by \$849,000 and to increase our current liabilities by \$944,000 in the current year.

There have been no other changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies, other than those noted above, have been applied on a basis consistent with other years.

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 30 June 2002

		30/06/02 Actual	30/06/02 Main Estimates	30/06/02 Supp. Estimates	30/06/01 Actual
	Note	\$000	\$000	\$000	\$000
Revenue					
Crown	2	156,106	163,396	156,106	150,814
Other	3	18,211	21,520	23,736	18,678
Total Revenue		174,317	184,916	179,842	169,492
Expenses					
Personnel	4	83,330	79,411	79,177	79,846
Operating	5	78,985	94,035	87,575	74,546
Depreciation	6	6,236	6,647	8,267	5,903
Capital charge	7	5,722	4,823	4,823	5,591
Loss on sale of fixed assets		141	–	–	184
Total Expenses		174,414	184,916	179,842	166,070
Net surplus		(97)	–	–	3,422

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

STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS for the year ended 30 June 2002

	Note	30/06/02 Actual \$000	30/06/02 Main Estimates \$000	30/06/02 Supp. Estimates \$000	30/06/01 Actual \$000
Total taxpayers' funds at beginning of year		63,520	62,193	63,520	56,033
Adjustment for adoption of FRS-15	18	(849)			
Adjusted opening taxpayers' funds		62,671			
Net surplus/(deficit)		(97)	–	–	3,422
Increase in revaluation reserve	8	1,894	–	–	1,250
Realised loss in revaluation reserve		(53)			
Total recognised revenues and expenses for the year		1,744	–	–	4,672
Provision for repayment of surplus to the Crown		–	–	–	(3,422)
Capital contributions	9	4,087	4,087	4,087	6,160
Recognition of visitor assets	10	223,384		97,000	
Recognition of other unrecorded assets		12,217		6,074	
Asset transfers		(51)	–		77
Total taxpayers' funds at end of year		304,052	66,280	170,681	63,520

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 2002

		30/06/02 Actual	30/06/02 Main Estimates	30/06/02 Supp. Estimates	30/06/01 Actual
	Note	\$000	\$000	\$000	\$000
Current assets					
Cash and bank balances	11	22,830	18,612	10,808	24,936
Prepayments		583	151	151	620
Inventories	12	1,107	1,037	1,037	936
GST receivable		937	1,581	1,581	488
Receivables	13	1,884	2,818	2,818	3,842
Total current assets		27,341	24,199	16,395	30,822
Non-current assets					
Fixed assets					
Visitor Assets	14	234,295	–	103,074	9,737
Other Fixed Assets	15	75,113	73,218	82,377	59,111
Total non current assets		309,408	73,218	185,451	68,848
Total assets		336,749	97,417	201,846	99,670
Current liabilities					
Creditors and payables	16	15,617	15,873	16,091	15,748
Provision for repayment of surplus to the Crown		–	–	–	3,422
Provision for employee entitlements	17	7,047	7,160	7,160	7,844
Other Provisions	18	944	–	–	–
Revenue in advance		940	818	818	647
Total current liabilities		24,548	23,851	24,069	27,661
Non current liabilities					
Loan	19	32	–	–	49
Provision for employee entitlements	20	8,117	7,286	7,096	8,440
Total non current liabilities		8,149	7,286	7,096	8,489
Total liabilities		32,697	31,137	31,165	36,150
Taxpayers' funds					
General funds		286,543	49,206	151,802	44,148
Revaluation reserve	21	17,509	17,074	18,879	19,372
Total taxpayers' funds		304,052	66,280	170,681	63,520
Total liabilities and taxpayers' funds		336,749	97,417	201,846	99,670

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

STATEMENT OF CASHFLOWS for the year ended 30 June 2002

	30/06/02 Actual \$000	30/06/02 Main Estimates \$000	30/06/02 Supp. Estimates \$000	30/06/01 Actual \$000
Cash flows – Operating activities				
Supply of outputs to Crown	156,106	163,396	156,106	150,814
Supply of outputs to Customers	20,131	21,520	23,253	17,483
	<u>176,237</u>	<u>184,916</u>	<u>179,359</u>	<u>168,297</u>
Cash disbursed to:				
Produce outputs				
– personnel	84,450	79,711	79,177	78,036
– operating	78,222	93,545	86,654	72,550
– net GST (received)/paid	759	–	–	894
– capital charge	5,722	4,823	4,823	5,591
	<u>169,153</u>	<u>178,079</u>	<u>170,654</u>	<u>157,071</u>
Net cash inflow / (outflow) from operating activities	<u>7,084</u>	<u>6,837</u>	<u>8,705</u>	<u>11,226</u>
Cash flows – Investing activities				
Cash provided from:				
Sale of fixed assets	976	2,087	2,087	961
Cash disbursed to:				
Purchase of fixed assets	10,814	11,947	25,585	11,636
	<u>(9,838)</u>	<u>(9,860)</u>	<u>(23,498)</u>	<u>(10,675)</u>
Net cash inflow / (outflow) from investing activities	<u>(9,838)</u>	<u>(9,860)</u>	<u>(23,498)</u>	<u>(10,675)</u>
Cash flows – Financing activities				
Cash provided from:				
Capital contributions	4,087	4,087	4,087	6,160
Cash disbursed to:				
Repayment of surplus to Crown	3,422	7,720	3,422	1,333
Repayment of loan	17	–	–	16
	<u>3,439</u>	<u>7,720</u>	<u>3,422</u>	<u>1,349</u>
Net cash inflow / (outflow) from financing activities	<u>648</u>	<u>(3,633)</u>	<u>665</u>	<u>4,811</u>
Net increase/(decrease) in cash held	<u>(2,106)</u>	<u>(6,656)</u>	<u>(14,128)</u>	<u>5,362</u>
Add opening cash balance	24,936	25,268	24,936	19,574
Closing cash and deposits	<u>22,830</u>	<u>18,612</u>	<u>10,808</u>	<u>24,936</u>

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

RECONCILIATION OF NET SURPLUS AND NET CASHFLOWS FROM OPERATING ACTIVITIES for the year ended 30 June 2001

	30/06/02 Actual \$000	30/06/02 Main Estimates \$000	30/06/02 Supp. Estimates \$000	30/06/01 Actual \$000
Net surplus	(97)	-	-	3,422
Add / (Less) non-cash items:				
Depreciation	6,236	6,647	8,267	5,903
Bad debts & Provision for doubtful debts	38	-	-	337
Provision for employee entitlements	(49)	190	-	1,912
Other Provisions	95			
Total non-cash items	6,320	6,837	8,267	8,152
Movements in working Capital				
Inventories decrease	(171)	-	(101)	101
Receivables and advances (increase)/decrease	1,920	-	1,479	(1,361)
GST receivable (increase)	(449)	-	181	(636)
Prepayment (increase)/decrease	37	-	469	(469)
Payables and provisions increase/(decrease)	(1,251)	-	(3,679)	1,767
Other liabilities increase/(decrease)	634	-	2,089	66
Net movement in working capital	720	-	438	(532)
Add/(less) investing activity items				
Net loss on sale of fixed assets	141	-	-	184
Total investing activities	141	-	-	184
Net cash inflow / (outflow) from operating activities	7,084	6,837	8,705	11,226

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 2002

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Capital commitments		
Land and Buildings	239	–
Infrastructural assets	33	–
Total capital commitments	272	–
Operating commitments:		
Non-cancellable accommodation leases		
less than one year	4,167	3,788
one to two years	3,607	3,501
two to five years	7,426	7,363
later than five years	1,481	2,858
Other non-cancellable leases		
less than one year	102	285
one to two years	78	190
two to five years	92	151
later than five years	5	6
Other commitments		
less than one year	2,624	2,928
one to two years	1,717	907
two to five years	1,167	644
later than five years	4	–
Total operating commitments	22,470	22,621
Total commitments	22,472	22,621

In addition to the above, the Department has on going science contracts with universities, research institutions and individuals. These contracts are cancellable and extend up to 5 years. The sum involved for science contracts as at 30 June 2002 is \$3.0m (2001: \$3.7m).

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

STATEMENT OF CONTINGENT LIABILITIES as at 30 June 2002

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Public liability claims	13,247	15,266
Designations	–	855
Total contingent liabilities	13,247	16,121

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

- 31 Court and Tribunal proceedings, 12 of which are Treaty-related claims for ownership of land, rivers, seabed or foreshore. Treaty-related claims are in fact claims against the Crown and are not currently quantifiable. The combined contingent liability of the quantifiable claims is \$3.5m approximately. Three claims account for almost all of that total. One Court decision (\$371,000 approximately) is being appealed to the Court of Appeal by the Crown but it is not clear what the likelihood of a favourable outcome will be or what reimbursement, if any, the Crown may receive. Another claim involves a contingent liability of \$612,000 approximately but the department does not consider the plaintiff has a good claim. The plaintiff has not progressed the claim and on legal advice, the department is not taking steps to reactivate the proceedings. It is not possible to say whether any reimbursement to the department will eventuate.
- 44 potential claims, 28 of which are not quantifiable at present. The combined contingent liability for the quantifiable potential claims is \$10.1m approximately. One potential set of claims has a maximum exposure of \$8m and therefore makes up nearly 75% of the contingent liability for potential claims. It involves the handling of certain licence applications. With regard to potential claims it is not possible to say what the possibility of reimbursement is because the circumstances are too remote.
- Designations which were formerly recorded as contingent liabilities are no longer recorded as such to be consistent with the definition of "contingent liabilities" set by Financial Reporting Standards FRS-15 by the Institute of Chartered Accountants of New Zealand.

There are various other claims that the department is currently contesting which have not been quantified due to their nature of the issues, their uncertainty of the outcome and/or the extent to which the department has a responsibility to a claimant.

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

STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS

for the year ended 30 June 2002

(GST inclusive)	30/06/02 Supp. Estimates	30/06/02 Section 5 Transfers	30/06/02 Final Appropriation
	\$000	\$000	\$000
OUTPUT CLASSES			
Vote: Biosecurity			
D7 Policy advice	226	12	238
D8 Crown pest/weeds exacerbator costs	2,355	(63)	2,292
D9 Indigenous forest biosecurity protection	47	–	47
D10 Specific pest and disease response	1,010	51	1,061
Sub-total Biosecurity	3,638	–	3,638
Vote: Conservation			
D1 Policy advice	3,032	(339)	2,693
D2 Legal protection	5,527	276	5,803
D3 Statutory planning	3,847	193	4,040
D4 Conservation estate management	67,750	(3,827)	63,923
D5 Protected species management	40,746	2,038	42,784
D6 Licences and Regulations management	8,493	425	8,918
D7 Recreation services	43,271	682	43,953
D8 Education and information services	22,718	552	23,270
D9 Servicing Crown agencies	3,300	–	3,300
Sub-total Conservation	198,684	–	198,684
Total output appropriations	202,322	–	202,322

The fiscally neutral transfers between departmental output classes, approved by joint Ministers under delegation from Cabinet were not included in the Supplementary Estimates due to a technical error.

To achieve the changes originally requested by those fiscally neutral transfers, the department then sought a section 5 (Public Finance Act 1989) adjustment within the votes.

A section 5 adjustment is limited to a maximum 5% only of each Supplementary Estimate appropriation.

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

STATEMENT OF DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS for the year ended 30 June 2002

(GST inclusive)	30/06/02	30/06/02	30/06/02	30/06/02	30/06/01
	Expend- iture Actual \$000	Final Appro- priation \$000	Expense Approved by Cabinet \$000	Under/ (Over) Expend- iture \$000	Expend- iture Actual \$000
OUTPUT CLASSES					
Vote: Biosecurity					
D7 Policy advice	231	238	–	7	218
D8 Crown pest/weeds					
exacerbator costs	2,280	2,292	–	12	1,973
D9 Indigenous forest biosecurity protection	38	47	–	9	47
D10 Specific pest and disease response	1,016	1,061	–	45	674
Sub-total Biosecurity	3,565	3,638	–	73	2,912
Vote: Conservation					
D1 Policy advice	2,721	2,693	–	(28)	2,945
D2 Legal protection	5,233	5,803	357	570	4,321
D3 Statutory planning	4,634	4,040	–	(594)	4,039
D4 Conservation estate management	58,733	63,923	2,747	5,190	55,691
D5 Protected species management	40,451	42,784	1,056	2,333	39,631
D6 Licences and Regulations management	9,667	8,918	–	(749)	9,556
D7 Recreation services	45,133	43,953	–	(1,180)	42,554
D8 Education and information services	22,771	23,270	284	499	22,169
D9 Servicing Crown agencies ...	3,295	3,300	5	5	3,375
Sub-total Conservation	192,638	198,684	4,449	6,046	184,281
Total output appropriations	196,203	202,322	4,449	6,119	187,193
Capital contributions to the department					
Capital investment	239,688	107,161	–	(132,527)	6,160

In April 2002 Cabinet approved in principle the transfer of expenditure from 2001/02 to 2002/03. These carry forwards are calculated after the year end to be the lesser of the approved amount or the actual under expenditure. These carry forwards are in respect of operations which in 2001/02 were delayed due to various reasons such as:

- Planned resources for a number of species protection projects have not been available to enable the work to be completed in the current financial year;
- Failure to attract tenders from contractors together with issues gaining co-operation from landowners has resulted in delays;
- Adverse weather conditions and/or resource consent delays and available contractor capacity;
- Difficulties with contract negotiations for employment of workers has resulted in delays in pest control work.

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

STATEMENT OF NON-DEPARTMENTAL EXPENDITURE AND APPROPRIATIONS

for the year ended 30 June 2002

(GST inclusive)	30/06/02	30/06/02	30/06/02	30/06/01
	Expend- iture Actual \$000	Supp. Estimates \$000	Under/ (Over) Expend- iture \$000	Expend- iture Actual \$000
Vote: Conservation				
Appropriation for non-departmental output classes				
O1 Identification and implementation of protection for natural and historic resources	4,889	15,149	10,260	4,109
O2 Management services for natural and historic places	444	536	92	791
Sub-total output classes	5,333	15,685	10,352	4,900
Appropriation for other expenses to be incurred by the Crown				
Esplanade Reserve				
Compensation	10	30	20	15
Lake Taupo access fee	779	860	81	750
Matauranga Māori Fund	20	315	295	39
Subscriptions to International Organisations	238	285	47	248
To Reserves Trust	560	3,100	2,540	221
Waikaremoana lakebed lease	139	140	1	139
Sub-total other expenses	1,746	4,730	2,984	1,412
Appropriation for purchase or development of capital assets by the Crown				
Purchase of Land for Kiwi Sanctuaries	-	-	-	254
Vested coastal marine areas	-	30	30	-
Sub-total capital assets	-	30	30	254
Total payments	7,079	20,445	13,366	6,566

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

STATEMENT OF UNAPPROPRIATED EXPENDITURE for the year ended 30 June 2002

(GST inclusive)	30/06/02 Expend- iture Actual \$000	30/06/02 Supp. Estimates \$000	30/06/02 Unappro- priated Expend- iture \$000	30/06/01 Unappro- priated Expend- iture \$000
Vote: Conservation				
Department Output Classes				
D1 Policy Advice and Ministerial Servicing .	2,721	2,693	(28)	–
D3 Statutory Planning, and Coastal Responsibilities	4,634	4,040	(594)	–
D6 Management of Statutory Actions, Leases	9,667	8,918	(749)	–
D7 Provision of Recreation Opportunities ...	45,133	43,953	(1,180)	–
Sub-total output classes	62,155	59,604	(2,551)	–

Departmental Output classes – Supplementary Estimates did not include fiscally neutral transfers between departmental output classes, approved by joint Ministers under delegation from Cabinet, due to a technical error. If fiscally neutral transfers had been included, unappropriated expenditure would not have occurred.

Appropriation was not required for the capital contribution related to unrecognised and undervalued assets. Therefore this statement does not include any unappropriated expenditure for these assets.

The unappropriated expenditure has been approved by the Minister of Finance in terms of section 12 of the Public Finance Act 1989.

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

STATEMENT OF TRUST MONIES for the year ended 30 June 2002

	As at 30/06/01 \$000	Contri- butions \$000	Distri- butions \$000	Revenue \$000	As at 30/06/02 \$000
Conservation Project Trust	624	362	(362)	22	646
Reserve Trust	3,110	32	(810)	113	2,445
NZ Walkway Trust	6	-	-	0	6
National Park Trust	142	113	(203)	3	55
Bonds/Deposits Trusts	654	294	(66)	20	902
Total	4,536	801	(1,441)	158	4,054

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:

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

Note 1: Major Budget Variations

Statement of Financial Performance

- (i) **Revenue other:** The variance in revenue other was due to forecasts being too optimistic across all revenue streams.
- (ii) **Personnel expenses:** Increase in personnel expenses is mainly due to increase in temporary workers as opposed to contractors.
- (iii) **Operating expenses:** Decrease in operating expenses is mainly due to transfer of expenses from 2001/02 to 2002/03 as approved by the Cabinet because work was not completed and funding was transferred to 2002/03.

Statement of Financial Position

The department's recreation network (e.g. Conservation estate huts and tracks) have been recorded for the first time in our financial statements resulting in an increase in the carrying value of our net fixed assets.

The facilities are subject to an asset management plan and are recorded in the Visitor Asset Management System (VAMS), a comprehensive asset database and management programme.

The VAMS assumptions, data, methodology and principles have been subject to review by Valuersnet. In the past not all visitor assets were recorded in the Statement of Financial Position and some were expensed in the Statement of Financial Performance.

The new Financial Reporting Standard (FRS-3) Property Plant and Equipment that came into effect for reporting periods ending on or after 31 March 2002 requires all assets to be shown at fair value. This has an effect of increasing the net carrying value of fixed assets of \$223 million.

Note 2: Crown Revenue

This is revenue earned for the supply of outputs to the Crown.

Note 3: Other revenue

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Recreational charges	7,171	6,909
Leases and rents	524	707
Retail sales	3,053	3,007
Resource sales	1,888	2,619
Donations – sponsorships	1,451	1,175
Other	4,124	4,261
Total other revenue	18,211	18,678

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

Note 4: Personnel expenses

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Salaries and wages	79,955	74,277
Long service and retiring leave	(240)	1,912
Superannuation subsidies	941	919
Recruitment	591	483
Uniforms	453	527
ACC levies	608	644
Other	1,022	1,084
Total personnel expenses	83,330	79,846

Note 5. Operating expenses

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Professional fees and contractors	27,082	25,899
Audit fees to the auditors for audit of the financial statements	135	122
Fees to auditors for other services provided	40	42
Grants	1,008	512
Bad Debts write-off	9	341
Assets write off	(4)	283
Movement in provision for doubtful debts	29	(4)
Communications and computer expenses	7,622	6,984
Travel	4,376	3,901
Motor vehicle and boat expenses	2,976	3,204
Accommodation	2,569	2,336
Office supplies	4,886	4,191
Field supplies	12,489	11,639
Lease expense	9,109	8,242
Printing	1,841	1,900
Other	4,818	4,954
Total operating expenses	78,985	74,546

Of the total \$27.1 million shown as Professional fees and contractors, \$19.2 million relates to contract staff working on various research and technical projects.

Note 6: Depreciation

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Administrative buildings	1,240	1,321
Visitor assets	413	710
Infrastructure	5	-
Plant, field and radio equipment	670	590
Furniture, computers, other office equipment and software	2,288	1,707
Motor vehicles	1,443	1,384
Vessels	177	191
Total depreciation	6,236	5,903

Note 7: Capital charge

The department pays a capital charge to the Crown twice yearly on the opening balance of taxpayers' funds including revaluation reserve. The capital charge rate for the year ended 30 June 2002 was 9% (2001: 10%).

Note 8: Increase in revaluation reserve

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Land	437	141
Buildings	1,457	1,109
Total increase in revaluation reserve	1,894	1,250

Note 9: Capital contribution

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Visitor assets	2,530	–
Transfer of Timberlands West Coast		
Limited roading infrastructure	–	5,000
Officers mess at Fort Takapuna	–	23
Terrestrial and freshwater biodiversity information system	1,557	808
Software applications to manage information about threatened, and common species.	–	329
Total Capital Contribution	4,087	6,160

Note: 10 Recognition of visitor assets

The department manages a number of visitor assets such as tracks, structures, signs, buildings, and amenity areas etc. transferred to its control upon the dissolution of other government agencies some years ago. Previously many of these assets were not recognised in the financial statements of the department. Under the new Financial Reporting Standard FRS-3 for Property Plant and Equipment which came into effect for reporting periods ending on or after 31 March 2002, the department has brought all visitor assets into its books.

Note 11. Cash and bank balances

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Cash at bank	22,755	24,855
Petty cash floats	75	81
Total cash and bank balances	22,830	24,936

The department's bankers are WestpacTrust under an arrangement between Westpac Trust and the Crown.

Note 12: Inventories

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Retail	632	677
Nursery	87	83
Fire control supplies	19	21
Wild animal control supplies	369	155
Total inventories	1,107	936

Note 13: Receivables

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Accounts receivable	1,414	1,559
Less: provision for doubtful debts	(146)	(118)
Net accounts receivable	1,268	1,441
Other receivables	616	2,401
Total receivables	1,884	3,842

Note 14: Visitor Assets

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Visitor assets		
At valuation	536,585	14,637
Less: adjustment for optimisation	(83,423)	–
	453,162	14,637
Accumulated depreciation	(277,602)	(4,900)
Less: adjustment for optimisation	56,634	–
	(220,968)	(4,900)
Items under construction – visitor assets	2,101	–
Total carrying amount of visitor assets	234,295	9,737

Cabinet approved funding adequate to provide the existing mix of recreation opportunities more effectively. This means some assets will be either removed or the service level standard would be reduced, or a combination of both. Stakeholders will be fully consulted on what recreation facilities are retained and the process of optimisation could take several years. Based on the information the department currently has, an adjustment has been created, estimating the difference between the current level of assets and the ongoing sustainable level. The adjustment the department is carrying as at 30 June 2002 is an indicative figure and it could change after the consultation process over the next two years.

Note 15: Other Fixed assets

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Freehold land at valuation	4,005	3,619
Land – net current value	4,005	3,619
Administrative buildings		
At valuation	38,101	33,569
Accumulated depreciation	(3,893)	(1,167)
Buildings – net current value	34,208	32,402
Other assets		
Plant, field and radio equipment		
At cost	12,587	7,103
Accumulated depreciation	(7,002)	(3,857)
Plant, field and radio equipment – net book value	5,585	3,246
Furniture, computers, other office equipment and software		
at cost	13,043	10,951
Accumulated depreciation	(7,249)	(4,874)
Furniture, computers, other office equipment and software – net book value	5,794	6,077
Motor vehicles		
At cost	15,189	15,150
Accumulated depreciation	(5,993)	(5,639)
Vehicles – net book value	9,196	9,511
Vessels		
at cost	7,547	3,095
Accumulated depreciation	(6,123)	(2,071)
Vessels – net book value	1,424	1,024
Infrastructural assets		
At valuation	28,080	–
Accumulated depreciation	(16,054)	–
Infrastructure assets – net book value	12,026	–
Items under construction		
Buildings	45	–
Plant, Field and Radio Equipment	1,415	3,232
Furniture, computers, other office equipment and software	1,332	–
Motor Vehicles	83	–
Items under construction – net book value	2,875	3,232
Total other fixed assets		
At cost and valuation	121,427	76,719
Accumulated depreciation	(46,314)	(17,608)
Total carrying amount of other fixed assets	75,113	59,111

Note 16: Creditors and Payables

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Trade creditors	10,375	8,899
Other	5,242	6,849
Total Creditors and Payables	15,617	15,748

Note 17: Employee entitlements (current)

	30/06/02	30/06/01
	Actual	Actual
	\$000	\$000
Accrued salaries and wages	1,681	2,422
Current portion of retiring and long service leave (as per note 20)	519	568
Accrued annual leave and time off in lieu	4,847	4,854
Total employee entitlements (current)	7,047	7,844

Note 18: Provisions

2002	Environment	Restructuring	Legal	Total
				\$000
Adjustment to opening balance	415	–	434	849
Additional Provisions made during the year	–	95	–	95
Closing Balance	415	95	434	944

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

- (i) The department is responsible for restoring an area of land after logging operations. The cost of completing this restoration over a 20-year period is estimated at \$45,000.
- (ii) There are currently two rubbish dump sites that have been contaminated by domestic waste. The cost for the environmental clean up of these two dump sites is estimated at \$350,000.
- (iii) Restoration work is required on land where mining operations have occurred where significant bulldozing and heavy machinery were used. The department is expected to incur costs in restoring the surrounding area that are greater than the values allowed for in the mining bond with the outgoing licence owner. The cost of restoration is estimated at \$20,000.

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

The restructuring provision arises from the announced restructuring of the Science, Technology and Information Service Division within Head Office. It is anticipated that the restructuring will be completed within 12 months of balance date.

The Provision for legal costs is for damages awarded by the High Court for unreasonable seizure of aircraft. The Department has appealed this decision.

Of the total provisions, \$95,000 has been recognised in the year ended 30 June 2002 as an expense and \$849,000 has been recognised in the Statement of Movements in Taxpayers' Funds.

Note 19: Loan

	30/06/02 Actual \$000	30/06/01 Actual \$000
Opening balance as at 1 July	49	65
Less: Repayments	17	16
Total loan as at 30 June	32	49

The above loan is from the Energy Efficiency and Conservation Authority for the purpose of reducing energy expenditure at Great Barrier Island. It is given for installation and use of equipment at stations on Great Barrier Island. This loan is interest free and is repayable over 20 quarterly instalments commencing from 15 August 1999.

Note 20: Employee entitlements (non current)

	30/06/02 Actual \$000	30/06/01 Actual \$000
Retiring leave	7,833	7,025
Long service leave	803	1,983
	8,636	9,008
Less: Current portion of retiring and long service leave	519	568
Total employee entitlements (non current)	8,117	8,440

Note 21: Revaluation reserve

	30/06/02 Actual \$000	30/06/01 Actual \$000
Freehold land		
Balance brought forward	2,424	2,320
Unrealised gains	437	141
Revaluation (loss) realised on disposal	(18)	(37)
Closing balance	2,843	2,424
Administrative buildings		
Balance brought forward	14,142	12,967
Unrealised gains/(losses)	1,457	1,109
Revaluation gain/(loss) realised on disposal	(1,167)	66
Reclassification	210	-
Closing balance	14,642	14,142
Visitor assets		
Balance brought forward	2,782	2,749
Revaluation gain realised on disposal	(2,572)	33
Reclassification	(210)	-
Closing balance	-	2,782
Other assets		
Balance brought forward	24	24
Closing balance	24	24
Total revaluation reserve	17,509	19,372

Gains and losses on revaluation realised reflect the amount transferred from the revaluation reserve to taxpayers' funds upon sale or disposal of an asset.

Note 22: Financial instruments

The department is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts receivable and short-term deposits.

Credit risk

In the normal course of its business, the department incurs credit risk from trade debtors, transactions with WestpacTrust 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 as all investments are with the New Zealand Debt Management Office of the Treasury.

Note 23: Fencing Assets

The department manages a significant portfolio of fencing assets, both for animal exclusion and boundary fencing. The vast majority of the fencing is for boundary purposes. No fencing assets are recognised currently in the financial statements, nor are the accompanying operating costs such as capital charge and depreciation.

Work has begun to establish their existence, ownership and the depreciated replacement cost valuation with the view to including them in the financial statements. This work is planned to take two years to complete, as the department manages perhaps 10,000 parcels of land covering a third of New Zealand, and the inventory work will entail walking the entire boundaries of all this land.

The ownership of the boundary fences is not clear at this stage, and may involve the department, the Crown, and third party neighbours and landowners. This will in part determine whether the fencing assets, and associated costs, will be recognised in the books of the department or the books of the Crown.

Note 24: Visitor Assets

The base formation costs of tracks and roading (\$99 million replacement cost as at 30 June 2002) have been included in the financial statements.

Base formation costs for amenity areas, campsites and car parks is currently excluded from our financial statements. These vary over different terrain and conditions (flat and hard, flat and swampy, moderate slopes and rocky, moderate slopes and clay etc.). Work is being undertaken to establish the base formation costs for these assets with a view to including them in the financial statements.

Note 25: Visitor assets cashflow and Crown as debtor

Cabinet has agreed to fund the department adequately for visitor assets operating expenditure. The department will recognise as revenue an amount equivalent to this expenditure. However, during the next five years, the Crown will not pay the department the full amount in cash, owing the department the difference. This outstanding balance will be recognised by the department 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 cleared to zero.

The following table shows the forecast debtor Crown balance. It also show the impact of the Cabinet decision on the department's cash flows relating to visitor assets:

- Operating cash inflow from the Crown.
- Operating cash outflow on maintenance and capital charge.
- Net GST cash flow.
- Capital expenditure cash outflow.
- The series of cash injections from the Crown, equivalent to the accumulated depreciation as at June 2002.

Year	Operating cash inflow incl GST	Operating cash outflow incl GST	Net GST (Payable)/ Receivable	Capital expenditure incl GST	Cash injections from Crown	Net Cash inflow/ (outflow)	Debtor Crown
2002/03	14.739	(10.239)	(1.650)	(9.000)	4.000	(2.150)	19.353
2003/04	18.313	(10.563)	(1.365)	(11.566)	3.392	(1.789)	35.456
2004/05	22.888	(10.888)	(0.893)	(15.816)	3.392	(1.317)	47.309
2005/06	30.462	(14.212)	(0.421)	(20.066)	3.392	(0.845)	54.912
2006/07	38.036	(17.536)	0.051	(24.316)	3.392	(0.373)	58.265
2007/08	50.428	(22.582)	3.118	(51.913)	21.392	0.444	54.272
2008/09	55.474	(27.628)	3.118	(51.913)	21.392	0.444	50.279
2009/10	60.520	(32.673)	3.118	(51.913)	21.392	0.444	46.286
2010/11	65.565	(37.719)	3.118	(51.913)	21.392	0.444	42.292
2011/12	70.611	(42.765)	3.118	(51.913)	21.392	0.444	38.299
2012/13	75.332	(47.486)	2.694	(48.096)	18.000	0.444	34.306
2013/14	77.053	(49.207)	2.694	(48.096)	18.000	0.444	30.313
2014/15	78.775	(50.928)	2.694	(48.096)	18.000	0.444	26.320
2015/16	80.496	(52.650)	2.694	(48.096)	18.000	0.444	22.327
2016/17	82.217	(54.371)	2.694	(48.096)	18.000	0.444	18.333
2017/18	83.612	(56.092)	2.657	(47.770)	18.000	0.407	14.667
2018/19	85.333	(57.813)	2.657	(47.770)	18.000	0.407	11.000
2019/20	87.054	(59.535)	2.657	(47.770)	18.000	0.407	7.333
2020/21	88.776	(61.256)	2.657	(47.770)	18.000	0.407	3.667
2021/22	90.497	(62.977)	2.657	(47.770)	18.000	0.407	0.000
and out years	86.830	(62.977)	0.000	(23.853)	0.000	0.000	0.000

Note 26: 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 27: Report date

The department has breached the Public Finance Act in that the audited Financial Statements were not available within 3 months of the 30 June 2002 balance date as required under Section 35(5) and 38.

This delay arose through the department seeking additional asset revaluations required for financial reporting purposes.

ADDITIONAL

INFORMATION

SUMMARY OF OUTPUT CLASS EXPENDITURE BY OUTPUT FOR YEAR ENDED 30 JUNE 2002 (EXCLUDING GST)

	30/06/02 Actual \$000	30/06/01 Actual \$000
Vote: Biosecurity		
D7 Policy advice	205	193
D8 Crown pest/weeds exacerbator costs	2,013	1,699
D9 Indigenous forest biosecurity protection	33	42
D10 Specific pest and disease responses	938	599
Total Biosecurity	3,189	2,533
Vote: Conservation		
D1 Policy Advice and Ministerial Servicing		
Policy and Legislative Review	1,364	1,483
Treaty of Waitangi	624	685
Ministerial Servicing	374	430
Total Policy Advice and Ministerial Servicing	2,362	2,598
D2 Implementation of Legal Protection		
Legal Protection and Status Changes	2,267	1,928
Legal Protection of Marine Areas	871	594
Tenure Review	1,591	1,310
Total Implementation of Legal Protection	4,729	3,832
D3 Statutory planning and Coastal Responsibilities under Resource Management Act		
Terrestrial, Freshwater, Marine and Historic Advocacy ...	3,235	2,556
Coastal Responsibilities	941	1,039
Total Statutory planning and Coastal Responsibilities under Resource Management Act	4,176	3,595
D4 Management Services: Conservation Estate		
Fire Control	7,203	7,257
Possum Control	12,024	11,775
Goat Control	6,306	6,459
Other Animal Pest Control	8,181	7,518
Invasive Weed Control	9,747	8,255
Historic Heritage	4,255	4,304
Generalist Inventory and Monitoring	2,353	1,801
Marine Protected Areas Management	1,541	1,507
Restoration	661	559
Total Management Services: Conservation Estate	52,271	49,435

D5 Management Services: Protected Species and Island Habitats		
Species Conservation Programmes	24,454	23,872
Mainland Island Sites	2,467	2,539
Island Management and Restoration	4,536	4,306
Marine Mammals	1,579	1,474
CITES	964	1,001
Conservation Service Levy	1,772	1,899
Total Management Services: Protected Species and Island Habitats	35,772	35,091
D6 Management of Statutory Actions, Leases, Licences and Other Concessions		
Concession Management	5,883	5,552
Pastoral Leases	234	275
Statutory Land Management	1,714	1,979
Treaty of Waitangi Settlement Implementation	652	612
Total Management of Statutory Actions, Leases, Licences and Other Concessions	8,483	8,418
D7 Provision of Recreational Opportunities: Access, Facilities and Services		
Visitor Accommodation	11,121	8,710
Track and Walkways	15,085	14,979
Amenity Areas, Roads, Carparks, Wharves and Other Structures	7,001	6,976
Visitor Services	4,798	4,865
Taupo Sports Fishery	2,281	2,355
Total Provision of Recreational Opportunities: Access, Facilities and Services	40,286	37,885
D8 Management of Visitor and Public Information Services		
Visitor Centres	8,729	9,141
Public Information	2,267	2,322
Community Relations	6,564	5,918
Conservation Awareness	2,694	2,330
Total Management of Visitor and Public Information Services	20,254	19,711
D9 Conservation Management Strategies and Servicing of Statutory Bodies		
Conservation Management Strategies and Conservation Management Plans	830	848
Servicing of Statutory Bodies	2,062	2,124
Total Conservation Management Strategies and Servicing of Statutory Bodies	2,892	2,972
Total Conservation	171,225	163,537
Total Output Appropriations	174,414	166,070

EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2002 BY CONSERVANCY

Conservancies, Regional Offices and Head Office	30/06/02	30/06/01
	Actual \$000	Actual \$000
Northland Conservancy	12,001	11,861
Auckland Conservancy	11,684	10,929
Waikato Conservancy	10,529	10,672
Bay of Plenty Conservancy	7,146	6,982
Tongariro / Taupo Conservancy	9,827	9,679
Wanganui Conservancy	9,652	9,906
Hawkes Bay / East Coast Conservancy	10,831	9,969
Wellington Conservancy	9,260	8,937
Nelson / Marlborough Conservancy	14,445	13,839
West Coast Conservancy	15,379	14,198
Canterbury Conservancy	14,786	13,549
Otago Conservancy	10,334	10,062
Southland Conservancy	15,112	14,384
Northern Regional Office	663	687
Central Regional Office	3,248	2,697
Southern Regional Office	465	470
Head Office	19,052	17,249
Total Expenses as per Statement of Financial Performance	174,414	166,070

PERMANENT FULL TIME STAFF EQUIVALENT NUMBERS FOR THE LAST FOUR YEARS

Year ended 30 June 1999	1,437.9
Year ended 30 June 2000	1,373.3
Year ended 30 June 2001	1,434.3
Year ended 30 June 2002	1,498.0

PERFORMANCE OF RESERVE BOARDS

Reserve Board	Type	Revenue	Expenditure	Net Assets
Awakapanga	Hall	5,440	6,603	180,649
Bruce Bay	Hall	2,736	1,706	64,686
Charleston	Hall	4,062	3,671	87,409
Glorit	Hall	3,935	1,940	2,865
Haast	Hall	2,205	3,031	69,554
Homewood	Hall	624	2,881	88,439
Kokatahi	Hall	48,340	43,905	410,734
Millerton	Hall	5,872	5,864	22,415
Okuru	Hall	2,050	3,585	58,499
Papanui	Hall	518	1,962	15,273
Ruakaka Central	Hall	101,430	2,850	110,000
Ruawhata	Hall	991	113	28,026
Taurikura	Hall	785	595	74,000
Tiriraukawa	Hall	1,876	1,876	36,939
Waitaha	Hall	1,065	3,931	29,839
Granity	Recreation	2,802	4,105	50,261
Horowhenua	Recreation	1,318	939	35,586
Kaiteriteri	Recreation	2,440,000	2,139,000	2,312,500
Matata	Recreation	27,211	26,282	37,540
Nelson Creek	Recreation	2,386	3,100	23,180
Ngunguru	Recreation	12,060	10,375	188,534
Oakura	Recreation	2,200	7,350	220,000
Poukiore	Recreation	7,872	8,937	57,077
Ruakaka	Recreation	188,130	149,950	371,050
Tamaeterau	Recreation	1,510	1,065	195,000
Waikeikei	Recreation	5,980	3,860	123,200
Waipu Cove	Recreation	341,180	282,990	1,082,840
Whatitiri	Recreation	4,045	4,355	120,000
Whitireia Park	Recreation	24,885	33,002	154,385
Coates Memorial				
Church	Local purpose	1,085	450	110,000
Lake Rotoiti	Scenic	4,145	2,845	11,624

Notes

The details above are dated to 30 June 2001 because they are based on audited reports which are often not available until after the deadline for the preparation of the department's annual report.