

Department of Conservation Annual Report

FOR THE YEAR ENDED 30 JUNE 2008



Department of Conservation
Te Papa Atawhai

Department of Conservation

Annual Report

FOR THE YEAR ENDED 30 JUNE 2008

Presented to the House of Representatives pursuant
to section 44 (1) of the Public Finance Act 1989.

The Minister of Conservation

Pursuant to section 44(1) of the Public Finance Act 1989, I am pleased to submit this report on the operations of the Department of Conservation for the year ended 30 June 2008.

A handwritten signature in blue ink, appearing to read 'Al Morrison', is positioned above the printed name.

Alastair Morrison
DIRECTOR-GENERAL

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Director-General's overview

For the last three years the Department has been engaged in developing and implementing its long-term strategic direction, building on what has been achieved and learned since it was established 21 years ago. The strategy involves working in a broader context across central, regional and local government, and in collaboration with iwi, the private sector and the community; and it involves working in a more enabling way.

Management to protect our native plants and animals will improve the health of our natural ecosystems. It is those ecosystems that provide the physical services (water, soil, air, carbon storage) that fuel our economy. The state of those natural places is critical to our tourism industry; to our national identity and New Zealand's brand as a clean, green country; and to the physical, mental, spiritual and cultural health of our people. Our challenge is to win wider recognition that conservation is more than a worthwhile cost; it is a necessary investment if New Zealand is to continue to prosper. This has involved developing and implementing the strategic direction into all our work. It is reflected in ongoing changes to the statement of intent (SOI), flowing through into our business planning and everyday work programmes.

In February 2008, I initiated the strategy and budget alignment review to ensure that our resources and expenditure are aligned with the strategic direction. This built on the cost of outputs programme completed in 2007. At the same time, the Department faced forecasted deficits from 2008–2009 onwards, due to salary increases, inflationary pressures and unavoidable cost increases from factors such as fires, ACC levies and aspects of Treaty of Waitangi settlements. The review report, released in June 2008, identified changes required to improve our strategy and budget alignment and to respond to the forecast deficits, and implementation was initiated in July 2008.

Most significant among the changes brought about by the review are cultural shifts within the organisation. These flow from four principles that underlie both the review and the future of the Department:

- Engage more openly and effectively with others.
- Set priorities more clearly.
- Demonstrate effectiveness.
- Emphasise judgement and performance.

These principles underpin how the Department will demonstrate value for the taxpayers' investment in our core work of managing New Zealand's natural, cultural and historic heritage, and providing opportunities for people to enjoy it. They are also the principles that extend our work beyond public conservation land. Consistent with these principles, the Department is increasingly working with the wider government sector in policy work focused on creating a sustainable future for New Zealand. Particular issues are freshwater, renewable energy and carbon storage.

Through the Treaty of Waitangi settlement process we are moving into new models of working with tangata whenua for conservation gains. Our approach is for settlements where the resulting relationships on the ground are workable and durable. Challenges include the costs of implementation, and reorientation of the Department in some aspects to recognise the changed nature of the relationships and the ways of working.

I am pleased to present the annual report for the Department of Conservation for the year ended 30 June 2008.



Alastair Morrison
DIRECTOR-GENERAL
30 September 2008

Introducing the Department of Conservation

THE NATURE AND SCOPE OF THE DEPARTMENT'S FUNCTIONS

The Department of Conservation is the central government organisation charged with conserving the natural and historic heritage of New Zealand on behalf of, and for the benefit of, present and future New Zealanders. This role is reflected in the Department's Māori name - *Te Papa Atawhai*. *Te Papa* signifies a box or container (for taonga or treasures) and *atawhai* the act of caring, nurturing or preserving.

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

The Department was established by the Conservation Act 1987, and its key functions are set out in that Act. It also has functions under a number of other Acts, including the National Parks Act 1980, the Reserves Act 1977, the Wildlife Act 1953 and the Marine Mammals Protection Act 1978.¹

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

Much of the Department's work to conserve natural and historic heritage takes place on the more than 8 million hectares of protected land and 32 marine reserves² (covering just over 1.25 million hectares) that it manages. The protected land makes up about one-third of the country, and includes national parks, high country conservation parks, forest parks, offshore and subantarctic islands, and literally thousands of other places, such as historic sites and walkways.³

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

The Conservation Act contains a concessions framework under which the Department may authorise tourism operators and other third party activities and uses on public conservation lands and waters. These include grazing rights and telecommunication sites.

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

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

A description of how the Department is structurally organised to deliver on these functions is provided in Appendix B.

¹ For further information on relevant Acts and international agreements, see Appendix A.

² As at 30 June 2008.

³ For further information see Appendix C: Protected areas managed by the Department.

WORKING WITH OTHERS

The Department works increasingly with others. This means working in a whole-of-government context, and working beyond the central government sector - with tangata whenua, landowners, regional and local government, science providers, recreation, outdoor and conservation organisations, and businesses.

Further information on the main organisations and sectors with which the Department works to progress toward its outcomes and intermediate outcomes is provided throughout this annual report.

SETTING THE DEPARTMENT'S COMPASS

The Department's efforts are guided by a strategic direction, released in 2006, which describes the place of conservation in New Zealand, now and in the future, and the value that the Department's work delivers for New Zealanders.

The Department's strategic direction

New Zealanders want their natural and historical heritage conserved.

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

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

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

To do this:

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

The strategic direction provides the compass setting for the Department to deliver on its statutory responsibilities for the next decade and beyond.

Strategic approaches

The Department has identified four strategic approaches that will help deliver its strategic direction in the medium term. These approaches express the style and emphasis the Department will apply to its ongoing work, as mandated by its legislative framework and Government priorities. The approaches also guide how the Department will develop its capability.

Approach 1: Promoting the benefits and value of conservation

The more people know, understand, and experience the full value and benefits of conservation, the more they will support it.

The Department will therefore take the opportunity to promote the value and benefits of conservation in its everyday work, and specifically in its communications and relationship management activities.

Approach 2: Demonstrating that conservation contributes to economic prosperity

As with the first approach, the more people know, understand, and experience the value and benefits of conservation, the more they will support it. In this case, the benefits are economic.

The Department will take the opportunity in its everyday work, and specifically in its communications and relationship management activities, to promote the economic value and benefits of conservation, including its contributions to essential services such as water quality and quantity, soil structures, carbon storage and flood control.

Approach 3: Achieving conservation results through collaboration

There are two mutually reinforcing factors that make this a priority. First, the 2006 review of the New Zealand Biodiversity Strategy showed that, despite gains made, the task ahead remains immense, and much of New Zealand's threatened biodiversity is outside public conservation lands and waters. Second, New Zealanders are increasingly doing conservation themselves, be they tangata whenua, landowners, councils or community groups. The need for this collaborative approach applies equally to the Department's work on historic heritage conservation and providing outdoor recreation opportunities.

The Department's culture will be outward looking and responsive. It will recognise and value different perspectives, and work well with others.

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

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

The Department will continue to develop its knowledge base, including through working with others to identify mutual interests, and to share expertise and information in the overall interests of conservation.

Outcomes

The Department has two outcomes that express how it aims to add value over the longer term:

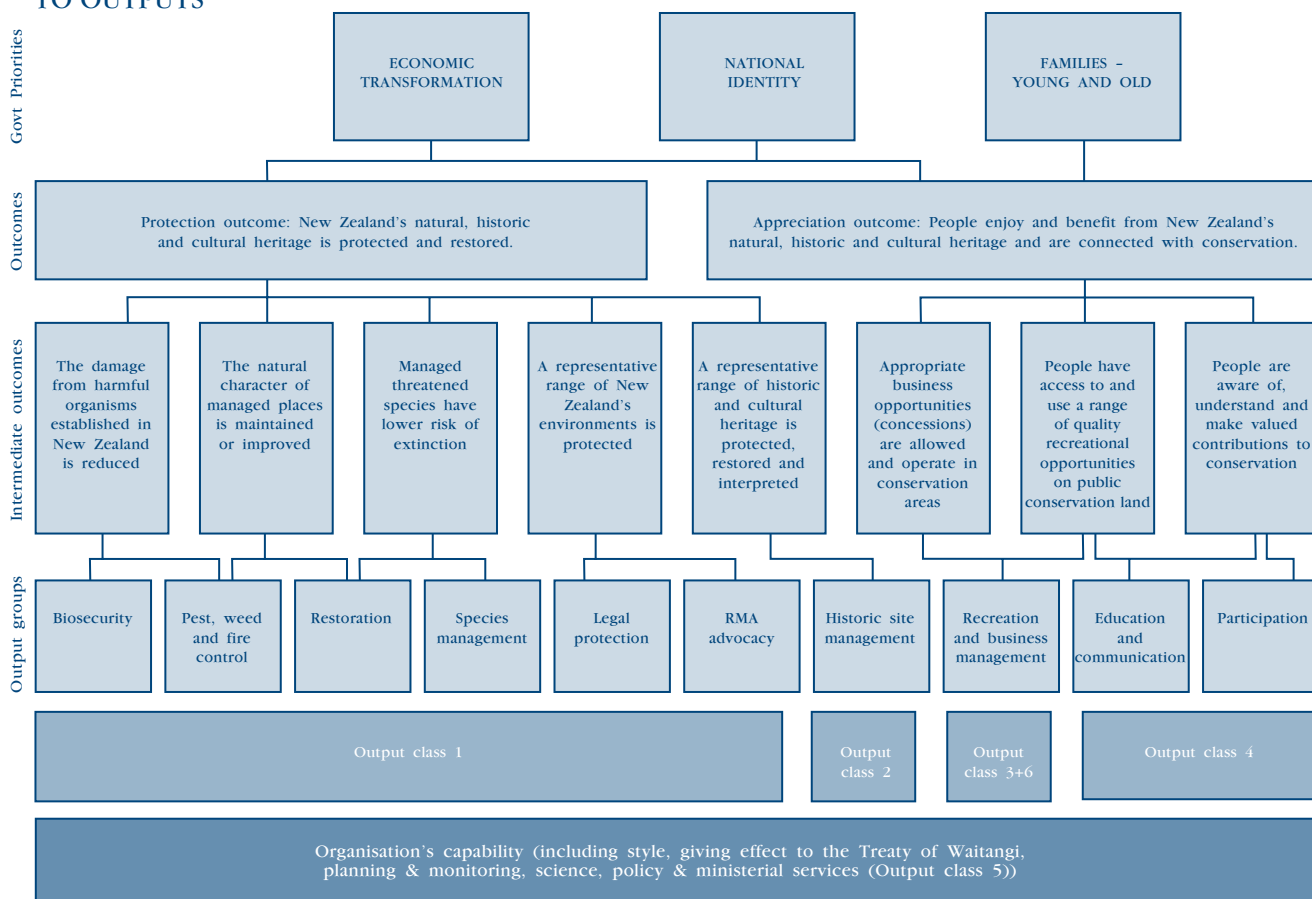
- Protection outcome: New Zealand's natural, historic and cultural heritage is protected and restored.
- Appreciation outcome: People enjoy and benefit from New Zealand's natural, historic and cultural heritage and are connected with conservation.

The Department works towards achieving these outcomes through the eight intermediate outcomes shown in Figure 1.⁴

This annual report describes the Department's progress during 2007–2008.

⁴ This is the last annual report against this set of outcomes and intermediate outcomes. The annual report for the year ended 30 June 2009 will report against the new outcome and intermediate outcomes established in the *Statement of Intent 2008–2011*.

FIGURE 1: THE DEPARTMENT'S CONTRIBUTION TO GOVERNMENT PRIORITIES - LINKING OUTCOMES TO OUTPUTS



Output class 1: Management of natural heritage; Output class 2: Management of historic heritage; Output class 3: Management of recreational opportunities; Output class 4: Conservation with community; Output class 5: Policy advice and services; Output class 6: Recreational opportunities review.

LINKS TO GOVERNMENT PRIORITIES AND CONTRIBUTIONS TO WHOLE-OF-GOVERNMENT POLICIES AND SYSTEMS

Government themes

The Government has set three overall themes for its investment in the public service: *economic transformation*, *families - young and old*, and *national identity*. The Department contributes to each of these themes.

Economic transformation: Working to progress our economic transformation to a high income, knowledge-based market economy, which is both innovative and creative, and provides a unique quality of life to all New Zealanders.

The Department contributes to this theme through conserving ecosystems such as forests, tussock lands and wetlands to provide the clean water, predictable river flows, healthy estuaries and coastal environments, and the stable hill slopes on which a successful economy relies. Conservation is the foundation of New Zealand's international 'clean and green' brand, and provides many of the iconic places and experiences on which the country's tourism industry is based.

Families - young and old: All families, young and old, have the support and choices they need to be secure and be able to reach their full potential within our knowledge-based economy.

The Department contributes to this theme through its management of a world-class system of national parks, reserves, walkways, marine reserves,

camping grounds and other publicly accessible natural areas. These places provide a range of opportunities to support the physical, spiritual, mental and cultural health of families.

National identity: All New Zealanders to be able to take pride in who and what we are, through our arts, culture, film, sports and music, our appreciation of our natural environment, our understanding of our history and our stance on international issues.

The Department contributes to this theme through conserving, managing and providing access to the natural, historic and cultural heritage that is a core element of national identity. It also contributes through its work with tangata whenua and communities, through international conservation advocacy, by being recognised as a world leader in conservation techniques, and by sharing that knowledge with other countries.

Sustainability

Underpinning its three themes, the Government recognises that New Zealand's future prosperity depends on long-term sustainable strategies for the economy, society, environment, culture and the New Zealand way of life. The Department's contributions to the Government's sustainability package reflect its commitment to modelling sustainable business practices and contributing to the sustainable future of New Zealand.

Carbon neutral public service: The Department is one of the lead group of six agencies.

Forest carbon sinks: The Department manages a significant proportion of New Zealand's existing carbon stock and is exploring opportunities to form agreements that enable businesses to offset carbon emissions.

Govt³: The Department is one of 47 government agencies that signed up to the Govt³ programme in 2005.

Sustainable procurement initiative: The Department has begun the transition to the Government's sustainable procurement programme.

In its contributions to the Government's sustainability package, the Department works primarily with the Ministry for the Environment, the Ministry of Economic Development and the business sector.

The annual report section on sustainable business practice provides detail on the Department's capability development and achievements in relation to the sustainability package.

Working with other government agencies

The Department contributes to wider Government goals by working with other government agencies. This includes:

- implementing the New Zealand Biodiversity Strategy (the Department's protection work)
- the Department's role in the national biosecurity system (led by the Ministry of Agriculture and Forestry)⁵
- contributing to Treaty of Waitangi and foreshore and seabed settlement negotiations
- contributing to tourism and recreation initiatives
- contributing to whole-of-government policy initiatives.

The Department's work with other departments on policy issues is increasingly set against the wider backdrop of developing sustainable options for New Zealand's future. This work is moving away from being confined to only environmental issues, and moving toward meeting a range of economic, social and cultural interests. Particular examples are carbon storage, renewable energy and the freshwater programme of action.

Examples of the Department's joint policy work are included within the reports against the eight intermediate outcomes in the following sections.

⁵ Some of the Department's biosecurity functions will be transferred (subject to Cabinet approval) to Biosecurity New Zealand, in line with the Government's intention to establish one integrated biosecurity agency.

Protection outcome: New Zealand's natural, historic and cultural heritage is protected and restored

THE KEY OUTPUTS THAT CONTRIBUTE TO THE PROTECTION OUTCOME

The main threats to New Zealand's natural, historic and cultural heritage come from plant and animal pests and a lack of legal protection from the adverse effects of human activity. To counter these threats and achieve the Department's protection outcome, nine output groups and related measures were identified in the *Statement of Intent 2007-2010* and are summarised below. They provide context for the achievements reported in this section of the Department's annual report.

Crown pest/weed exacerbator costs

This work involves controlling regional priority pests and weeds⁶ that may cause problems for the Department's neighbours. Interventions include funding weed and pest work to meet the Department's agreed 'Crown as exacerbator' obligations, and contributing to regional pest management strategies.

Biosecurity

This work aims at helping prevent the entry and/or establishment of new organisms that pose a threat to native biodiversity, and reducing unwanted damage by harmful organisms that have established here.⁷

Specific pest and disease responses

This work aims to eradicate or contain newly established or low incidence exotic pests and diseases that pose a threat to native biodiversity.

Pest, weed, and fire control

This work covers managing and responding to threats to species and ecosystems. This includes maintaining fire management capacity, eradicating and controlling pests and weeds, fencing, surveying and monitoring ecological condition associated with the impacts of these pests and weeds.

Restoration

This involves restoring ecosystems on the mainland and offshore islands that have been degraded, damaged or destroyed. It includes restoring and maintaining six approved 'mainland island' sites.⁸

Species management

This work supports the survival of populations of threatened species targeted for management, and includes translocations and predator control. It is supported by the New Zealand threat classification system, and the optimising threatened species recovery project. It includes working with the fishing industry to mitigate adverse effects of commercial fishing on protected species.

Legal protection: terrestrial and marine protection

This work covers formal legal protection of land, freshwater and marine places, using tools such as purchases, covenants and gifts and Crown land allocations such as tenure review. The Department also supports landowners to protect natural heritage on their land. This output also protects areas and sites to increase the legal protection for species. This work includes implementing the Marine Protected Areas Policy.

Resource Management Act 1991 advocacy

This work includes encouraging or requiring others to protect places and species outside the formal protected area network, to help ensure a full range is protected. It includes Resource Management Act responsibilities relating to the coastal marine area.

Historic site management

This work aims to improve the state of a representative range of priority historic sites on public conservation land, using multiple management actions directed at a number of threats and opportunities. It includes making sites more accessible to visitors where practical.

⁶ As defined by regional councils and unitary authorities.

⁷ Biosecurity New Zealand is the lead agency for all pre-border, border response and national-scale pest-led work (such as eradicating or containing pests at a national level).

⁸ The six mainland islands are located at: Trounson Kauri Park (Northland); northern Te Urewera (East Coast/Hawkes Bay); Boundary Stream (East Coast/Hawkes Bay); Paengaroa (Wanganui); south branch Hurunui River (Canterbury); and Lake Rotoiti (Nelson/Marlborough).

What we are seeking to achieve in the protection outcome and why

The Department seeks to conserve the natural, historic and cultural heritage of New Zealand on behalf of, and for the benefit of, present and future New Zealanders. This heritage is also preserved for its own sake, to reserve future options.

The challenges and responsibilities this poses are huge; and the more it learns, the greater the Department's understanding of the complexity and size of the task. Priorities must be set, and choices made to give the best results for the available resources. There are, and at any particular time there will always be, areas and species that will receive little or no specific management.

The benefits arising from the Department's work encompass environmental, economic, social and cultural gains.

Environmental benefits include the contribution of natural heritage conservation to building and maintaining a healthy natural environment, and the resulting 'ecosystem services', such as water quality and quantity, soil conservation and flood control. Natural ecosystems - particularly native forests - are the largest land cover carbon stocks in New Zealand, and around 67% of conservation land is currently in forest or forest-shrubland/grassland.

Economic benefits include the significant contributions conservation makes to New Zealand's 'clean green' international brand (for both primary exports and tourism), and ecosystem services, valued at \$46 billion⁹ in one estimate. There are opportunities for businesses to contribute to conservation to help reduce their own net environmental footprint, and carbon offset projects may also provide economic benefits.

The social and cultural benefits (physical, mental and spiritual), and the substantial contribution New Zealand's heritage makes to our national identity, are further elaborated in the following section on the Department's appreciation outcome.

The Department works with others so that efforts are integrated to best effect, and to help foster the increasing involvement of others in conservation.

What did we do to achieve this?

Five intermediate outcomes contribute to the protection outcome. These are:

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

The Department has a principal, but not exclusive, focus on natural and historic resources in areas it administers, and on species specifically protected by law. Working with other land occupiers and the community is an increasingly important component of the Department's work.

In 2007-2008, the Department continued to develop its natural heritage management system (NHMS). This system will support decision-makers in setting priorities at a national level, in a logical and explainable way, so that the Department can make the best interventions to enable recovery, or prevent decline, of natural heritage. Components include:

- The inventory and monitoring framework (to facilitate data collection and analysis to help to demonstrate the effectiveness of management interventions).

⁹ Patterson, M and Cole, A, February 1999. *Assessing the Value of New Zealand's Biodiversity*. Occasional paper Number 1, School of Resource and Environmental Planning, Massey University.

- Prioritisation tools, such as the species optimisation and terrestrial and freshwater site prioritisation projects.

Each intermediate outcome is reported on separately, following this high-level overview of the protection outcome.

Key protection initiatives

In its *Statement of Intent 2007-2010*, the Department highlighted three key initiatives it would take to progress toward its protection outcome. The initiatives, and the Department's main actions for the year, are summarised in the table below.

Key protection initiatives	Main actions in 2007-2008
<p>Contribute to the design and implementation of new Government processes that will ensure protection of heritage values on Crown lands not within the conservation estate.</p>	<p>The tenure review programme is led by Land Information New Zealand (LINZ). The Department provides advice on the 'significant inherent values' on properties through its conservation resource reports. In 2007-2008, administration of 95,085 hectares was transferred from Crown pastoral lease to the Department.</p> <p>Priority has been given to establishing and notifying high country parks in the South Island. Two new conservation parks (Hakaterere and Ka Whata Tu O Rakihouia) have been added to the existing network, and three proposals have been notified: Hawea, Te Kāhui Kaupeka (Two Thumb) and Oteake.</p> <p>High country conservation parks offer strong biodiversity and landscape values, and ecosystem services (including freshwater collection and filtration, soil maintenance, erosion and flood control, and carbon sequestration). The role of ecosystem services in wider environmental health and sustainability is becoming more readily understood.</p> <p>The new public conservation lands and conservation parks created by tenure review also provide many new walking and mountain biking opportunities, discussed under the appreciation outcome section of this annual report.</p> <p>Other achievements include:</p> <ul style="list-style-type: none"> ▪ Contributing to policy processes led by LINZ, particularly around the definition of 'ecological sustainability' for the purpose of decision-making in the consent process under the Crown Pastoral Land Act 1988. ▪ Reassessing significant inherent values on Crown pastoral lease properties that complied with the conditions for re-inclusion in the tenure review process. ▪ Conducting research into the performance of land protection programmes on Crown pastoral lands with an emphasis on tenure review. Data collected as part of this research demonstrates that in the last four years, there has been improved protection of lowland biodiversity through tenure review. ▪ Four new agreements signed which will create more than 10,000 hectares of new conservation land (Kyeburn, Home Hills, Castle Dent and Pisgah Downs reviews). The Commissioner of Crown Lands made a decision to return the former Mount Ida Syndicate Pastoral Occupation Licence of 8621 hectares to full Crown ownership, and the Hunter Valley (16,298 hectares) transfer was also completed.
<p>Implement new tools to improve the targeting and effectiveness of ecosystem protection measures.</p>	<p>An objective process was developed to prioritise terrestrial sites for conservation management. A pilot procedure is now complete, along with the spatial database and programme required to analyse the information. The procedure identifies areas where conservation management can protect vulnerable species or ecosystems from loss, (for example, because of pressure from weeds or animal pests). To run this procedure, information about pressures (such as animal pests and weed distributions) and native species distributions is required. Over the past year, the Department has put significant effort into compiling this information, and progressed the spatial definition (maps) of rare ecosystems. Once completed, the information will be used to complete the ranking of terrestrial sites for conservation management. The maps of historically rare ecosystems will also contribute to the Ministry for the Environment and Department of Conservation initiative to identify priorities for the protection of rare and threatened biodiversity on private land at a national level.</p>

Key protection initiatives	Main actions in 2007–2008
	<p>Animal pest management is a primary ecosystem protection measure. A research project began, looking at the optimal predator control regime needed to secure the future of three threatened species: blue duck/whio, orange-fronted parakeet/kākāriki and yellowhead/mohua. It will answer two key questions:</p> <ul style="list-style-type: none"> ▪ Is stoat trapping necessary every year? ▪ Can a pulse of predator control in a mast beech seeding year¹⁰ facilitate the breeding success of the threatened species? <p>Other research, on toxin application, is targeted at:</p> <ul style="list-style-type: none"> ▪ Refining how a toxin is delivered, to achieve control of multiple pests for a longer period. ▪ Developing toxins that are more humane and less persistent in the food chain. <p>Pest control and eradication rely on a suite of tools, including trapping and toxins. A new bait, containing the toxin para-aminopropiophenone (PAPP), is being developed as a more humane alternative to conventional poisons (such as 1080). Pen trials have confirmed that PAPP is lethal to stoats and cats, causing rapid death. Trials on non-target species have shown a low susceptibility to PAPP, with the exception of weka, which trials suggest may be susceptible. Field trials will be conducted in 2008–2009 as a precursor to an application to the Environmental Risk Management Authority to register PAPP as a control tool against stoats and cats.</p>
<p>Begin implementing an integrated marine protected area programme.</p>	<p>The marine protected area programme aims to ensure a full range of the habitats and ecosystems representing New Zealand’s native marine biodiversity are protected and maintained in a healthy functioning state. Key to the programme’s success is progress on the Marine Protected Areas Policy and Implementation Plan (MPA Policy).</p> <p>In recent years, MPA Policy work has largely revolved around identifying, agreeing and developing standards, processes and procedures to guide implementation with all stakeholders. A classification, protection standard and implementation guideline for the MPA Policy was published during the year.¹¹</p> <p>Implementing the policy has increasingly devolved to conservancies, and work in several biogeographic regions, such as the subantarctic islands and the West Coast of the South Island, is progressing.</p> <p>The Department has continued to work closely with the Ministry of Fisheries and other stakeholders to ensure widespread consultation remains a cornerstone of the programme.</p> <p>Implementing such an extensive protection programme is a complex and demanding task. However, given the progress made, the Department believes the Government’s 2010 target of protecting 10% of New Zealand’s marine environment will be met.</p> <p>Appendix C provides a map of marine reserves and marine mammal sanctuaries as at 30 June 2008.</p>

How we measured progress toward the outcome

The Department monitors two outcome indicators: a primary indicator and a secondary indicator.

Primary indicator

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

This indicator uses both the Land Environments of New Zealand (LENZ) database and the Land Cover Database (LCDB).

The LENZ database was developed by Landcare Research and is managed by the Ministry for the Environment. LENZ maps all of New Zealand’s landmass into different types of environment. It uses factors such as climate, landform, and soil properties that are known to be correlated to forest, shrub and fern distribution.

The LCDB is derived from interpretations of land cover types (for example forest, shrub and pasture distribution) using satellite imagery. The database is curated by the Ministry for the Environment and updated at five-yearly intervals, with the next version due in 2009.

¹⁰ When native beech trees produce seed (in what are called ‘mast years’), the extra food prompts a breeding irruption among rats and mice. Stoats, weasels and ferrets tune their own breeding closely to that of their prey, so pest numbers explode, with catastrophic consequences for native wildlife.

¹¹ http://www.biodiversity.govt.nz/seas/biodiversity/protected/mpa_policy.html

This indicator was reported for the first time in the annual report for the year ended 30 June 2006, with maps showing (1) the overall changes in New Zealand's native vegetation cover by environment type, and (2) changes in the amount of native cover protected on conservation land by environment type. Threat categories for environment types have been mapped, based on the percentage of vegetation loss, the percentage under legal protection, and the rate of loss of indigenous cover across New Zealand in the last five years.

The next report on this primary indicator is due in the annual report to 30 June 2009, pending the completion and availability of the updated LCDB. Following the next report, this indicator will be tracked every five years.

Secondary indicator

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

Because it works on behalf of New Zealanders, the Department needs to keep in touch with their views of the outcomes that it is striving for.

This indicator was first reported on in the annual report for the year ended 30 June 2006, when a baseline was established. It is measured every two years through a public survey.¹² The indicator was measured for the second time during 2008.

In mid-2008, 37% of New Zealanders surveyed said the condition of New Zealand's natural and historic heritage had 'improved' over the previous year, a statistically significant increase of 9% from mid-2006. There was also a statistically significant increase in the number of people who said it had got worse - up 5%, to 31% of those surveyed.

Fewer people were in the middle ground. The proportion of New Zealanders who said the condition of New Zealand's natural and historic heritage has 'stayed about the same' fell by 15% from 2006, to 32%.

In 2008, most people (59%) rated the Department's performance as 'good' or 'very good'. Fewer people (34%) rated the Department's performance as 'neither good nor bad', while 7% rated its performance as 'poor' and 'very poor'. An annual survey of public perceptions of all Government departments continues to rate the Department among the top performing agencies.¹³

This indicator has been discontinued in 2008-2009, as it is not a good fit with the Department's new outcome and intermediate outcomes.

Building on progress - our next steps

The vision for the next two-year phase of the ongoing development of the natural heritage management system (NHMS) is to develop the Department's organisational capability to:

- optimise the work across terrestrial sites by identifying the most cost-effective biodiversity conservation work that can be done
- report on the state of biodiversity and progress towards outcomes, using information consistent with that used in the sites prioritisation and species optimisation projects.

¹² Department of Conservation, Mobius Research and Strategy Ltd.

¹³ UMR Research Government department performance rating, November 2007.

The classification of New Zealand's forests and shrublands will be further refined in the coming year, improving the Department's ability to interpret changes in vegetation cover. A collaboration with the Ministry of Agriculture and Forestry and Landcare Research, this work will produce a map displaying the extent of indigenous forests and shrubland communities across New Zealand, with supporting information.

Pest control

Many developments are underway of new animal pest control and eradication tools, including the stoat and cat toxin discussed under the key protection initiatives. The first innovation likely to be available, in 2008-2009, is a new possum kill trap that can be quickly and reliably set while posing less risk of harm to operators. This trap will also be useful to the many community groups involved in ecosystem protection. A new self-resetting trap targeting stoats and rats is also at an advanced stage. Two key features of this trap are its extremely low servicing requirement, coupled with constant readiness. These features will revolutionise the Department's ability to manage these animal pests over large areas suited to trapping.

Marine

The Department will continue to progress the aims and objectives of the Marine Protected Areas Policy and Implementation Plan (MPA Policy). Further information on next steps in marine protection is provided under the 'representative range' intermediate outcome.

INTERMEDIATE OUTCOME: THE DAMAGE FROM HARMFUL ORGANISMS ESTABLISHED IN NEW ZEALAND IS REDUCED

What we are seeking to achieve and why

The aim is to minimise the damage to indigenous species, habitats and ecosystems that can be caused by harmful organisms that have either been deliberately or accidentally introduced to New Zealand. The Department's biosecurity efforts contribute to the whole-of-government biosecurity system. The Ministry of Agriculture and Forestry (MAF), through Biosecurity New Zealand, is accountable for leading the biosecurity system.

What we did to achieve this

Biosecurity work differs from the Department's other pest and weed work. It is focused on providing policy, science and technical advice to MAF Biosecurity New Zealand and the Environmental Risk Management Authority (ERMA) about risks to indigenous plants and animals. The Department's advice to MAF Biosecurity New Zealand relates to activities done as part of its system oversight role, as well as activities it undertakes to deal with pre- and post-border incursions.

Biosecurity work also provides internal biosecurity advice and training, raising staff awareness of biosecurity issues, and developing internal policies and procedures.

Some highlights in 2007-2008

Over the past financial year, the Department's work included:

- providing policy and technical advice to MAF Biosecurity New Zealand on risk analyses, import health standards, investigation stand-down reports, incursion responses, the national pest plant accord and national-scale pest management responses
- advising ERMA on new organism determination applications
- two nationally coordinated incident management exercises to test the avian influenza response plan
- developing standard operating procedures and staff induction material to build internal biosecurity capability.

In the high-level policy area, the Department:

- provided input to MAF Biosecurity New Zealand's five-year strategic plan, draft response policy, think-piece for the future of pest management, and conceptual framework for pest management
- contributed to criteria for coordinating regional pest management and national marine partnerships
- advised on legislative amendments associated with the Hazardous Substances and New Organisms Act 1996/Biosecurity Act 1993 interface for hitchhiker organisms.

The Department continues to actively participate in government-funded biosecurity research programmes and is a key end user. It has a role on the governance committee of Better Border Biosecurity, a major outcome based investment (OBI).

How we measured progress toward the intermediate outcome

The Department monitors one indicator.

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

This indicator was reported for the first time in the annual report for the year ended 30 June 2006.

During the year, the Department provided advice and advocacy to MAF Biosecurity New Zealand as outlined above. MAF Biosecurity New Zealand considered this advice as part of its ongoing management of the biosecurity system.

The proposed transfer of most of the Department's biosecurity functions to MAF Biosecurity New Zealand (outlined below) means this biosecurity indicator will no longer be relevant.

Building on progress - our next steps

The 2008 strategy and budget alignment review resulted in a decision to transfer some biosecurity functions and funding to MAF Biosecurity New Zealand, subject to Cabinet approval. A driver for the change was the 2003 New Zealand Biosecurity Strategy recommendation that a single agency (MAF Biosecurity New Zealand) be established, with lead accountability for ensuring the full range of biosecurity activities is delivered to meet the outcome expectations of agencies with an interest in biosecurity.

As part of the transfer arrangements, MAF Biosecurity New Zealand will appoint a principal and a senior environmental advisor, who will ensure co-ordination of conservation matters for MAF Biosecurity New Zealand. A memorandum of understanding between the Department and MAF Biosecurity New Zealand will be written to ensure agreed standards and procedures are clear, and these will be monitored and amended as necessary to ensure conservation considerations are addressed. The Director-General's ability to appoint a chief technical officer (under the Biosecurity Act 1993) will remain, and this will be exercised on an as-required basis.

The Department will redirect its focus to enhancing internal biosecurity awareness and capability in order to support MAF Biosecurity New Zealand as the lead biosecurity agency. Conservancies will take a greater role in biosecurity activities.

The Department will no longer have a major role in a number of functions, such as declaring organisms unwanted and exempting and revoking unwanted organisms, and will reduce the level of science and technical advice available to MAF Biosecurity New Zealand.



INTERMEDIATE OUTCOME: THE NATURAL CHARACTER OF MANAGED PLACES IS MAINTAINED OR IMPROVED

What we are seeking to achieve and why

This intermediate outcome relates to areas the Department actively manages. The aim is, as far as possible, to maintain or improve marine, terrestrial and freshwater sites on public conservation lands and waters to a healthy natural functioning condition, described as 'ecological integrity'. In a site with high ecological integrity, most native species that would naturally be present are thriving and key ecological processes are functioning, with few foreign weed and pest pressures.

Maintaining and improving ecological integrity on public conservation lands and waters is a key means to address the ongoing depletion of New Zealand's natural heritage. This is a long-term exercise. Sites on public conservation lands and waters provide security for these enduring efforts, along with opportunities to develop and apply knowledge that can then be applied to support the conservation efforts of others.

Natural heritage is preserved both for its own sake, and to help to maintain options for current and future New Zealanders. This work is part of the Department's contribution to the New Zealand Biodiversity Strategy.

What we did to achieve this

Reducing or removing introduced pests and weeds, and fencing, are the principal activities for maintaining or improving the 'natural character' of sites, as these reduce the main threats to the healthy functioning of ecosystems in terrestrial and freshwater environments. In some places it is also necessary to undertake restorative activities, such as replanting, reintroducing original species and closely managing habitats to enable natural processes to become re-established.

The *Statement of Intent 2007-2010* set out three areas the Department would focus on to measure ecological integrity, reported below. They measure representativeness, species occupancy and native dominance.

Measuring representativeness

The core idea behind 'representativeness' is that the biodiversity pattern is intact and healthy if the full range of biological diversity is included within the areas managed for conservation.

Two research projects are underway to provide further information on ways to measure representativeness, both funded through the cross-departmental research pool.

- *How much indigenous biodiversity remains on 'land under indigenous vegetation'?* This project measures the proportion of native biodiversity in selected land cover classes (LENZ) and characterises the relationships between biodiversity cover on the one hand and environments and land use on the other.
- *Does 'environmental representation' indicate species security?* This will describe the relationship between representation, habitat loss and species security. It will indicate, through the use of modelling, the species that will be retained or lost at different levels of environmental representation, based upon life-history traits that influence their vulnerability.

Both projects are near the end of their pilot phases. Future development and reporting depends on regular updates of the New Zealand Land Cover Database (LCDB).

Measuring species occupancy and native dominance

'Species occupancy' is the extent to which any species capable of living in a particular ecosystem is actually present at a relevant spatial scale.

Two research projects funded through the cross-departmental research pool are underway to help measure species occupancy.

- *How well does the 'demographic response of managed acutely threatened taxa' capture other biodiversity benefits from intensive management?* This will predict which species, if any, are the best surrogates for describing wider benefits that might accrue from threatened species management. These predictions will be tested in a range of ecosystem types to identify circumstances in which threatened species have value as population indicators. A literature review suggested that threatened species management has wider benefits for other species on the site, and that trends in threatened species may indicate such benefits. The project is also collating monitoring information for all terrestrial and freshwater threatened species as a basis for identifying potential case studies.
- *How do trends in 'ecosystem composition' along environmental and disturbance gradients reflect changes to whole ecosystems?* This relates to specific species and large-scale changes, so contributes to our understanding of species occupancy and, in their aggregate, helps interpret the 'indigenous dominance' component of ecological integrity. The research will provide options for the Department to report on the indicator 'Tracking changes in the size-class structure of selected indigenous dominants in particular places within forest on conservation land'. It will develop methods to determine the long-term responses of indigenous forest plant species to pest animals, such as possums, goats and deer. The approach uses selected records of forest plants in permanent plots located throughout New Zealand. The project has also assessed the traits of plants, and on that basis, put them into functional groups.

Some highlights in 2007-2008

- Three wetland restoration sites were established (the Arawai Kākāriki programme), along with associated advisory and research support.
- ERMA accepted 1080 for re-registration, subject to some minor procedural improvements.
- An agreement between the Department, Horizons Regional Council and iwi to carry out animal pest and predator control, and fencing, will protect kiwi, blue duck/whio and other biodiversity, and achieve a significant improvement in the natural character, of a large portion of Whanganui National Park and adjacent private land.
- Enhanced natural character of new marine reserves at Motukaroro and Waikaraka (Northland), due to the Department's compliance and advocacy efforts, and evidence to show that, 14 years on, many more and larger-sized blue cod and rock lobster live inside Tonga Island Marine Reserve (Nelson) than outside its boundaries.
- Wilding pine control lines were re-established on the edges of the Mount Aurum Recreation Reserve (9000 hectares) and outlier trees were killed.
- Animal pests were eradicated from Secretary Island in Fiordland, and possums and rats were controlled over 73,000 hectares of forest ecosystems in Kahurangi National Park, and the Arawhata and Copland valleys, to protect species including northern rata, powelliphanta species and beech/mistletoe and rata/kamahi forests.
- Blumine Island, in Queen Charlotte Sound, was confirmed predator-free in a restoration partnership between Untouched World, the Department and other commercial and educational organisations.

How we measured progress toward the intermediate outcome

The Department monitors two indicators.

Tracking changes in indigenous vegetation cover on conservation land by environment type.

This indicator uses the LCDB. The baseline was developed and first reported on in the year ended 30 June 2006. A report on this indicator is not due this year.

During 2006–2007, the Ministry for the Environment began the process to update the LCDB (its third update), purchasing satellite imagery to help track changes in land cover. The update is expected to be completed in 2008 and a report on this indicator is expected in the Department's next annual report, due in 2009.

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

This indicator measures trends in the structure and composition of forests that can show the influence of pest species, as distinct from other drivers influencing native plant populations. Joint development with Landcare Research has proposed two indicators to report on change in forests on conservation lands:

- *Size-class structure.* This measures the distribution of tree species in a forest according to their size and age. The assumption is that when there is a natural balance between new seedlings germinating and old trees dying, the normal processes in the forest will maintain the forest ecosystem's integrity. If pest species are having an impact by browsing on the vegetation, this may show up in the trees having a non-natural size distribution.
- *Representation of specific species or functional groups.* This assumes that species with similar traits and life histories will have a common response to factors (such as climate change, or browsing by deer or possums). Therefore, it follows that threats which have an impact on these 'representative' species or functional groups will have similar consequences for other species, and will therefore affect the maintenance of the forest ecosystem's integrity.

A report on these indicators is not due this year; the next is due in the annual report to 30 June 2011.

Building on progress – our next steps

In 2006–2007, the Department, in collaboration with Landcare Research, began to develop an optimal sampling strategy for the two indicators used to 'Track changes in the size-class structure of selected indigenous dominants in particular places within forests on conservation land', and expanded the scope to include other vegetation communities on conservation land (such as grasslands). The two organisations also began to explore three other indicators: distribution and abundance of exotic weeds considered a threat; distribution and abundance of priority animal pests; and assemblage of widespread native animal species (birds initially). These developments are a contribution to the NHMS programme of work. During 2008–2009, the proposed sampling strategy will be tested to determine its feasibility and affordability, and resolve methodological issues.

When implemented, the information will enable the Department to clearly link the interventions it makes with outcomes achieved, so that it can report on key biodiversity features and how they are changing nationally. Further reporting options will come from the findings and recommendations of research projects funded through the cross-departmental research pool,

especially ‘How do trends in ‘ecosystem composition’ along environmental and disturbance gradients reflect changes to whole ecosystems?’ reported on above.

INTERMEDIATE OUTCOME: MANAGED THREATENED SPECIES HAVE A LOWER RISK OF EXTINCTION

What we are seeking to achieve and why

The aim is to secure threatened species from extinction and, in particular, reduce the risk of extinction for those species that are actively managed. The focus is on managing specific populations that have the greatest chance of achieving security.

The short-term effect of management is often to slow the rate of decline for the managed populations. Longer term, declines will be reversed and managed populations will increase towards security and recovery targets.

Securing threatened New Zealand species is part of the Department’s contribution to the New Zealand Biodiversity Strategy. Species are preserved for their own sake, for their role in indigenous ecosystems, to meet public expectations and to help to maintain options for current and future New Zealanders.

What we did to achieve this

The Department has developed innovative field management techniques for many of the species at risk in New Zealand.

It is now beginning to create an objective national system for prioritising work across threatened species. The ‘optimising threatened species recovery’ project was begun in 2007–2008 to help establish a smarter national direction for threatened species security and recovery. The work involves developing specific goals, an effective and transparent prioritisation method, and decision support tools to allow cost-effective allocation of resources nationally.

The first tool to support management decisions about preventing species extinction (security) has been developed, and the next phase is to plan for its use within the Department. A further decision tool will be developed for the long-term recovery of threatened species.

The tool assesses four factors, shown in Table 1.

TABLE 1: FACTORS USED TO PRIORITISE RESOURCES FOR THREATENED SPECIES

Prioritisation factors	Explanation
Urgency	Based on relative risk of losing a species.
Feasibility	Chance of success: can we do the management, and will it work?
Cost	Cost of combined management actions at identified scale and locations; called the ‘management prescription’.
Uniqueness	A measure of relative uniqueness.

The tool generates a ranked list of species and their management prescriptions. This allows threatened species security work to be progressed in the order that gives the best national return on investment for management, for any given national funding level.

The project's main data collection phase was completed in December 2007. A total of 107 internal and external technical and operational experts helped build management prescriptions for the 655 species most threatened with extinction. The process collated data from technical experts on the best population(s) and management action(s) required to buffer against threats. The aim for each species was to have a 95% chance of a viable population in 50 years time. Operational experts costed the management actions at the identified locations. The draft decision support tool was further refined after a peer review of management prescriptions.

Review of the New Zealand threat classification system

Another major support to species work is the review of the New Zealand threat classification system, conducted by a team of departmental and external experts. Developed in 2001, the system is a decision support tool that identifies the risk of a native species (marine, terrestrial, and freshwater) going extinct. Every three years, the threat status of species is listed, which allows the Department to periodically track the movement of managed species from one threat classification to another. Changes may be as a result of continuing pest or environmental pressure, successful management effort, or increased understanding from new information on the species.

The revised system (shown in Figure 2) is now more explicit about the process and better reflects the type of management action required for species and subspecies in the different threat categories.

Major changes include:

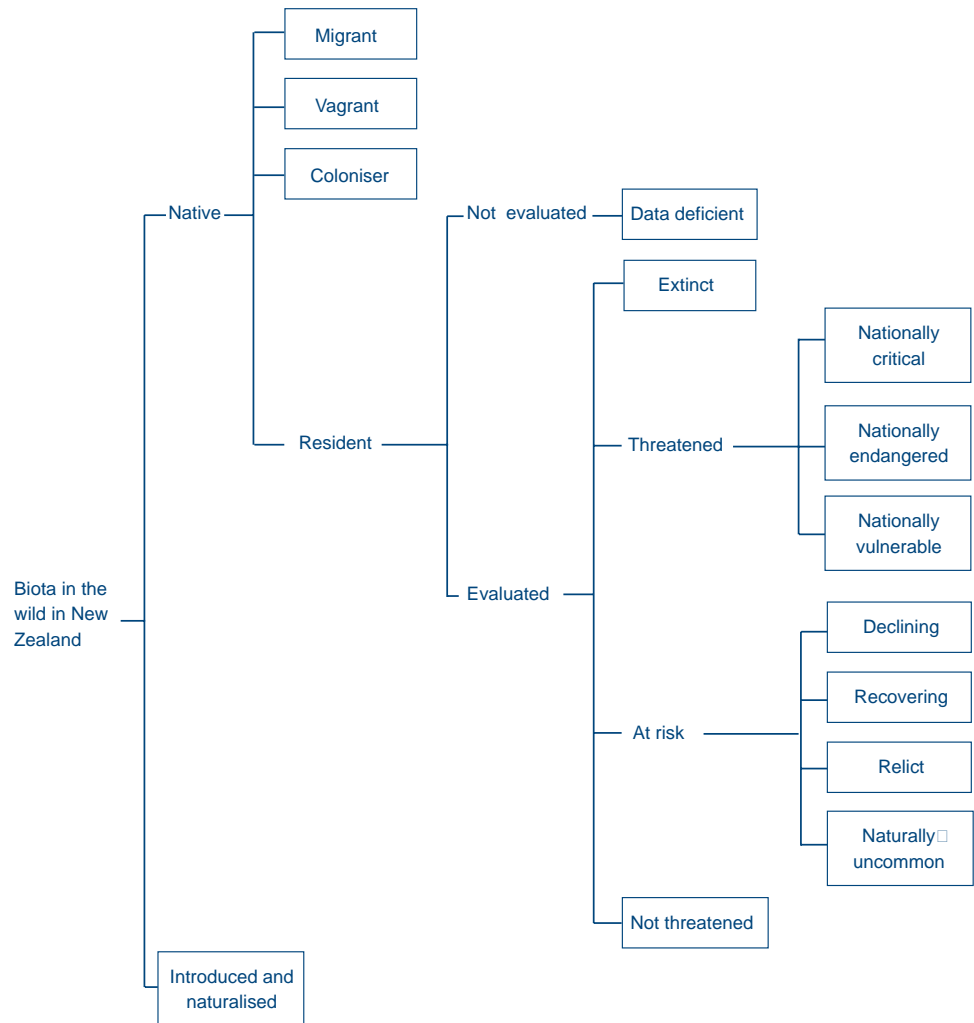
- A clearer separation between the 'threatened' group (those threatened with imminent extinction and requiring active management), and the 'at risk' group (not in any immediate danger of extinction, yet still require monitoring).
- A new category, called 'recovering', for threatened species and subspecies that have responded well to management actions.
- Separating naturally uncommon species and subspecies from those that have declined substantially but are now stable in safe locations, such as islands (the latter are now placed in a new category called 'relict').

Threatened species listings

The listing process, which assigns threat categories to species and subspecies, used to take place in a single, major effort every three years. This task will still be carried out every three years for each group but, beginning in July 2007, one group will be reviewed at a time, with all groups covered over a three-year cycle. In 2007-2008, plants, birds and fungi were reviewed.

During the coming year, the Department will reassess the threat status of the following groups: frogs, reptiles, bryophytes, freshwater fish, marine fish, bats, marine mammals, macroalgae and marine invertebrates.

FIGURE 2: THE REVISED NEW ZEALAND THREAT CLASSIFICATION SYSTEM



Some highlights in 2007-2008

Birds

- Kākāpō: Six chicks hatched. The total population of 91 is a 78% increase since 1995.
- Shore plover/tuturuatu: One of New Zealand’s top 10 threatened birds. The first pair bred on Mana Island, just one year after being released.
- Kiwi: All kiwi sanctuary populations are increasing in response to management. New populations were established or supplemented through translocations, often in collaboration with others, including with community groups and Bank of New Zealand Operation Nest Egg™.
- Brown teal/pāteke: The population reintroduced to Moehau kiwi sanctuary in 2003 was declared self-sustaining with ongoing predator control. New populations can now be established elsewhere.
- Chatham Island tāiko: A record number of 13 chicks successfully fledged after transfer to a protected enclosure in a private covenant.
- Orange-fronted parakeet/kākāriki: Two populations are establishing and breeding on Te Kākahu o Tamatea/Chalky Island (Fiordland) and Maud Island (Marlborough Sounds).

Giant skinks

- Mammal exclusion fencing and predator trapping at Macraes have resulted in between 30% and 90% (depending on treatment and species) population increases for Grand and Otago skink.

Hector's and Māui's dolphins

- The draft threat management plan (published with the Ministry of Fisheries) contributed to the Minister of Fisheries' decision to put in place fisheries measures to help protect the endangered dolphins, including set net and trawl bans and increased observer coverage. The intention is to create four new marine mammal sanctuaries and extend the Banks Peninsula marine mammal sanctuary.

Plants

- The very threatened *Celmisia Mangaweka*, a daisy known from only one site in the Palmerston North area, has been successfully propagated.

Frogs

- Hamilton's frog (one of the world's rarest) was translocated to Nukuwaiata (Pelorus Sound) to establish a second population. There is evidence of successful breeding.

Mitigating the effects of fishing

- The Department worked with the Ministry of Fisheries to develop regulations introducing mandatory mitigation measures to reduce the by-catch of seabirds.

New technology

Technology developed and trialled by the Department and private enterprise has improved efficiency in kiwi work. The Chick Timer SMART transmitter predicts, with confidence, when an egg will hatch, allowing field workers to pick up newly hatched wild kiwi chicks for recovery management.

Policy

A review considering the appropriateness of protection levels for wildlife currently listed on the Conservation Act's schedules was progressed and will be completed in 2008-2009.

How we measured progress toward the intermediate outcome

The Department monitors four indicators.

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

Tracking changes in the threat classification status of managed 'acutely threatened' species or subspecies.

Tracking changes in the threat classification status of managed 'chronically threatened' species or subspecies.

Tracking changes in the threat classification status of managed 'at risk' species or subspecies.

Reports on these indicators are derived from assessments of the threat status of species and subspecies. These are made using the New Zealand threat classification system.

The Department provided updated information on these indicators in the annual reports for the years ended 30 June 2006 and 30 June 2007. The threat classification system underwent a major revision in 2007–2008, as outlined above. As a result, the Department will next report on species indicators at the end of the 2010–2011 year.

Building on progress - our next steps

Long-term threatened species recovery

Securing species from extinction is only the first step, the Department must also ensure the longer-term recovery of threatened species. With this in mind, the next phase of the 'optimising threatened species recovery' project will set targets for the level of management effort and for the number of populations and the total number of individuals required for threatened species recovery over a 200-year timeframe. The two ranked prescription lists (for security and long-term recovery) will then be brought together to develop a combined decision support tool which will enable comparison of choices about the best set of threatened species to manage under the two goals (security and long-term recovery).

The role and management of species recovery groups will be reviewed when planning the project's implementation.

Marine species

The Department will continue to work closely with the Ministry of Fisheries, the fishing industry and other stakeholders to monitor the Hector's and Māui's dolphins, and assess the effectiveness of the threat management plan.

Scientific data from recent surveys will be analysed to improve awareness of the southern right whale and to assist with conservation efforts.

The Department will continue its work through the Conservation Services Programme, and with the Ministry of Fisheries, the fishing industry and other stakeholders, to mitigate and manage protected species mortalities in fishing (such as the New Zealand sea lion).

INTERMEDIATE OUTCOME: A REPRESENTATIVE RANGE OF NEW ZEALAND'S ENVIRONMENTS IS PROTECTED

What we are seeking to achieve and why

The aim is to secure protection for adequate and viable examples of all the different types of marine and terrestrial ecosystems and landscapes, which, combined, gave New Zealand its original character. Successful protection of the full range of ecosystems will best provide for the wide range of indigenous species and the natural systems that sustain them.

A diverse range of protected areas also enables a wide suite of ecosystem services to occur (such as flood protection, and water and soil quality protection), which are of economic, environmental, social and cultural benefit to the New Zealand public.

This work is part of the Department's contribution to the New Zealand Biodiversity Strategy.

What we did to achieve this

Because some of New Zealand's most rare and threatened ecosystems are now found only on private land, effort was focused on protecting examples of each ecosystem or landscape type not already adequately represented on public conservation lands and waters. Protection was achieved by legally protecting examples, and by supporting others in their efforts to manage the key threats and restore natural systems.

Marine protected areas

The implementation of the marine protected area programme is vital to this intermediate outcome. As well as the key protection initiatives reported at the beginning of this section, work was completed on key national tasks of the MPA Policy, including the protection standard, classification and implementation guidelines. This work will help guide community-based planning forums to make recommendations on the location of sites for protection, and tools to protect their biodiversity values.

Terrestrial and freshwater protected areas

The Department provides services for several independent funds, which each play a major role in protecting and maintaining New Zealand's rare ecosystems on lands outside public conservation areas. Their achievements, while independent of the Department, are referenced in this annual report as they contribute to the intermediate outcome of protecting a representative range of natural heritage. They are the Nature Heritage Fund, the Biodiversity Condition and Advice Funds, the Terrestrial and Freshwater Biodiversity Information System (TFBIS), and the Ngā Whenua Rāhui Komiti.

Nature Heritage Fund

Five significant Nature Heritage Fund purchases in 2007–2008 were:

Hakaterere Station: 9629 hectares added to the high country Hakaterere Conservation Park in Canterbury.

Marokopa: 690 hectares of indigenous forest on karst (limestone) land near Waitomo.

Raketapauma Wetland: 150 hectares of the significant Raketapauma wetland, near Waiouru, in co-operation with Horizons Regional Council.

Bayswater: 318 hectares of peat bog added to the Bayswater Scenic Reserve means it is now large enough to function in a natural state.

Tarnbrae: 2044 hectares of a high country wetland and tussock complex in the Mackenzie Basin near Omarama.

Biodiversity Condition and Advice Funds

The biodiversity funds, which are jointly administered by the Department and the Ministry for the Environment, continued to support private landowners, community groups, companies and local authorities to manage and enhance biodiversity on private land. During 2007–2008, two funding rounds were completed and more than \$4.6 million funding allocated to 160 additional projects.

Terrestrial and Freshwater Biodiversity Information System

TFBIS supports the conservation of New Zealand's indigenous biodiversity by increasing awareness of, and access to, fundamental data and information about terrestrial and freshwater biota and biodiversity. During 2007–2008, TFBIS implemented its new vision strategy, which has five broad goals. Applications are now sought in line with those goals: enabling infrastructure; ensuring data are available and preserved; ensuring data are accessible and usable; ensuring critical gaps are filled; and ensuring knowledge is shared.

Ngā Whenua Rāhui

Māori landowners' contribution to conservation is significant. This year, three Ngā Whenua Rāhui funding rounds allocated \$3.899 million for voluntary protection, including several significant additions to New Zealand's protected lands.

The Minister formally signed 11 kawenata (covenants) for 3561 hectares of indigenous ecosystems, and approved 18 recommendations to protect a further 3604 hectares of privately owned Māori land.

Highlights in 2007–2008 include:

Muriwhenua, North Cape: This 1655 hectare block has the largest stands of pōhutukawa, taraire and pūriri forest on the North Cape, and also the very rare tawāpou. Twenty-two of 31 nationally-known rātā moehau plants exist within the block.

Successful kōkako breeding - Ngapukeariki, Eastern Bay of Plenty: Ngapukeariki is part of a 10,000-hectare block subject to a Ngā Whenua Rāhui kawenata. Pest control and monitoring over the last five years enabled 19 kōkako to be translocated there in 2005, with 11 chicks successfully fledged during this third year of the breeding programme.

Omataroa Rangataiki Trust: This joint venture between Environment Bay of Plenty Regional Council, the Department of Conservation, Ngā Whenua Rāhui and tangata whenua supports the transfer of kiwi from the Omataroa lands near Whakatane to the island of Tuhua, off Tauranga moana.

Policy

In April 2007, the Government approved and released its statement of national priorities for protecting biodiversity on private land. This joint initiative with the Ministry for the Environment guides councils in making land use decisions consistent with protecting important biodiversity on land not under conservation management. Over the 2007–2008 year, the Department and Ministry have advised councils and landowners of the new priorities. Advice on using the priorities to guide decisions has also gone to government funding programmes for conservation on private and non-conservation public land.

A review of the New Zealand Coastal Policy Statement (1994) supported consideration of a revised statement. A proposed new statement was developed and released in March 2008 for public submissions and hearings by a Board of Inquiry. It includes updated policies covering the identification and protection of natural heritage values in the coastal environment.

The Department contributed to a range of whole-of-government policy initiatives relating to protecting, managing and using natural resources. In particular, along with a number of other agencies, the Department contributed to the sustainable water programme of action, led by the Ministry for the Environment. The Department's policy advice and technical expertise focused on the statutory and non-statutory management tools being developed to protect natural values of freshwater.

Some more highlights in 2007–2008

- Trusts, iwi, local authorities and the Department worked together to protect the South Taupo wetlands.
- Volunteers helped eradicate Spanish heath from the Tauherenikau Valley, near Wellington.
- The Tapuae Marine Reserve was approved and gazetted at New Plymouth.

- Protection options for the subantarctic islands were progressed, including convening a stakeholder forum, and the West Coast Marine Protection Forum began discussing marine protection options for the West Coast of the South Island.
- Legal protection of red and silver beech forest between the eastern Grey Valley and Paparoa National Park; unmodified coastal forest and flax-dominated wetland on the Barrytown Flats; and extension of the Awarua wetland.

How we measured progress toward the intermediate outcome

The Department's monitoring is focused on trends from year to year in the percentage of most at-risk environment types under legal protection. The environment types monitored are those least represented in the national suite of legally protected areas, namely:

- lowland forests
- wetlands, and
- marine areas.

Percentage of lowland forest areas in protection.

This indicator uses the LENZ database.¹⁴ It was reported for the first time in the annual report for the year ended 30 June 2006, and has been reported annually since.

The Department's definition of lowland forest area includes all forest at or below 500 metres altitude. Lowland indigenous forest on the public conservation estate covers 2.37 million hectares, which represents about 28% of the total land administered by the Department. About 64% of all lowland forest in New Zealand is protected on public conservation land. There has been little change in the degree of protection provided for lowland forests through land acquisition initiatives over the past year.

Percentage of wetland areas in protection.

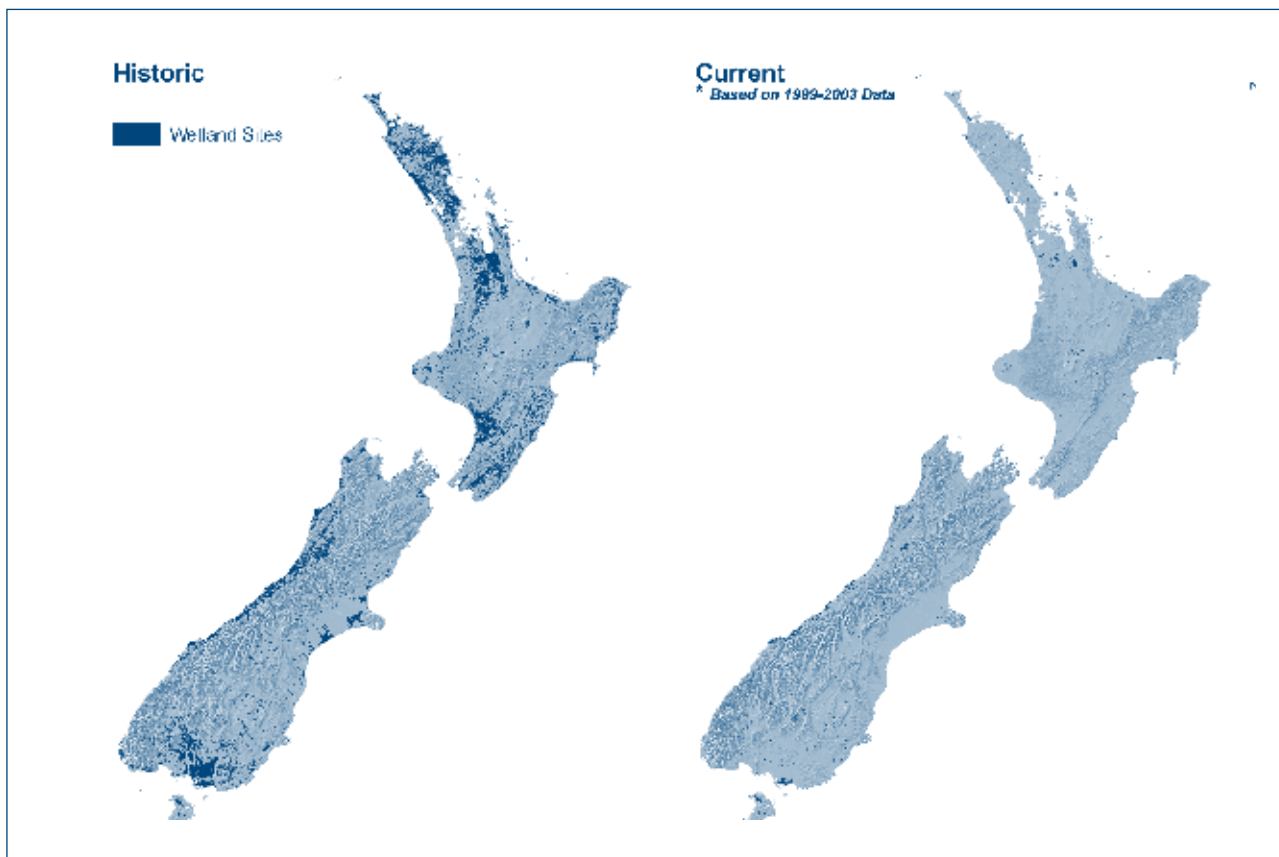
This is the first report on this indicator. It will be reported annually.

Wetland habitat loss in New Zealand has been dramatic - around 90%. The extent of loss is greatest in the North Island (about 95%), with about 85% loss in the South Island. Most remaining wetlands are degraded in condition, including losses of native flora and fauna. Of the total of 7000 wetlands (249,776 hectares) mapped nationally, about 157,000 hectares (63%) are protected on land administered by the Department.

Over the past year, the Department has completed initial mapping of the current and former extent of palustrine (marshy, swampy) and inland saline wetlands (greater than 0.5 hectares for each type). It also completed a priority ranking system that identifies nationally important wetlands for conservation management.

¹⁴ The LENZ database is described at the beginning of this protection section in relation to the primary indicator, and also in the glossary (Appendix F).

FIGURE 3: HISTORIC AND CURRENT EXTENT OF FRESHWATER WETLANDS IN NEW ZEALAND.



Percentage of marine areas in protection

This was reported for the first time in the annual report for the year ended 30 June 2006, and has been reported annually since.

The indicator has been discontinued for 2007-2008 because it does not sufficiently focus on the needs of marine protection. An annual figure for the area (hectares) of legally protected marine areas is provided through the output measure 'Legal protection of areas and sites: marine protection', which is reported in the Statement of Service Performance at the end of this section.

Building on progress - our next steps

Marine protected areas

In the marine protected areas programme, work in 2008-2009 will include:

- Releasing a consultation report for marine protection around the subantarctic islands and making recommendations to the Minister about their protection.
- Making recommendations to Ministers for marine protection options on the West Coast of the South Island.
- Preparatory work for MPA planning in the Southern Biogeographic Region and in the Hauraki Gulf.
- Finalising outstanding marine reserve applications for Tawharanui and Akaroa.
- Developing an inventory to help identify areas that meet the MPA Policy protection standard to guide where further marine protection might occur.

The Department is also undertaking to improve awareness of the marine environment, the pressures that are being exerted on it, and also ways in which the public and industry can work to reduce these.

Terrestrial and freshwater protected areas

In 2008-2009, the Department will extend the range of wetland types mapped, improving its knowledge of wetland areas in protection.

The Department will continue to manage and service the independent funding bodies, including the Nature Heritage Fund and Ngā Whenua Rāhui, and to link their work with the Department's and wider whole-of-government initiatives, to ensure that a representative range of New Zealand's natural heritage is protected.

Ngā Whenua Rāhui's focus for 2008-2009 is to prioritise sites for active management, including the approximately 100 sites it already formally protects. This prioritisation work will be achieved with the support of the NHMS database. The backlog of applications to the fund will also be worked through in 2008-2009.

INTERMEDIATE OUTCOME: A REPRESENTATIVE RANGE OF HISTORIC AND CULTURAL HERITAGE IS PROTECTED, RESTORED AND INTERPRETED

What we are seeking to achieve and why

The aim is to conserve and interpret historic and cultural places managed by the Department that represent the different aspects of New Zealand's history and cultural character, so that they are available for people to learn from and enjoy. New Zealanders will actively contribute to the conservation and interpretation of both the stories (history) and the physical elements. Tangata whenua, as kaitiaki of their historic and cultural heritage, will actively participate in identifying, conserving and managing heritage of significance to them.

Protecting, restoring, and interpreting a representative range of historic and cultural heritage places will benefit New Zealanders by contributing to their knowledge of this country's diverse past, and through this, increase their sense of place, pride and national identity. The presence and use of historic and cultural heritage offers economic benefits through tourism, provides New Zealanders with opportunities to learn about and enjoy the nation's past, and provides Māori with opportunities to exercise kaitiakitanga and to maintain and revitalise cultural practices and identity.

As people visit these sites, and some become involved in managing and/or using them, they will develop greater understanding of, and support for, the conservation of New Zealand's historic and cultural heritage.

What did we do to achieve this?

Working towards this intermediate outcome involves conserving both the stories (history) and the physical elements of human activity on public conservation lands and waters. Outside these areas, the Department has a role to advocate for historic conservation generally, and this also contributes to this intermediate outcome.

The Department has focused its efforts on prime heritage sites that it has identified as *Icon* sites because of their ability to tell a strong story about the 'Kiwi identity'.

In collaboration with local councils and communities, the Department has

identified about 20 *Icon* sites, of which 6 are now fully completed.

The Department made good progress in developing four new sites to *Icon* status over the past year.

- A 12-minute audiovisual was commissioned to tell the story of the North Head fortifications in Auckland (1884) and was viewed by 43,000 people in its first year.
- The restoration of the 14-kilometre Waitawheta bush tram route (1898) was completed, and a bridge installed at the first river crossing. Located near Waihi, this route is New Zealand's foremost timber industry heritage site. The Department expects this development to provide its most popular family friendly overnight experience close to Auckland, Hamilton and Tauranga, and monitoring indicates a significant increase in visitors already.
- A community group contributed to funding for restoration work on the Ohakune Coach Road (1906) to enable it to reach the historic Hapuawhenua railway viaduct. The first stage is expected to open to the public in time for the North Island main trunk railway centenary in February 2009.
- Railway tracks and coal wagons were restored at the top of the Denniston Incline (1876) on the West Coast. This project, at New Zealand's most significant coal mining heritage site, won a national restoration award in 2008.

The *Icon* sites initiative has successfully gained a public profile. Seven *Icon* sites managed by the Department made a 'Kiwi 101 must-see list' researched by the Automobile Association in 2007. Only two other heritage sites made that list. *Icon* sites report steady growth in visitor numbers, and in the time visitors spend on site.

In addition to the *Icon* sites, 644 historic sites are actively managed by the Department, bringing the total to 656 sites. The International Council on Monuments and Sites (ICOMOS) is the international organisation that sets best practice standards for historic heritage management. A key ICOMOS management step is 'heritage assessments'. These assessments collect and safeguard the core history of a site, and evaluate its heritage significance. The Department's aim is to provide an ICOMOS heritage assessment for each actively managed site by 2010. Remaining sites will be afforded basic protection from avoidable harm. Progress towards this goal is reported below, in the section on historic indicators.

In its historic work, wherever possible the Department complements the work of others. Major collaborations have been at local level, most notably the Tongariro Natural History Society at Ohakune, and the Buller District Council at Denniston.

Some highlights in 2007-2008

- A major project in the Kerikeri Basin is progressing well with carpark sealing and land acquisition as priorities. This is one of New Zealand's national historic priorities.
- The opening of Whakaari Conservation Area near Glenorchy, as the result of tenure review. This protects, opens up and interprets for the public, New Zealand's only intact historic scheelite mining complex, in a spectacular setting in the Richardson Mountains overlooking the head of Lake Wakatipu.
- Completion of the Macetown restoration project. This work stabilised Smith's bakery, Needham's cottage and the Anderson battery in the Macetown Historic Reserve, upgraded the reserve's interpretation panels, protected areas from further 4WD damage and managed the threat of wilding trees.

- A major remedial project on the Golden Lead battery site, in the Reefton Goldfields.

Other work included:

- Following the tourism and economic success of the Otago Central Rail Trail, the Department scoped further rail possibilities in 2007, and two opportunities in the central North Island are being investigated further.
- The Department continued to maintain and handle enquiries about the National Archaeological Records System, a service provided under an agreement with the New Zealand Historic Places Trust and New Zealand Archaeological Association. The Department has also worked with both organisations to improve electronic access to a national database of archaeological sites.

Research

Research in the historic heritage area has helped inform and improve management actions. This included:

- A study of the local history of coal mining labour on the West Coast of the South Island, and the role of these mining communities in national and international events. The study will help develop the interpretation of coal mining sites.
- A compilation of research on the use of thematic, conceptual frameworks for historic heritage interpretation and management, which will help prioritise the Department's work in this area.
- An oral history study of Northland's Ruapekapeka Pā, in conjunction with Ruapekapeka Pa Management Trust. This will result in a science report on oral-history research design and processes.
- Piloting a social marketing approach aimed at identifying ways to effectively communicate with target populations to increase how much they value conservation.

How we measured progress toward the intermediate outcome

The Department monitors three indicators.

Change in the percentage of historic sites in 'improving', 'stable' and 'degrading' categories.

This indicator was reported for the 2006–2007 annual report. It is not reported on in the 2007–2008 year, as this indicator is currently being revised so that the Department's new asset management system can be used to help measure the indicator for the 2008–2009 year.

Change in the number of historic sites that meet ICOMOS standards.

The minimum management standard set by ICOMOS is 'stabilisation', which means that natural processes of deterioration have been minimised. This standard, or better, is sought for the actively managed sites.

This indicator was reported for the 2006–2007 annual report. As for the indicator above, it is not reported on in the 2007–2008 year, as this indicator is currently being revised so that the Department's new asset management system can be used to help measure it for the 2008–2009 year.

Change in number of sites for which key history has been safeguarded.

As an indicator of this measure, the Department counts the number of heritage assessment reports completed to standard for the actively managed sites.

This indicator was reported for the first time in the annual report for the year ended 30 June 2007, and is reported annually. The intention is to safeguard key history at all 656 sites by 2010. The trend cannot be interpreted until the Department has three years of data.

TABLE 2: THE NUMBER OF HISTORIC SITES WHERE HISTORY HAS BEEN SAFEGUARDED

	2006-2007	2007-2008
Heritage inventories completed for key sites	222	299

Building on progress - our next steps

The Department is taking a 'values-led' management approach to its historic heritage responsibilities. The approach encourages people to see the value of this work to their own selves, and highlights how the Department's actions add to that value. Because of this, the focus in the future will be in communicating the heritage significance of places and helping to provide a memorable visitor experience. A training programme will help staff deliver quality heritage conservation work, while also giving them the skills to tell people about the value of that work.

The *Icon* sites initiative is a specific example of the success of the 'values-led' direction. Apart from steady progress on *Icon* sites, and a few urgent repairs at other sites, the condition of most of the 656 historic heritage sites actively managed by the Department continues to deteriorate and this situation is unlikely to change - restoration and maintenance can begin on only 5-10 new sites each year.

STATEMENT OF SERVICE PERFORMANCE 2007-2008: MANAGING NATURAL HERITAGE

2007-2008 performance measures and targets	National commentary ¹⁵
BIOSECURITY - SPECIFIC PEST AND DISEASE RESPONSES	
Technical, scientific and policy advice and support will be delivered in accordance with the programme agreed with the Minister of Biosecurity and the Ministry of Agriculture and Forestry.	Advice was provided to MAF Biosecurity New Zealand on a total of 12 risk analysis, 15 import health standards and 64 other consultation documents including technical reports, stand-down memorandum and permission documents. Technical advice and support was provided on a number of new incursion responses including Mediterranean fan worm, contaminated coco peat, orange fruit borer, the Ocean Patriot (a contaminated oil rig), and illegally imported seeds. Advice was also provided to ERMA on 16 new organism applications. In addition, 11 Cabinet papers were reviewed and commented on during this period.
FIRE CONTROL	
11 conservancies will operate within a fire response/action plan published in accordance with the National Departmental Fire Plan.	11 conservancies operated within a fire response /action plan published in accordance with the National Departmental Fire Plan.
2 conservancies will operate within the Fire Plan of a Rural Fire District.	2 conservancies operated within the Fire Plan of a Rural Fire District.
PEST AND WEED CONTROL - POSSUMS	
264,000 hectares of land will receive treatment this year for possums.	257,547 hectares of land received treatment this year for possums.
1,074,000 hectares of land will be under sustained control for possums.	1,066,570 hectares of land was under sustained control for possums.
112 possum control operations will be undertaken with 90% of operations meeting their targets for operational success.	117 possum control operations were undertaken this year. 109 of the 117 operations undertaken met their targets for operational success (93% of operations undertaken).
PEST AND WEED CONTROL - DEER	
339,000 hectares of land will receive treatment this year for deer.	341,553 hectares of land received treatment this year for deer.
681,000 hectares of land will be under sustained control for deer.	683,298 hectares of land was under sustained control for deer.
PEST AND WEED CONTROL - GOATS	
1,456,000 hectares of land will receive treatment this year for goats.	1,417,909 hectares of land received treatment this year for goats.
2,348,000 hectares of land will be under sustained control for goats.	2,363,720 hectares of land was under sustained control for goats.
PEST AND WEED CONTROL - OTHER TERRESTRIAL ANIMAL PESTS	
37 pest control operations will be undertaken against other terrestrial pests.	36 pest control operations were undertaken against other terrestrial pests.

¹⁵ The Department considers that target performance has been achieved when the output is within a tolerance level acceptable for the nature of the operation. For field operations, this is generally within plus or minus 5% of the projected performance target.

2007-2008 performance measures and targets	National commentary
PEST AND WEED CONTROL – AQUATIC ANIMAL PESTS	
18 aquatic animal pest eradication operations will be undertaken in treatable sites.	7 aquatic animal pest eradication operations were undertaken in treatable sites. The lower than expected number of operations is because, in the Nelson/Marlborough conservancy, pest fish populations tend to be in orchard ponds where treatment can only be undertaken at the end of the fruit season, and depends on weather and pond conditions. Due to heavy rain this year, pond treatment could not be undertaken at the optimal time and only 3 of 5 sites were treated. As well, one conservancy (Wanganui) treated only the highest priority sites and re-allocated remaining resources from 9 sites to enable an awareness raising programme to be run.
PEST AND WEED CONTROL – WEEDS (INCLUDING AQUATIC WEEDS)	
107 weed control work plans will be completed using a weed-led approach.	101 weed control work plans were completed using a weed-led approach. Though not yet a widespread problem, the availability of suitably qualified aquatic specialists resulted in the cancellation of aquatic weed work in one conservancy.
416,000 hectares of land will receive treatment this year for weeds using a site-led approach.	435,387 hectares of land received treatment this year for weeds using a site-led approach.
1,385,000 hectares of land will be under sustained weed control using a site-led approach.	1,398,396 hectares of land was under sustained weed control using a site-led approach.
NATURAL HERITAGE RESTORATION	
56 restoration programmes will be undertaken.	53 restoration programmes were undertaken. One conservancy (Bay of Plenty) transferred an ongoing restoration programme to a community-led landcare group.
90% of restoration programmes undertaken will meet the criteria for success set out in the programme plan.	44 of 53 (83%) restoration programmes undertaken met the criteria for success set out in their programme plans. One conservancy (Canterbury) reported that the long-term nature of 8 restoration programmes meant that success or failure will not be established for several years. While making progress these programmes cannot yet be reported as successful.
83 island biosecurity programmes will be in place for pest-free islands.	83 island biosecurity programmes were in place for pest-free islands.
82 island biosecurity programmes will maintain a pest-free status.	82 island biosecurity programmes maintained a pest-free status.
SPECIES MANAGEMENT	
148 'acutely threatened,' species or subspecies will have improved security for one or more populations as a result of active species conservation programmes.	Security improved for one or more populations of 157 'acutely threatened' species or subspecies as a result of active species conservation programmes.
53 'chronically threatened,' species or subspecies will have improved security for one or more populations as a result of active species conservation programmes.	Security improved for one or more populations of 58 'chronically threatened' species or subspecies as a result of active species conservation programmes.
23 'at risk' species or subspecies will have improved security for one or more populations as a result of active species conservation programmes.	Security improved for one or more populations of 23 'at risk' species or subspecies as a result of active species conservation programmes.
The Department will have achieved improved understanding of status and threats for 182 'acutely threatened' species or subspecies through survey monitoring and research.	The Department gained improved understanding of status and threats for 195 'acutely threatened' species or subspecies through survey monitoring and research.

2007-2008 performance measures and targets	National commentary
<p>The Department will have achieved improved understanding of status and threats for 61 'chronically threatened' species or subspecies through survey monitoring and research.</p>	<p>The Department gained improved understanding of status and threats for 67 'chronically threatened' species or subspecies through survey monitoring and research.</p>
<p>The Department will have achieved improved understanding of status and threats for 26 'at risk' species or subspecies through survey monitoring and research.</p>	<p>The Department gained improved understanding of status and threats for 29 'at risk' species or subspecies through survey monitoring and research.</p>
<p>The Department works with the commercial fishing industry and other stakeholders to develop and report on an annual programme of scientific investigation into the effects, and mitigation of the effects, of commercial fishing activity on protected marine species. Activities within this agreed Conservation Services Programme will be reported on against the agreed milestones and criteria within the programme at year end.</p>	<p>The 2007-2008 Conservation Services Programme of research had, to the end of February, involved deploying observers for 902 days in 13 fisheries in accordance with the risks identified for those fisheries.</p> <p>A feature of this year's programme has been deploying observers on inshore vessels in areas of risk for protected species such as threatened seabirds and Hector's dolphins.</p> <p>Long-term population studies are in the reporting stages with successful 2007-2008 field projects aimed at estimating populations of New Zealand sea lions on Auckland and Campbell Islands, and of white-capped albatross on the Auckland Islands.</p> <p>The Crown-funded black petrel project is on track to determine the survival and productivity of this species on their two breeding sites at Great and Little Barrier Islands.</p>
LEGAL PROTECTION OF AREAS AND SITES	
<p>Concurrence sought: from Ministry of Fisheries for the following approved marine reserve applications:</p> <p>Aotea (Great Barrier Island) 49,500 hectares</p> <p>Tapuae (Taranaki) 1547 hectares</p>	<p>Aotea (Great Barrier Island) – 49,500 hectares</p> <p>Ministry of Fisheries provided concurrence advice for the Aotea (Great Barrier Island) marine reserve application to the Minister of Fisheries.</p> <p>Concurrence was declined by the Minister of Fisheries. The Minister of Conservation is now considering issues raised by the Ministry of Fisheries relating to public interest.</p> <p>Tapuae (Taranaki) – 1404 hectares</p> <p>Fully approved. Survey completed and formally gazetted.</p>
<p>Consideration by Minister for further marine protection proposals at:</p> <p>Akaroa Harbour 530 hectares</p> <p>Tawharanui 400 hectares</p> <p>Subantarctic islands (Antipodes, Bounty, and Campbell Islands) up to 680,647 hectares.</p>	<p>Akaroa Harbour – 530 hectares</p> <p>A report to the Minister is in preparation, and the timetable for this has been discussed with the Minister.</p> <p>Tawharanui – 400 hectares</p> <p>A report to the Minister is in preparation, and the timetable for this has been discussed with the Minister.</p> <p>Subantarctic islands (Antipodes, Bounty, and Campbell Islands) – up to 680,647 hectares</p> <p>An MPA planning forum for the subantarctics has been set up with an agreed terms of reference. The forum has met six times and is discussing MPA protection options for the islands.</p>

<p>Marine protected sites to be achieved involve:</p> <ul style="list-style-type: none"> ▪ completing processing and decision-making in respect of the above marine protection applications ▪ participating in regional planning processes for marine protected areas relating to the: <p>Hauraki Gulf</p> <p>Coastal area near Otago/Southland</p> <p>South Island West Coast</p>	<p>Processing:</p> <p>Aotea (Great Barrier Island) Concurrence declined by the Minister of Fisheries.</p> <p>Tapuae (Taranaki) Tapuae gazetted</p> <p>Participation in regional planning:</p> <p>Hauraki Gulf Progress on the Hauraki Gulf is in a preparatory phase following the Minister of Fisheries' decision to decline concurrence of the Aotea (Great Barrier Island) marine reserve application.</p> <p>Coastal area near Otago/Southland Preparatory work continues towards participation in regional planning processes in Otago/Southland.</p> <p>South Island West Coast West Coast MPA planning process is continuing with the lead up to establishing a marine protection planning forum. The West Coast Marine Protection Forum is aimed at implementing the MPA Policy to identify areas for marine protection.</p>
<p>45,000 hectares of terrestrial area legally protected during the year.</p>	<p>57,258 hectares of terrestrial area was legally protected during the year. A significant proportion of the area protected was a result of the transfer of Muzzle Station (14,218 hectares) to the Department via the tenure review process.</p>
<p>12 historic sites where legal protection will be achieved.</p>	<p>Legal protection was achieved at 2 historic sites. The target was not met as legal protection planned for a number of sites in Otago was not achieved due to the ongoing nature of the tenure review negotiation process led by Land Information New Zealand. Wanganui reported that legal protection processes were still in progress at the time of reporting. Wellington incorrectly set a target of 4 sites during the planning phase. No protection was achieved in that conservancy.</p>
RMA ADVOCACY AND COASTAL PLANNING SERVICES	
<p>30 court or legal actions where other processes have failed.</p>	<p>The Department was involved in 30 court or legal actions where other processes had failed.</p>

OUTPUT CLASS OPERATING STATEMENT 2007-2008: MANAGEMENT OF NATURAL HERITAGE

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
Revenue				
- Crown	133,716	126,979	133,716	129,596
- Other	10,576	8,129	12,549	7,912
Total Revenue	144,292	135,108	146,265	137,508
Expenses	143,695	135,108	146,265	135,641
Surplus/(deficit)	597	0	0	1,867

STATEMENT OF SERVICE PERFORMANCE 2007–2008: REGIONAL PEST MANAGEMENT STRATEGIES

2007–2008 performance measures and targets	National commentary
CROWN PEST/WEED EXACERBATOR COSTS	
Programmes of Crown exacerbator weed and pest control completed as agreed for the 17 regional pest management strategies.	16 programmes of Crown exacerbator weed and pest control were completed.

OUTPUT CLASS OPERATING STATEMENT 2007–2008: REGIONAL PEST MANAGEMENT STRATEGIES

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
Revenue				
- Crown	2,059	2,059	2,059	2,079
- Other	3	0	0	0
Total Revenue	2,062	2,059	2,059	2,079
Expenses	1,982	2,059	2,059	2,013
Surplus/(deficit)	80	0	0	66

STATEMENT OF SERVICE PERFORMANCE 2007-2008: MANAGEMENT OF HISTORIC HERITAGE

2007-2008 performance measures and targets	National commentary ¹⁶
Historic heritage restoration	
36 historic or cultural heritage assets for which remedial work is completed to standard.	36 historic or cultural heritage assets received remedial work to standard during the year.
640 historic or cultural heritage assets for which regular maintenance work is on track to standard.	<p>549 historic or cultural heritage assets received regular maintenance work during the year.</p> <p>The target was not met because:</p> <ul style="list-style-type: none"> ▪ Wellington conservancy scaled back its ongoing maintenance programme after reprioritising its work around a smaller number of high priority sites. ▪ Canterbury conservancy directed resources into a higher priority programme in the recreation visitor assets area. ▪ Wanganui conservancy cancelled a programme due to artifacts being returned to the owner. A further programme was not completed at time of reporting.
100 historic or cultural heritage assessment reports completed to standard.	<p>77 historic or cultural heritage assessment reports were completed to standard during the year.</p> <p>The target was not met because Auckland and Nelson/Marlborough conservancies reported that a number of heritage assessments were delayed due to core components of the assessments still being in preparation (for example a logging plan for Kawau Island, and hut drawings and landscape assessments at Raoul Island). Staffing issues, such as difficulty in recruiting specialists, also affected performance.</p>

OUTPUT CLASS OPERATING STATEMENT 2007-2008: MANAGEMENT OF HISTORIC HERITAGE

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
Revenue				
- Crown	5,899	5,275	5,899	5,407
- Other	172	273	477	210
Total Revenue	6,071	5,548	6,376	5,617
Expenses	6,005	5,548	6,376	5,546
Surplus/(deficit)	66	0	0	71

¹⁶ The Department considers that target performance has been achieved when the output is within a tolerance level acceptable for the nature of the operation. For field operations, this is generally within plus or minus 5% of the projected performance target.

Appreciation outcome: People enjoy and benefit from New Zealand's natural, historic and cultural heritage and are connected with conservation

THE KEY OUTPUTS THAT CONTRIBUTE TO THE APPRECIATION OUTCOME

In its *Statement of Intent 2007-2010*, the Department identified three groups of key outputs and measures to target its efforts in achieving the outcomes it sought for appreciation. To provide context to the achievements reported in this section, the key outputs delivered in 2007-2008 are described below.

Recreation and business management

Recreation management

This work provides a spectrum of recreation opportunities to meet the needs of defined visitor groups, from urban areas to remote wilderness sites, through a network of managed assets that include huts, tracks and camp sites, structures, roads, carparks and visitor centres. This output also delivers up-to-date, accessible and relevant information in a variety of ways to meet a variety of visitor needs, expectations and abilities.

Business opportunities management - recreation concessions

This work delivers services to provide and manage recreation concessions and applications. It allows commercial recreation concessions that increase the range of recreation opportunities available, and are compatible with the protection of natural, cultural and historic values and visitors' enjoyment. It includes monitoring and recording any adverse conservation impacts.

Business opportunities management - other resource use concessions

This work delivers services to provide and manage non-recreation concessions and applications. It allows non-recreational commercial concessions that are compatible with the protection of natural, cultural and historic values and visitors' enjoyment. It includes monitoring and recording any adverse conservation impacts.

Education and communication

Education and communication

This work helps people connect with conservation and its full value and benefits, and through this, build understanding of, and support for conservation. Actions include working with print, radio and television media, education initiatives, and providing information through the internet, publications and multi-media formats.

Participation

Participation

This work provides people with ways to make a difference for conservation by giving their time, expertise and/or goods and services. Actions include volunteer programmes, partnership programmes, and supporting others' initiatives by sharing skills and knowledge.

International obligations

This work contributes to international conservation initiatives and obligations through international committees, agreements and conventions.

What we are seeking to achieve in the appreciation outcome and why

The appreciation outcome draws together work that provides for the public's appreciation and recreational enjoyment of protected natural, historic and cultural resources.

The aim is to build on the values that people attach to conservation, making parks and other protected areas as relevant and vital to their lives as other essential services and places. This includes fostering a shared sense of stewardship with the community and business.

Achieving this outcome will contribute to individual and societal health and wellbeing, as well as to people's cultural, spiritual, social and economic connections with New Zealand's special lands and waters, and will provide opportunities for education and inspiration.

What we did to achieve this

Three intermediate outcomes contribute to the appreciation outcome. These are:

1. Appropriate business opportunities (concessions) are allowed and operate in conservation areas.
2. People have access to and use a range of quality recreational opportunities on public conservation land.
3. People are aware of, understand and make valued contributions to conservation.

In 2007-2008, the Department's efforts under these intermediate outcomes provided information and education, opportunities for recreation, leisure and using the public conservation estate, and opportunities to participate in protecting and restoring the country's natural, historic and cultural heritage.

Each intermediate outcome is reported on separately, following this high-level overview of the appreciation outcome.

Key appreciation initiatives

In its *Statement of Intent 2007-2010*, the Department highlighted five key initiatives it would take to progress toward its appreciation outcome. The initiatives, and the Department's main actions for the year, are summarised in the table below.

KEY APPRECIATION INITIATIVES

Key appreciation initiatives	Main actions in 2007–2008
<p>Develop recreation opportunities on public conservation land through the strategic action plan that responds to the Recreation Summit; and develop the strategic context for the Department's contribution to outdoor recreation.</p>	<p>In August 2007 the Department produced <i>Recreation Action</i> to report on actions since the Recreation Summit. Further work during the year included:</p> <ul style="list-style-type: none"> ▪ 'Creating a healthy state for outdoor recreation in New Zealand': The Department supported this project led by Sport and Recreation New Zealand. A discussion document was released in July 2008. The initial findings confirm outdoor recreation provides a range of benefits to New Zealanders, and contributes to social and economic development, but greater coordination is needed. The findings also highlight that more research into participation rates, volunteers, and environmental impacts is required, to guide the sector's strategic planning and investment. ▪ Core recreation values: The broad spectrum of people with an interest in the outdoors are being encouraged to engage in development of the Department's second generation conservation management strategies to help determine 'core recreation values'. These values include concepts such as 'outcomes at place'. ▪ National consistency: New guidelines encourage a consistent approach to how conservation management strategies are drafted. They are simpler, shorter and more strategic, setting the scene for the coming 10 years. ▪ Research to support management decisions: Surveys at four Great Walks over the summer of 2007–2008 explored visitors' views of their experience and the services provided. The surveys established baseline information before the 1 July 2008 introduction of free access to facilities for anyone under 18 years. Results showed generally high satisfaction, and opportunities for improvement. Another study provided an in-depth analysis of factors influencing visitors' experience of the Milford Track. Guidelines are being completed for visitor survey design, to encourage consistent quality and allow comparisons to be made. ▪ Sustainable use: A process was trialled to manage the allocation of guiding concessions based on the risk of unacceptable impacts on the biological and physical setting, and establishing a social-carrying capacity. <p>In 2007–2008, the Department revised the intermediate outcome for recreation in its <i>Statement of Intent 2008–2011</i>. It now reads: 'New Zealanders have increased opportunities for recreation and outdoor activities'. Further work to define the desired future state, work priorities and indicators is being undertaken during 2008–2009, and will provide the strategic context for the Department's contribution to recreation.</p>
<p>Initiate a long-term programme to ensure that New Zealanders will continue to be able to have family camping holidays.</p>	<p>A 2006 review assessed the availability of camping opportunities for New Zealanders. Among its conclusions was that demand is relatively stable except for two weeks over the New Year period, and most demand happens in the far north of the North Island. The South Island appears to have no unmet demand outside the peak New Year period.</p> <p>To help address the needs, during 2007–2008 the Department developed six new sites. Four more will be developed in 2008–2009. Other potential sites have been identified for development subject to demand and resources.</p> <p>The Department started discussions with local communities about opportunities to use other land, such as sports grounds and open space reserves. It is working with other land managers and tourism businesses to identify options for larger, higher standard camp sites.</p> <p>This collaborative work acknowledges a collective interest and responsibility for progressing camping initiatives to meet the long-term needs of New Zealanders.</p> <p>Analysis of future needs shows no clear demand for substantial additional camping opportunities outside the two-week peak New Year period. The Department will continue to monitor this, including use of the new campgrounds, to inform decisions on whether further campgrounds are required.</p>
<p>Build a more effective communications system to improve connections between the Department and the public.</p>	<p>A project to examine and improve communication processes was deferred (with associated funding) into the 2008–2009 year, due to the strategy and budget alignment review in 2008.</p>

Key appreciation initiatives	Main actions in 2007-2008
<p>Develop new and enhanced partnerships with iwi in the management of heritage values on conservation and Māori land, as an outcome of Treaty settlement processes, under the umbrella of Ngā Whenua Rāhui, and in response to local opportunities.</p>	<p>During 2007-2008, development work was done with Te Puni Kōkiri on a proposed Māori conservation cadetship pilot. The objective is to help Māori achieve their wider conservation objectives by advancing young Māori into careers in conservation management. The longer-term vision is for graduates to assume management of conservation programmes and projects on behalf of Māori – particularly through the increased opportunities brought about by Treaty of Waitangi claims settlements and Ngā Whenua Rāhui programmes.</p> <p>It is proposed the pilot will begin in 2008-2009. During the programme, cadets will work as conservation rangers in area offices, completing eight tertiary-level modules. Successful cadets will achieve the Certificate in Conservation (Level 3) and the Certificate in Tikanga Māori (Level 3).</p> <p>Fifteen cadets in Northland, the Bay of Plenty and the central North Island will complete the pilot. These regions were selected because of pending Treaty settlements and the significant Ngā Whenua Rāhui activity there.</p> <p>At the pilot's end, an evaluation will determine the future of the cadetship.</p>
<p>Build new partnerships, particularly at national level, with large organisations, to allow corporate entities and their employees to contribute to heritage-related programmes.</p>	<p>The Department is offering New Zealand businesses the opportunity to offset carbon emissions through forest restoration and pest control. Six pilot forest carbon sink investments were offered by tender in 2007, and, while interest was modest, the Department is negotiating with a potential investor for one project. Once an emissions trading scheme is in place, it is expected public conservation land will provide an option for businesses, with benefits for conservation and ecosystem services.</p> <p>The Department's long-term partnership with the Bank of New Zealand Save the Kiwi Trust developed further with the bank's decision to provide full-time staff with two days paid leave each year for volunteer work. This is expected to benefit kiwi projects nationally.</p> <p>A partnership with Television New Zealand's digital channel, TVNZ 6, has created a series of four-minute mini-documentaries to showcase every aspect of conservation in New Zealand. <i>Meet the Locals</i> features Department staff, businesses, communities and individuals in around 150 conservation stories, and will be available in 100,000 homes via Freeview in the 4.00 p.m. to 8.30 p.m. family time slot. The stories are available for the Department to use and are progressively available on its website. A joint launch with TVNZ 6 will promote <i>Meet the Locals</i> as the theme of Conservation Week 2008.</p> <p>After extensive discussions, Air New Zealand formed the Air New Zealand Environmental Trust, which will support conservation projects around the country.</p>

How we measured progress toward the outcome

The Department monitors two indicators.

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

This indicator assesses the connections New Zealanders make between conservation and environmental, social, cultural and economic benefits. A telephone survey¹⁷ is used to explore the benefits sought and perceived, and the change over time. It was first reported on in the annual report for the year ended 30 June 2006, and a second survey was undertaken during 2007-2008.

The main benefits identified by people remain relatively unchanged from 2006: to 'protect New Zealand's clean green image' (64% of people identified this), to 'protect/save New Zealand for future generations' (47%), and to 'ensure ecological sustainability' (32%).

The two largest changes were that 8% more people identified 'protection of New Zealanders' quality of life' as a benefit, increasing the proportion to 27%, and 7% more mentioned 'protecting New Zealand's clean green image'.

¹⁷ Department of Conservation, Mobius Research and Strategy Ltd.

Two new benefits were mentioned in 2008: 6% of people surveyed mentioned 'protecting our economy/economic wellbeing' and 4% mentioned 'free access to conservation land, the ability to enjoy free activities and/or natural activities'.

This indicator will continue to be used in 2008–2009 to measure progress toward the Department's single outcome, introduced in its *Statement of Intent 2008–2011*. It will be reported every three years, with the next report due in the year to 30 June 2011.

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

This indicator was first reported in 2005–2006. The following year, a values survey¹⁸ commissioned by the Department in that year provided a baseline of information. A conservation values monitor trial¹⁹ has since been developed, and was carried out in early 2008. The pilot translated questions from the 2006–2007 survey into a cost-effective framework that will enable ongoing measurement of New Zealanders' conservation values.

Results show a continued general high level of support for conservation, with some demographic differences. Around 79% of people surveyed considered conservation as 'extremely important' or 'very important' to them. Nine of eleven conservation activities were of 'relatively high importance' for 90% to almost 100% of respondents.

The most important conservation outcomes were that conservation in New Zealand 'preserves natural land and water habitats', 'protects national parks and nature reserves' and 'protects native plants and animals'.

The least important conservation outcomes were 'allowing commercial activities' (which achieved 59% support) and 'protecting customary rights' (44%).

Around 65% of respondents supported more expenditure on conservation. Māori and Asian respondents, along with farmers, were significantly less likely to support more expenditure. Those with higher education were much more likely to support an increase.

The indicator will continue to be used to measure progress toward the Department's single outcome, and will next be measured in 2009–2010. It will be developed as a repeatable survey to track changes over time in the value that New Zealanders attribute to conservation.

Building on progress - our next steps

The Department will continue its work to build New Zealanders' awareness and understanding of the benefits and value of conservation, and their support for conservation as a crucial contributor to New Zealand's future. This includes identifying opportunities to increase community and business contributions to high priority conservation programmes, particularly through sponsorships and active partnerships, and sharing of knowledge and expertise.

¹⁸ Public and Staff Conservation Values, Research New Zealand, May 2007.

¹⁹ Perceptions of conservation and the Department of Conservation - interim findings from the 2008 environmental perceptions survey, Lincoln University. Questions were incorporated into Lincoln University's biennial survey of Public Perceptions of New Zealand's Environment, and the results are expected to be published in September 2008.

INTERMEDIATE OUTCOME: APPROPRIATE BUSINESS OPPORTUNITIES (CONCESSIONS) ARE ALLOWED AND OPERATE IN CONSERVATION AREAS

What we are seeking to achieve and why

The aim is to contribute to the social and economic welfare of communities and New Zealand as a whole by:

- broadening the available range of recreation opportunities to accommodate a wider cross-section of New Zealanders
- sustaining visitor appreciation of New Zealand's natural wonders, without impacting adversely on conservation values or the quality of the visitor experience
- providing economic opportunities for local communities and the private sector.

What we did to achieve this

The Department allows business opportunities that are compatible with the natural, historic and cultural values present, the social setting and the facilities. These business opportunities in conservation areas are broadly classified as recreational (for example guiding or transport services for visitors), or resource use (for example grazing, telecommunications or commercial filming). These activities are permitted through concessions: leases, licences, permits or easements granted under the Conservation Act 1987.

Recreation concessions

Ongoing co-operation with the tourism sector broadens the range and number of recreation opportunities available to New Zealanders and international visitors. During the year the Department was involved in the Tourism on Public Conservation Lands forum, and attended key industry events, such as the New Zealand tourism trade show (known as the 'TRENZ expo'). It also made a significant contribution to the revision of the New Zealand Tourism Strategy.

A new concession application and assessment process (for conforming concessions) was further developed and is now being implemented by conservancies. This will help both concessionaires and the Department by identifying appropriate low impact recreational activities and publicising these on the Department's website. Concessionaires will be able to see which activities are appropriate at which locations, and enter a streamlined application and assessment process.

Significant progress has been made on allocating and managing concessions where the Department has imposed limits to protect conservation and/or recreation values. The Department has worked closely with the Tourism Industry Association New Zealand to produce a legally robust approach to managing limited concessions, which meets the needs of both industry and the Department.

The standard template for concessions contracts has been revised following feedback from concessionaires and staff. Concession contracts will be simpler to use and understand, will be legally robust, and national operators will receive the same terms and conditions throughout the country.

Research

Through its research, the Department aims to define the natural, historic and social values at places, and identify the associated physical and social impacts that occur when these places are used. In 2007-2008, a review

was done of past research on attitudes toward commercial recreation, and an instrument was developed to allow the Department to test the attitudes of visitors and the general public to commercial recreation, concession and tourism activities.

Resource use concessions

A national agreement was finalised with Telecom New Zealand to update and confirm its concession rights for existing hilltop facilities, and to facilitate the introduction of new high-speed broadband transmission equipment.

Department staff continue to work with major energy generation and transmission entities on existing and new generation and/or transmission projects on public conservation land, through such mechanisms as the memoranda of understanding with Meridian Energy and Transpower Ltd.

Some highlights in 2007-2008

- Otago conservancy developed guidelines for managing guided day-walking on the Routeburn Track. These enable new operators to enter the market while controlling overall concession use to retain the existing experience.
- On the West Coast, concession applications for two hydroelectric power schemes on public conservation land were publicly notified.
- In the Bay of Plenty, Te Rūnanga o Ngāti Rangiwewehi obtained a 30-year concession for Humarana Recreation Reserve to provide a cultural centre, guided walks and interpretation.
- In Bay of Plenty, a concession was granted to build part of a hydropower weir in the Upper Kaituna Scenic Reserve.
- A \$30 million redevelopment of the base complex at Coronet Peak ski area was approved by the Department and completed in accordance with the approval conditions.

How we measured progress toward the intermediate outcome

The Department monitors one indicator.

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

This indicator was first reported in 2005-2006. Several developments since then mean this indicator is no longer a useful measure of progress against the intermediate outcome, largely because there is now a very low rate of significant adverse effects. This is due to considerable work to improve co-operation between the Department and concession holders, especially in the tourism sector, and the combined effects of controls in statutory plans, conditions in concession permits and improving staff skills. In addition, the indicator does not adequately reflect the intentions of the new, equivalent intermediate outcome for 2008-2009.²⁰ For these reasons, the Department has decided to discontinue this indicator, and it was not monitored during 2007-2008.

When adverse effects do occur, they can be quickly identified and addressed. Two examples from 2007-2008 are:

- A visitor survey in Siberia Valley, a popular multi-day track, assessed the impact of aircraft activity on people's experience. The results confirmed that annoyance threshold levels had been breached, and the Department has reduced the number of aircraft landings allocated to concession holders.
- Monitoring at Sandfly Bay (Otago Peninsula) revealed that a new wildlife viewing hide was poorly located and constructed. The Department

²⁰ The new intermediate outcome in the *Statement of Intent 2008-2011* is: 'Business opportunities consistent with conservation outcomes are enabled'.

required that the concessionaire dismantle and rebuild the hide to an approved design on an approved site.

Building on progress - our next steps

The Department will continue to enable appropriate business opportunities and recognise their contribution to the public's appreciation of conservation by:

- improving its efficiency in processing concession applications by improving systems and building staff capability
- supporting businesses that work with the Department by publishing contact details for authorised recreation concession operators on its website, and developing an 'approved operator' logo they can use in marketing
- working with the business community to ensure that both business and conservation objectives are met.

INTERMEDIATE OUTCOME: PEOPLE HAVE ACCESS TO AND USE A RANGE OF QUALITY RECREATIONAL OPPORTUNITIES ON PUBLIC CONSERVATION LAND

What we are seeking to achieve and why

The aim is to enhance the wellbeing of New Zealand and its people by providing, in collaboration with others, a spectrum of recreation opportunities, from urban to remote wilderness settings.

Public enjoyment of conservation lands contributes to a healthy, active lifestyle for New Zealanders, and provides a very considerable benefit to the New Zealand economy.

What we did to achieve this

The Department maintains a range of camp sites, tracks, huts, visitor centres and supporting facilities and services. These enable visitors to enjoy a wide variety of recreational opportunities at 3800 sites, and provide opportunities to learn about New Zealand's natural, historic and cultural heritage.

Three factors guide the Department's planning for outdoor recreation opportunities:

- Land classes: A zoning system called the recreation opportunity spectrum (ROS) is used to classify land into seven groups, from urban to wilderness. It is based on concepts such as ease of access, the amount of facilities provided, levels of landscape modification and general levels of use.
- Types of visitor: Six visitor groups are defined in the 1996 Visitor Strategy.²¹ They range from people who make only a short stop at a place while on a road journey, to people on extended trips in remote locations.
- Outcomes planned for different places take account of the nature of the experience to be maintained, public access, the robustness of natural and historic settings and their sensitivity to disturbance, and how they contribute to the wider network of recreation opportunities. This mix may need to change and broaden as community outdoor recreation preferences change.

In providing a spectrum of opportunities, the Department consults and works closely with other groups, such as local and regional councils, recreation and conservation groups, iwi and the tourism sector.

²¹ People recreating on public conservation lands can be described within a set of general groups based on the setting, the accessibility of the area and the nature of their visit, the activities undertaken, the experience sought and the degree of risk present, the facilities and services sought, and the social make-up of visitors and visitor numbers. These are generalised into six 'visitor groups', which the Department uses to link types of visitors to types of facility.

Work to support recreational opportunities includes ongoing improvement to the systems and standards. Some examples from 2007-2008 are:

- New guidelines for visitor safety are being developed. A fire safety guideline for 6-to-10-bunk huts has been developed and approved by the New Zealand Fire Service.
- A new 'activities finder' on the Department's website helps people find places for specific activities, and new pamphlets include four-wheel-drive opportunities and places suitable for taking dogs.
- The online visitor booking service for Great Walk huts has expanded to also include Kapiti Island Nature Reserve permits, Tiritiri Matangi Island accommodation, Rimutaka Forest Park public huts, and the summer nature programmes at Tongariro National Park and in Fiordland.
- A best practice manual on track construction and maintenance has been produced.
- There are now 177 devices to monitor visitor use over time. A more robust device has been developed to better withstand harsh environments.

Research

Alongside the surveys discussed under the key appreciation initiatives, the Department's outdoor recreation planning in 2007-2008 was supported by targeted research:

- A pilot study, based on Rakiura National Park, to identify methods to define, assess and compare visitor and social outcomes provided by recreation opportunities on public conservation land.
- A project with Statistics New Zealand to develop conservancy-specific population profiles.
- A study on vehicle crime, involving the New Zealand Police, Auckland Regional Council, Ministry of Justice and the Tourism Industry Association New Zealand. It explores the nature, extent and impact of vehicle crime at outdoor recreation and tourist destinations, looks at New Zealand and international solutions, and identifies options to reduce such crime.
- Another project is exploring how visitors employ coping strategies if their experiences are not of the quality they expected (for example, wanting good track surfaces, or muddy surfaces, or not wanting to meet anyone else). The results will confirm whether the Department's indicators are providing data that will enable it to maintain the preferred range of experiences.

Some highlights in 2007-2008

- Examples of improvements to front country facilities include major upgrades of carparks, toilets and tracks at Whitehorse Hill campground in Aoraki/Mt Cook National Park, at Kura Tawhiti and Cave Stream at Korowai Torlesse, and at Cape Reinga.
- New opportunities include a three-year trial allowing mountain biking in the Poulter Valley of Arthur's Pass National Park and a successful trial of overnight camping on Matiu/Somes Island in Wellington harbour.
- Work with councils, landowners, communities and iwi has resulted in:
 - improvements to the Manawatu Gorge walking track
 - the opening of the Motatapu track between Wanaka and Arrowtown, as a strategic link in Te Araroa
 - a new walking and mountain biking track between Whakaipo Bay and Kinloch, near Taupo, completed by 'Bike Taupo' on conservation land.

- In the back country, significant work includes:
 - reinstating the Amuri Pass, Hope Pass and Top Trent routes in the Greymouth area, and the Blue Lookout and Lambert Tops routes in the Wanganui catchment
 - five new footbridges on the Copland Track
 - upgraded hut and track facilities along the Clarence River.

How we measured progress toward the intermediate outcome

The Department monitors one indicator.

Change over time in New Zealanders' participation in recreation on public conservation land and their satisfaction with the quality of recreational opportunities provided.

For the years 2004–2005 and 2005–2006, the equivalent indicator has tracked changes over time in visitor *satisfaction* with the range of recreation opportunities provided. That measure showed very high and stable levels of satisfaction, with 95% of people either 'very' or 'moderately' satisfied with their visit.

In 2007–2008, satisfaction with the range of recreation opportunities was not measured, but the indicator was extended to track New Zealanders' *participation* in recreation on public conservation land and their satisfaction with the *quality* of recreational opportunities. Both participation and satisfaction levels were measured by a national telephone poll.

The change was driven by a need to measure the intermediate outcome more accurately – that is, participation is a better first-line indicator of 'access' than the satisfaction levels of people already on site.

Participation results

For the 12 months ending June 2008, the survey showed 40% of New Zealanders aged 15 years and over visited an area managed by the Department. While previous research indicated that about 60% of New Zealanders had visited an area managed by the Department, this latest survey suggests previous figures were inflated by people not drawing a distinction between land managed by councils and that managed by the Department.

Satisfaction results

Satisfaction with the facilities at areas managed by the Department remains high: 84% of visitors said they were 'satisfied' with the facilities (combining 'satisfied' and 'very satisfied' responses), up 3% from September 2007. As in September 2007, satisfaction was again higher amongst females compared to males (90% and 81% respectively).

Building on progress – our next steps

Visitor monitoring is an important source of information on what affects visitor satisfaction at specific locations, and helps build a picture for New Zealand as a whole. The Department will start work on a visitor monitoring implementation plan to build a more consistent approach to monitoring and to increase monitoring capacity.

The Department's new asset management information system was implemented in July 2008. Assets currently included are tracks, huts and structures. The next steps are to phase in other assets, such as fences, roads and camp sites. This will continue to improve work scheduling and reporting.

INTERMEDIATE OUTCOME: PEOPLE ARE AWARE OF, UNDERSTAND AND MAKE VALUED CONTRIBUTIONS TO CONSERVATION

What we are seeking to achieve and why

The aim is to help New Zealanders become aware of, and informed about, the context, issues and trends in conservation, and to understand their importance and implications. A related aim is to help New Zealanders connect with and contribute to conservation in ways that give them satisfaction, and make a positive difference.

What we did to achieve this

Awareness, understanding and action is built in several ways. The Department provides:

- opportunities for people to learn about conservation and special places online through its website, and through media such as literature, arts and television
- a range of opportunities for people to be part of 'hands-on' restoration projects and volunteer opportunities
- innovative education programmes
- information and interpretation material
- international representation and advocacy.

Some highlights in 2007-2008

Opportunities for people to learn about conservation and special places online through its website, and through media such as literature, arts and television

- During Seaweek 2008, 3000 Aucklanders took part in *Perils of the Deep Blue Sea* - interactive theatre for families and children performed in the tunnels at Auckland's Fort Takapuna. This was created by the Real Theatre Company, in collaboration with the Department, to support the Māui's dolphin campaign.
- A series of mini-documentaries showcasing conservation in New Zealand, *Meet the Locals*, created in partnership with Television New Zealand's digital channel, are described under the key appreciation initiatives at the beginning of this section.

A range of opportunities for people to be part of 'hands-on' restoration projects and volunteer opportunities

- The Department works in partnership with more than 480 community groups, tangata whenua and associates to carry out conservation work on public land. For example, in March 2008 the Department worked with Te Rūnanga O Ngāi Tahu and local Kāi Tahu Papatipu Rūnaka to remove graffiti from the schist obelisk at Kopuwai historic reserve, on the Old Man Range (Central Otago). The rock, part of the legend of Kopuwai, is of cultural and spiritual significance to Ngāi Tahu.
- Interim data from a 2007 survey of 201 groups involved in conservation found that more than 6000 volunteers were involved in the groups' work, contributing to 175,000 hours of voluntary work. The hours of this voluntary work is valued at more than \$2.1 million. The groups received total income of \$12 million, of which more than half came from non-governmental sources.²²
- To celebrate the contribution of communities and associates during 2007-2008, the Department ran more than 140 events during Conservation Week, 35 in Seaweek and 30 for World Environment Day.

²² Conservation Achievements and Value Added by Community Groups, Ned Hardie-Boys, Department of Conservation, Wellington. Draft, 2008.

- In Northland, the Department, local government councils, the QEII Trust and Landcare Trust collaborated to collect information on the extent of volunteer work to protect biodiversity. The project will allow these agencies to co-ordinate, integrate and target opportunities.

Education programmes

- As part of the ongoing partnership with the Enviroschools Foundation, four pilots were initiated in Canterbury and Southland. These hands-on projects develop students' awareness, sensitivity, knowledge and skills in ecological sustainability. Through the partnership, the revised Enviroschools kit has given higher priority to biodiversity and ecological sustainability, allowing it to be more readily integrated into curriculum programmes.
- In partnership with LEARNZ (an online education programme running throughout New Zealand) and the Ministry of Education, five three-day LEARNZ 'virtual field trips' brought the Department and its work to 600 classrooms and 15,000 students around New Zealand. One 'field trip', to Leigh Marine Reserve, attracted more than 6500 students - the biggest number yet.
- In conjunction with Greater Wellington Regional Council and the New Zealand Ecological Restoration Network, the Department ran a series of workshops at Victoria University for people actively engaged in restoration projects.

Information and interpretation material

- To help increase public awareness of camping and walking opportunities, the Department fully revised and updated its camp site brochures into a single booklet and printed 59,000 copies. It also printed 60,000 *Exploring Parks* brochures and 70,000 copies of the popular *Easy Access Walks in the North and South Island*.
- The Department is piloting a means to deliver conservation messages and recreation information via electronic media in visitor centres.

International representation and advocacy

- Through its role as New Zealand's state party representative to the World Heritage Committee, the Department represented the Pacific sub-region on the committee during New Zealand's four-year tenure (2003-2007), supported Tumu te Heuheu in his role as Chairperson of the World Heritage Committee (July 2006 - July 2007), and fulfilled New Zealand's domestic commitments as a signatory to the World Heritage Convention.

Part of the Department's role involved hosting the 31st session of the World Heritage Committee in Christchurch on 23 June - 2 July 2007. A significant outcome of this meeting was acceptance of the concept of 'community' as a new strategic objective for the World Heritage Committee, to complement the existing objectives of conservation, capacity building, credibility and communication.

The meeting was instrumental in developing the positive relationship between New Zealand and the United Nations Educational, Scientific and Cultural Organisation (UNESCO), and demonstrated the ability of New Zealand to contribute to world affairs, especially when it comes to protecting natural and cultural heritage for future generations.

How we measured progress toward the intermediate outcome

The Department monitors seven indicators. These are divided into two categories:

- Supporting people to be connected to, and involved with, conservation.
- Increasing awareness of conservation.

Supporting people to be connected to, and involved with, conservation

The Department monitors four indicators.

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

This indicator was reported for the first time in the annual report for the year ended 30 June 2006, and has been reported annually. This will be the last report against this indicator; it has been discontinued due to the change in the Department's outcome and intermediate outcomes.

New Zealanders' satisfaction with their personal involvement in conservation activities has increased between mid-2007 and mid-2008.²³ Four per cent more people said they are 'very satisfied' or 'satisfied' with their level of participation - a total of 52% of respondents. This is a statistically significant increase from 2007, but is still below the 62% of people who said this in 2006.

Those who were 'neither satisfied nor dissatisfied' decreased between mid-2007 and mid-2008 by 14% - down to 31% of respondents. Seven per cent more people were 'very dissatisfied' or 'dissatisfied' with their personal involvement in conservation in 2008, now 13% in total - this is a statistically significant increase.

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

This indicator was reported for the first time in the annual report for the year ended 30 June 2006, and has been reported annually. This will be the last report against this indicator; it has been discontinued due to the change in the Department's outcome and intermediate outcomes.

The proportion of New Zealanders who said they have been involved in one or more conservation activities between mid-2007 and mid-2008 increased by a statistically significant 8% - up to 88%. The most common meanings people give for 'conservation' are 'careful use of resources', 'keeping the environment clean and green', 'preservation and protection', 'looking after natural resources', 'preserving species to avoid extinction', 'sustainability', 'leaving what we have for future generations', and 'recycling'.²⁴

The numbers who 'recycled' stayed relatively unchanged at 82%. An increasing number of people undertook conservation activities other than recycling at home - 27% in 2008, an increase of 19% since mid-2007. The 'at home' conservation activities most mentioned were planting trees, saving electricity or energy, catching public transport or driving less, and informing others about global warming.

The percentage of New Zealanders involved in conservation activities outside the home also increased significantly, from 5% to 9% between mid-2007 and mid-2008. Of those saying they had participated in conservation activities outside the home, 26% participated in these activities on conservation land (this represents little change from 2007).²⁵

²³ Department of Conservation, Mobius Research and Strategy Ltd.

²⁴ Perceptions of conservation and the Department of Conservation - interim findings from the 2008 environmental perceptions survey, Lincoln University.

²⁵ Department of Conservation, Mobius Research and Strategy Ltd.

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

Surveys of key associates provide feedback on the overall performance of the Department from the stakeholders' perspective. This indicator was reported for the first time in the annual report for the year ended 30 June 2006. It uses a telephone survey, and is reported annually.

In mid-2008, most associates (81%) rated the Department as 'excellent', 'good' or 'neither good nor poor' in terms of its working relationship with their organisation. Of the 56% of associates who said their personal working relationship differed from the inter-organisational working relationship, 80% said it is 'excellent' or 'good'. There has been no statistically significant change from 2007.

Associates identified a range of opportunities to enhance the quality of both inter-organisational and inter-personal relationships, including greater consistency, better communication and engagement, and more collaboration to achieve complementary outcomes.

While 48% of associates said the Department is 'very important' or 'important' in assisting their organisation achieve its objectives, only 19% said the Department is 'extremely effective' or 'effective' in doing this. Further, 38% of associates surveyed said they would like to know more about the Department and what it does.

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

Surveys of tangata whenua provide feedback on the overall performance of the Department from the stakeholders' perspective. This indicator was reported for the first time in the annual report for the year ended 30 June 2006. It uses a telephone survey,²⁶ and is reported annually.

In a mid-2008 telephone survey of Māori associates, many of whom represent iwi, hapu or other Māori organisations, when asked: 'How satisfied are tangata whenua with the Department of Conservation's activities to assist them with their cultural relationships with taonga?', 71% were 'very satisfied' or 'satisfied' and 29% 'neither satisfied nor dissatisfied'. None of the respondents were 'dissatisfied' or 'very dissatisfied'. This compares with 22% who reported that they were 'dissatisfied' or 'very dissatisfied' in 2007.

Further, 50% of respondents said the Department is performing 'very well' or 'well', 37% said 'neither well nor poorly', and 13% said it is performing 'poorly'. No one said it is performing 'very poorly'. Of the respondents, 65% said the Department's relationship with their organisation is 'very good' or 'good', 18% that it is 'neither good nor poor' and 17% that it is 'poor'.

The results indicate the Department's performance has improved, but that opportunities for further improvement remain.

Increasing awareness of conservation

Three indicators measure the impact of the Department's efforts to increase awareness of conservation.

Change in New Zealanders' understanding of important conservation issues.

This indicator was reported for the first time in the annual report for the year ended 30 June 2006. It uses quantitative surveys, and is reported annually. Baseline data was established in 2006 and the Department now tracks trends in New Zealanders' understanding from year to year.

²⁶ Department of Conservation, Mobius Research and Strategy Ltd.

In mid-2008, 86% of New Zealanders said conservation is 'very important' or 'important' to New Zealand as a country - a statistically significant increase of 11% from mid-2007.²⁷ Respondents do not make a clear distinction between conservation and broader environmental issues. Three of the same four conservation issues were identified as being the most important in 2008 as in 2007. These were protection of native flora and fauna (mentioned by 39% of those surveyed), pollution (37%), and recycling (31%). A new fourth main issue was mentioned in 2008: energy/fuel efficiency (28%). Mentions of 'protection of waterways' fell by a statistically significant 16% between the two years - down to 21%.

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

This indicator was reported for the first time in the annual report for the year ended 30 June 2006, when baseline data was established. It has been reported annually, and uses a quantitative survey.²⁸ This will be the last report against this indicator; it has been discontinued due to the change in the Department's outcome and intermediate outcomes.

In mid-2008, 76% of respondents listed television and 81% said newspapers were their main sources of information about conservation issues, activities and the Department. There has been little change in these figures over time.

The internet is more important as a source of information and increased by a statistically significant 17% from 2007 - it is now listed by 21% of people. Radio has increased by 6% as a source of information about conservation issues and activities - to 14%.

The Department continues to be the organisation most recognised as involved in conservation, with 80% of respondents naming it - an increase of 5% between mid-2007 and mid-2008. The largest change between 2007 and 2008 was the increased recognition of private businesses and corporates being involved in conservation - an increase of 13% from 1% to 14% of respondents in 2008.

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

This indicator was reported for the first time in the annual report for the year ended 30 June 2006. Focus groups were used to explore this issue, with a view to creating a question to measure trends quantitatively. It was, however, clear from the focus groups that recognition of the link between Crown pastoral leases and ecosystem services would be immeasurably low. The Department has since developed and trialled another question to explore the link between conservation and services, such as flood protection and water quality and quantity. The redeveloped indicator is reported to 30 June 2008. The Department will continue to explore indicators for awareness of ecosystem services.

When asked in mid-2008, 3% of respondents were aware, unprompted, of what ecosystem services are.²⁹ A further 8%, unprompted, were aware of what a Crown pastoral lease is.

When both ecosystem services and Crown pastoral leases were described to survey participants, 17% stated that they believe Crown pastoral leases are 'important' or 'very important' to ensuring ecosystem processes, while 4% said they are 'unimportant' or 'very unimportant'. Further, 79% of people said they were unsure about the importance of pastoral leases to ecosystem services.

When respondents were asked in a postal survey³⁰ to tick as many 'management functions' as they considered the Department contributes to, more than 40%

27 Department of Conservation, Mobius Research and Strategy Ltd.

28 Department of Conservation, Mobius Research and Strategy Ltd.

29 Department of Conservation, Mobius Research and Strategy Ltd.

30 Perceptions of conservation and the Department of Conservation - interim findings from the 2008 environmental perceptions survey, Lincoln University.

identified 'availability of water for agriculture and recreation', 'minimising risk of landslips', 'quality of drinking water', and 'minimising flood risks'. 'Controlling soil erosion', maintaining air quality' and 'greenhouse gas regulation' were also identified. When prompted, there is a reasonable recognition of the Department's contribution to these functions; however, public awareness of ecosystem services remains low.

Building on progress - our next steps

The Department will continue to build engagement through ongoing development of its marketing, communications and relationships systems. This includes:

- determining target audiences to grow the conservation engagement and collaboration
- developing targeted marketing strategies and communications systems
- identifying and focusing on priority external relationships.

STATEMENT OF SERVICE PERFORMANCE 2007-2008: MANAGEMENT OF RECREATIONAL OPPORTUNITIES

2007-2008 performance measures and targets	National commentary ³¹
RECREATION OPPORTUNITIES MANAGEMENT	
90% of 399 visitor recreation and interpretation publications will meet publication standard.	<p>This year 74% (290 of 393) visitor recreation and interpretation publications met the publication standard.</p> <p>While an improvement on the previous year's performance (when 30% met the standard), this year's performance reflects both the importance of the standard and the effort conservancies are making to ensure that visitor publications are well presented and reflect important aspects of information relating to visitor safety and enjoyment. The standard covers a wide range of recreation publications, from track guides, to information about caring for the environment.</p> <p>Additionally, a number of conservancies advised publication stock levels were high and, while these documents do not all meet the standard, plans to update those that do not have been postponed until stock levels reduce.</p> <p>The Department will continue to work towards meeting the standard during the next financial year.</p>
90% of 399 visitor recreation and interpretation publications will be available for the public on the Department's website.	<p>62% (245 of 393) visitor recreation and interpretation publications were available for the public on the Department's website</p> <p>The launch of the Department's new website has meant the freeze on lodging new publications has been removed and conservancies are now working towards the target of 90% of publications available via the web.</p> <p>The capacity within conservancies for this work (often allocated to temporary, contracted, or part time positions) has meant only slow progress has been made this year.</p>
ASSET MANAGEMENT	
80% of 961 huts will meet the required service standard.	940 huts were managed during the year. At year end, 827 (88%) met the standard.
50% of 12,850 kilometres of tracks will meet the required service standard.	12,894 kilometres of track were being managed at year end, with 6472 kilometres (50%) meeting the required service standard.
100% of 13,370 structures will meet the required service standard.	The Department managed 13,600 structures at year end, of which 12,659 (93%) met the service standard.
BUSINESS OPPORTUNITIES MANAGEMENT	
600 active one-off recreation concessions will be managed.	579 one-off recreation concessions were managed.
BUSINESS OPPORTUNITIES MANAGEMENT - RECREATION CONCESSIONS	
617 one-off recreation concession applications processed, with a target of 75% processed to standards of time and cost.	608 one-off recreation concession applications were processed, with 600 of 608 (99%) processed to standard.
A target of 15% of active longer-term recreation concessions will be monitored annually.	<p>The Department monitored 31% (316 of 1021) of longer-term recreation concessions.</p> <p>One conservancy (Tongariro/Taupo) increased its emphasis on monitoring in the last reporting period.</p>
978 active longer-term recreation concession permits, licences, leases and easements managed.	1021 active longer-term recreation concession permits, licences, leases and easements were managed.
208 longer-term recreation concession permits, licences, leases and easements will be processed with a target of 75% processed to standards of time and cost.	<p>199 active longer-term recreation concession permits, licences, leases and easements were processed, with 178 (89%) processed to standard.</p> <p>The number of applications received depends on external factors.</p>

³¹ The Department considers that target performance has been achieved when the output is within a tolerance level acceptable for the nature of the operation. For field operations, this is generally within plus or minus 5% of the projected performance target.

2007-2008 performance measures and targets	National commentary
BUSINESS OPPORTUNITIES MANAGEMENT - OTHER RESOURCE USE CONCESSIONS	
97 active one-off other resource use concessions will be managed.	158 one-off other resource use concessions were managed. A significant increase in land managed by Canterbury conservancy as a result of the tenure review process resulted in an increase in concessions opportunities. Concessions in the Nelson/Marlborough conservancy for the Marlborough Sounds foreshore reserve are now formally included in this measure. West Coast conservancy reported an increase in filming permits and one-off events, such as gravel take.
101 one-off other resource use concession applications processed, with a target of 75% processed to standards of time and cost.	187 one-off other resource use concession applications were processed, with 99% (186 of 187) processed to standard. The number of applications received depends on external factors.
A target of 15% of active longer-term other resource use concessions will be monitored annually.	The Department monitored 19% (512 of 2738) of longer-term other resource use concessions.
2640 active longer-term other resource use concession permits, licences, leases and easements managed.	2738 longer-term other resource use concession permits, licences, leases and easements were managed.
305 active longer-term other resource use concession permits, licences, leases and easements processed, with a target of 75% processed to standards of time and cost.	255 longer-term other resource use concession permits, licences, leases and easements were processed, with 73% (186 of 255) processed to standard. The general downturn in the business sector has had a flow-on effect in concession applications.

OUTPUT CLASS OPERATING STATEMENT 2007-2008: MANAGEMENT OF RECREATION OPPORTUNITIES

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
Revenue				
- Crown	101,710	104,509	101,710	95,493
- Other	18,777	19,749	20,557	19,737
Total Revenue	120,487	124,258	122,267	115,230
Expenses	119,200	124,258	122,267	111,014
Surplus/(deficit)	1,287	0	0	4,216

OUTPUT CLASS OPERATING STATEMENT 2007-2008: RECREATIONAL OPPORTUNITY REVIEW

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
Revenue				
- Crown	0	0	0	0
- Other	0	0	0	0
Total Revenue	0	0	0	0
Expenses	516	700	700	808
Surplus/(deficit)	(516)	(700)	(700)	(808)

STATEMENT OF SERVICE PERFORMANCE 2007-2008: CONSERVATION WITH THE COMMUNITY

2007-2008 performance measures and targets	National commentary ³²
EDUCATION AND COMMUNICATION	
<p>131 education initiatives will be provided during the year, with greater than 90% of educators surveyed rating the education initiatives as 'effective' or 'partly effective' at meeting their objectives.</p>	<p>228 education initiatives were provided during the year, with 98% (384 of 390) of educators surveyed rating the education initiatives as 'effective' or 'partly effective' at meeting their objectives.</p> <p>This reflects an increasing focus on education initiatives in support of the Department's strategic direction - for example, participation in programmes such as Learning Experiences Outside the Classroom.</p>
<p>The number of website users is expected to increase by at least 20% during the year, while satisfaction levels will be maintained.</p>	<p>There was an increase of slightly over 9% from the corresponding period in 2006-2007, with 2.4 million visits to the Department's website over the period July 2007 - June 2008.</p> <p>Visitor figures in the final four months of the year show that website visits steadily increased since site redevelopment in December 2006 (64% increase in the March-June 2008 period, compared to the same period in 2006-2007).</p> <p>Unsolicited feedback received from site visitors (for example in emails) has been positive.</p>
INTERNATIONAL OBLIGATIONS	
<p>The Department's responsibilities as state party representative or advisor under international conventions and agreements are met in accordance with Government policy and priorities.</p>	<p>The Department, as administering body for the following international conventions, met its state party representative or advisor responsibilities in accordance with Government policy and priorities:</p> <ul style="list-style-type: none"> ▪ Convention Concerning the Protection of the World Cultural and Natural Heritage (the World Heritage Convention) ▪ Convention on Biological Diversity (CBD) ▪ Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar Convention) ▪ Convention on Trade in Endangered Species (CITES) ▪ Convention on Migratory Species (CMS) ▪ Agreement for the Conservation of Albatross and Petrels (ACAP) ▪ IUCN - The World Conservation Union ▪ Memorandum of Understanding for the Conservation of Cetaceans and Their Habitats in the Pacific Islands Region. <p>The Department also provided scientific and technical support to the Ministry of Foreign Affairs and Trade and other ministries, or participated in a number of other conventions, committees and working parties, such as:</p> <ul style="list-style-type: none"> ▪ International Convention for the Regulation of Whaling ▪ Antarctic Treaty System and Committee on Environmental Protection ▪ Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR) ▪ South Pacific Regional Environment Programme (SPREP) ▪ United Nations Open-ended Informal Consultative Process on Oceans and the Law of the Sea (UNICPOLOS) ▪ United Nations Working Group on Oceans Issues ▪ Convention on the Conservation of Southern Blue Fin Tuna (CCSBT) ▪ Australian Ministerial Councils.

³² The Department considers that target performance has been achieved when the output is within a tolerance level acceptable for the nature of the operation. This is generally within plus or minus 5% of the projected performance target.

2007-2008 performance measures and targets	National commentary
Participation	
4450 volunteers will participate in departmental volunteer programmes.	9001 volunteers participated in departmental volunteer programmes. Public support for and interest in participation programmes continues to increase, particularly where outcomes are positive for both the public and Department - such as Argentine ant control, kākāpō feeding programme, Mana Island and Pukaha (Mt Bruce) programmes. This increasing demand is difficult to estimate and plan for.
16,000 workday equivalents will be contributed by people volunteering.	27,704 work-day equivalents were contributed by people volunteering. As in the volunteer programmes, people continue to increase their support for and interest in participation programmes.
450 partnerships will be run during the year with greater than 80% of partners surveyed rating their contribution to conservation as 'moderate' or 'significant'.	489 partnerships were run during the year, with 93% (180 of 193) of partners surveyed rating their contribution to conservation as 'moderate' or 'significant'.
30% of the 450 partnerships will involve tangata whenua.	30% (145 of 489) of partnerships involved tangata whenua.
340 events and initiatives to build conservation skills and knowledge will be run during the year, with greater than 70% of participants surveyed rating the event/initiative as effective.	391 events and initiatives to build conservation skills and knowledge were run during the year, with 93% (1275 of 1365) of participants surveyed rating the event/initiative as effective.

OUTPUT CLASS OPERATING STATEMENT 2007-2008: WORKING WITH COMMUNITIES

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
Revenue				
- Crown	13,415	12,248	13,415	13,038
- Other	993	1,293	1,376	1,059
Total Revenue	14,408	13,541	14,791	14,097
Expenses	13,748	13,541	14,791	13,487
Surplus/(deficit)	660	0	0	610

Policy and planning, and ministerial and statutory body servicing

THE KEY OUTPUTS THAT CONTRIBUTE TO POLICY AND PLANNING, AND MINISTERIAL AND STATUTORY BODY SERVICING

In its *Statement of Intent 2007-2010*, the Department identified four outputs for its efforts in providing policy, planning and services to the Minister and statutory bodies. To provide context to the achievements reported in this section, the key outputs delivered in 2007-2008 are described below.

Policy

This work covers policy advice, submission services and legislative proposals to the Minister of Conservation and the Director-General, and to other government agencies. It includes biosecurity strategic and policy advice, and Treaty of Waitangi and foreshore and seabed negotiation advice.

Ministerial servicing

This work includes servicing Ministerial requirements, including writing submissions to Ministers, drafting replies to Ministerial correspondence, and writing responses to Ministerial requests for information.

Management planning

This output covers preparing, reviewing and monitoring national park management plans, conservation management plans and conservation management strategies, including consultation with internal and external stakeholders.

Statutory bodies

This work includes policy advice, appointments advice and administrative services for the New Zealand Conservation Authority, conservation boards, the Nature Heritage Fund and the Ngā Whenua Rāhui Komiti.

What we are seeking to achieve and why

The Department seeks to contribute to Government priorities and its own outcomes and intermediate outcomes by providing effective policy advice, ministerial services and support to statutory and ministerial bodies, and by meeting its statutory obligations in preparing and reviewing statutory planning documents.

Policy advice

The policy group focuses on strategic policy with a three-year or longer timeframe, and contributes to the Treaty of Waitangi settlements process led by the Office of Treaty Settlements, and the foreshore and seabed settlements process led by the Ministry of Justice.

Advice is provided to Ministers on major policy initiatives, Treaty of Waitangi and foreshore and seabed negotiations, and on proposals for amending legislation and regulations.

The Department's contribution to the settlement of historical claims under the Treaty of Waitangi is focused on cultural redress, where this includes redress relating to public conservation land. This aspect is becoming increasingly

significant in negotiations and the head office team actively working on this has expanded. It also requires considerable area office and conservancy engagement, which extends beyond the negotiations stage, as ongoing departmental relationships with iwi are a key feature of any settlement.

Other contributions policy advice makes to the Department's outcomes and intermediate outcomes are integrated into the annual report's sections on the protection and appreciation outcomes.

Ministerial services

The Department's Ministerial Services Unit operates from head office, and the Minister's office. Annual reporting of this activity has traditionally been based on the work of the head office unit. However, growing public use of email communication has led to a significant volume of correspondence (most of it processed within the Minister's office). The numbers of email and mail transactions processed in this way are reported in Table 3.

TABLE 3: MINISTERIAL SERVICING

	2004-2005	2005-2006	2006-2007	2007-2008
Ministerial correspondence ³³	1366	1682	1203	1678
Ministerial requests for information	317	394	456	526
Departmental submissions	455	365	338	355
Official Information Act requests to the Minister	78	81	72	87
Official Information Act requests to the Department	100	111	71	54
Parliamentary Questions for written answer	220	271	261	211
Email correspondence	-	10,056	11,435	10,297
Mail correspondence	-	490	550	418

Management planning

The Department prepares, reviews and amends national park management plans, conservation management plans and conservation management strategies before their approval by either a conservation board or the New Zealand Conservation Authority (NZCA).

Eleven conservation management strategies are in various stages of review, aided by new guidelines that provide a strategic context for decision-making over the coming 10 years and encourage a consistent approach to content, and simpler, shorter documents.

The Fiordland and Arthur's Pass National Park management plans have been reviewed and approved, along with an amendment to the Westland National Park management plan. An amendment to the Mount Aspiring National Park management plan was not allowed by the NZCA. Four other national park plans are in the process of review or preparation. Several conservation management plans are also being prepared. All planning documents are being prepared under the new Conservation General Policy and the reviewed General Policy for National Parks, which require a strong focus on outcomes at places. New consultation tools are being used to increase opportunities for those who do not normally engage in these processes, including the broad spectrum of people with an interest in the outdoors.

³³ Ministerial correspondence is supported and supplemented by mail and email communications undertaken by a staff member seconded to the Minister's office.

Statutory and ministerial bodies

The NZCA and the regional conservation boards are independent statutory bodies established under the Conservation Act 1987.

The NZCA's role is to advise the Minister of Conservation and the Director-General of Conservation on issues of national importance for conservation. It approves the statutory strategies and plans which set objectives for the Department's management of public conservation areas. Members are appointed for a three-year term and may be re-appointed. The current term of the authority is 1 June 2008 to 31 May 2011.

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

The Department also provides services to two ministerial bodies - the independent committees of Ngā Whenua Rāhui and the Nature Heritage Fund.

The goal of the Ngā Whenua Rāhui fund is to provide incentives for voluntary protection of indigenous ecosystems on Māori-owned land that represent a range of natural diversity originally present in New Zealand. Applications are assessed against the fund's ecological criteria of representativeness, sustainability and landscape integrity. Also taken into account is the Statement of National Priorities for Protecting Rare and Threatened Biodiversity on Private Land (2007), as well as the spiritual and cultural values Māori associate with their lands. The committee also allocates funds to increase tangata whenua participation in managing biodiversity in ways consistent with mātauranga Māori (customary knowledge).

The Nature Heritage Fund is to protect indigenous ecosystems that represent the full range of natural diversity originally present in the New Zealand landscape, and it seeks to do this by providing incentives for voluntary conservation.

Further information on Nature Heritage Fund achievements is provided in the protection section of this annual report, and information on Ngā Whenua Rāhui's achievements is in the protection and appreciation sections.

STATEMENT OF SERVICE PERFORMANCE 2007-2008: POLICY ADVICE AND SERVICES

2007-2008 performance measures and targets	National commentary ³⁴
POLICY ADVICE	
Policy advice will be provided in accordance with the work programme and to the quality standards agreed with Ministers.	<p>The Department provided a range of policy advice to the Minister of Conservation. This was in accordance with an agreed work programme set by the Director-General, and the policy provided met the Minister's requirements.</p> <p>This year's primary focus has been on freshwater and coastal policy, climate change and sustainability.</p>
MINISTERIAL SERVICES	
The number of draft replies to ministerial correspondence is estimated to be in the range of 1600 to 1800.	1678 draft replies to ministerial correspondence were completed during the year.
<ul style="list-style-type: none"> ▪ The number returned for redrafting will not exceed 10%. ▪ 75% will be completed within the timeframes for reply. 	<p>No draft replies to ministerial correspondence were returned for redrafting.</p> <p>82% of draft replies to ministerial correspondence were completed within the timeframe for reply.</p>
It is expected that the Department will send 350-400 submissions to the Minister.	The Department sent 355 submissions to the Minister.
It is expected that the Department will receive 60-70 ministerial Official Information Act requests.	The Department received 54 ministerial Official Information Act requests.
It is expected that the Department will receive 350-400 requests for information, with 100% meeting the ministerial deadline.	The Department received 526 requests for information, with 100% meeting the ministerial deadline.
It is expected that the Department will receive 300-350 Parliamentary Questions, with 100% meeting the ministerial deadline.	The Department received 211 Parliamentary Questions, with 100% meeting the ministerial deadline.

OUTPUT CLASS OPERATING STATEMENT 2007-2008: POLICY ADVICE AND SERVICES

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
Revenue				
- Crown	7,151	6,331	7,151	5,562
- Other	458	64	530	55
Total Revenue	7,609	6,395	7,681	5,617
Expenses	6,011	6,395	7,681	4,676
Surplus/(deficit)	1,598	0	0	941

³⁴ The Department considers that target performance has been achieved when the output is within a tolerance level acceptable for the nature of the operation. This is generally within plus or minus 5% of the projected performance target.

Organisational capability

What we are seeking to achieve and why

Efforts to develop the Department's capability during 2007-2008 contribute to the goal of enhancing the workforce's ability to deliver its strategic direction. This work is fully congruent with the State Services Commission's six development goals, particularly 'employer of choice', 'value-for-money' and 'trusted state servants'.³⁵ The immediate focus is on being an employer of choice (goal 1) and developing staff capability.

What we did to achieve this

Capability work in the year ending 30 June 2008 focused on the five themes reported in this section of the annual report. They aimed to build the Department's:

1. people capability
2. Māori relations capability
3. information and technology capability
4. science and research capability
5. long-term financial capability and cost effectiveness.

Key capability initiatives

In its *Statement of Intent 2007-2010*, the Department highlighted four key initiatives it would take to build its capability. The initiatives, and the Department's main actions for the year, are summarised in the table below.

³⁵ The goals at the outset of 2007-2008 were: Goal 1: Employer of choice. Goal 2: Excellent state servants. Goal 3: Networked state services. Goal 4: Co-ordinated state agencies. Goal 5: Accessible state services. Goal 6: Trusted state services. During 2007, a new goal 2 was introduced by the State Services Commission ('value-for-money'), and the existing goal 2 ('excellent state servants') was merged with goal 1 ('employer of choice').

KEY CAPABILITY INITIATIVES

Key capability initiatives	Main actions in 2007-2008
<p>Develop the medium term planning system (statement of intent) to review the Department's outcomes and intermediate outcomes and ensure that its work effectively reflects and reinforces the strategic direction.</p>	<p>The Department established a single new outcome and contributory intermediate outcomes during 2007. They replace the protection and appreciation outcome sets reported on in this annual report. The new outcome set is being used for the first time in the <i>Statement of Intent 2008-2011</i>.</p> <p>Work is progressing on reassessing the desired future state for each intermediate outcome - this drives work priorities and indicators of progress. During 2007, intermediate outcomes 5 (engagement) and 7 (business opportunities) were reworked, particularly the description of how they contribute to the desired future state. Further work is required to develop ways to measure success for these two intermediate outcomes.</p> <p>During 2008-2009, the remaining intermediate outcomes will be reassessed in terms of desired future state, work priorities and indicators, and the results of this work will be reflected in the statement of intent for 2009-2012.</p>
<p>Take into account the outcomes of the cost of outputs review process, and undertake steps to ensure that the limited resources available to the Department are optimally targeted in relation to the strategic direction.</p>	<p>Information gathered during the cost of outputs review was used to inform the 2008 strategy and budget alignment review. This review focused on ensuring the Department's budget allocation and its strategic direction are aligned, and balancing the budget over the coming three years.</p> <p>Some specific areas examined during the cost of outputs review were financial services and support in conservancies, the decentralised concessions processing model, and the Department's geographical information system (GIS) capacity and capability.</p> <p>The 2008 strategy and budget alignment review recommended some changes in these areas, in particular more sharing of services across conservancies boundaries, such as legal advice. The resulting changes have contributed to the Department achieving a balanced budget forecast for the next three years.</p> <p>Follow-up to the review includes work to improve the Department's ability to prioritise projects and resources and its national analysis of output efficiency.</p>
<p>Progress a sustainable development programme consistent with the Govt³ initiative and, at the end of 2008, have a plan for being a carbon neutral business by 2012.</p>	<p>A <i>Greenhouse Gas Reduction Plan 2008-2012</i> was completed. This commits the Department to, by 2012, reducing its emissions by 15% from the 2006-2007 baseline.</p> <p>Further information on this and other initiatives is contained in the section on sustainable business practice.</p>
<p>In building people capability, emphasise the development of future leaders, in both management and specialist roles.</p>	<p>The Department is making a significant commitment to enhancing leadership within the organisation, by designing and implementing a leadership development framework that includes both formal and informal learning options. In 2007-2008, design work began on a specific programme that will challenge future leaders to examine their thinking and behaviour, and learn effective leadership practices. It will be developmental and transformational in nature, adding to what the participants know, how they make sense of themselves, and how they see their roles and impact in the Department.</p> <p>The programme, to be piloted in 2008-2009, will work with cohorts of approximately 20 participants at a time, last for 9-12 months, and have a series of residential components that are reinforced by practice-based application and research, group projects and leadership coaching.</p> <p>This programme forms part of the conservation leadership framework which outlines the four different domains of leadership where the Department will focus: technical and thought leadership, organisational leadership, people leadership, and self leadership. The initial emphasis will be on people leadership and self leadership, as the Department has focused a great deal of resource in the past on technical and organisational leadership.</p> <p>As the programme progresses, it will support leaders at every level in the Department. However, over the next two years, it will focus more on developing future leaders from within the organisation, as this has not received due attention in the past.</p>

BUILDING PEOPLE CAPABILITY

What we are seeking to achieve and why

In order to grow staff capability and flexibility, the Department focused on three areas: leadership, organisational systems and culture. These are reflected in the three goals of its *People Plan 2012*:

1. To grow leaders who motivate and support staff to move in an agreed direction with competence and full commitment.
2. To build organisational systems that align to realise a workforce with the capability to perform in a complex environment and to adapt to change.
3. To develop a culture of people who recognise and value different perspectives, work together well and engage others to create desired outcomes.

What we did to achieve this

The *Statement of Intent 2007-2010* set out seven areas of focus, and the achievements for 2007-2008 are reported below.

Develop a learning and development strategy and curriculum

A draft learning and development strategy was prepared. The strategy is the platform from which a learning and development framework will be prepared in 2008-2009. The learning and development framework will be supported by a system holding all staff training and development information, as well as policies and processes. The leadership development programme (discussed as a key capability initiative) has been designed to easily integrate into the learning and development framework.

Design a collective agreement to meet changing workforce needs

The Department settled a two-year collective agreement with the Public Service Association (PSA) and a one-year collective agreement with the Amalgamated Workers Union of New Zealand (AWUNZ).

While both collective agreements enable the Department to meet most of its workforce's changing needs, further work with the PSA in 2008-2009 will enable greater flexibility in the lead-up to collective bargaining in 2009, to achieve the goal of focusing on a concept of total rewards that support both the Department and individual values.

Build strong internal and external relationships

The Department increasingly achieves conservation outcomes by building relationships and working collaboratively with others.

During the year, the Department has been gathering information to help it assess current capability and issues, and to develop plans to support achievement of the strategic direction. This included gathering information about the Department's strategic relationships.

The Department has worked collaboratively with other agencies to align its delivery of government goals, including with:

- the Deputy Secretaries State Services Commission Forum on Sustainability
- the Central Government Inter-agency Group (CGIG), led by the Department of Internal Affairs - this focuses on central and local government working with communities
- the Environmental Chief Executives' Forum - made up of central and regional government representatives
- the Ministry of Foreign Affairs and Trade, on New Zealand's international obligations.

The Department is also part of a network of government agencies working to improve the way relationships are managed, and to improve communication standards.

In the coming year, the Department's relationships work will focus on defining the Department's priority external relationships and determining how the Department will maintain and develop them.

Develop a stronger customer focus in all service and support functions based on demonstrable customer needs

One focus of the 2008 strategy and budget alignment review was to scope the amount of service and support needed within the Department. This followed up on the results of two earlier studies which showed a mismatch between internal customers' needs and the service and support provided, and that the issue was deeper than just increasing customer service skills.

The review led to structural changes to the support and service functions - 60 positions were removed and 13 new positions established.

System improvements were also highlighted to better prioritise support and service for conservation outcomes that will help achieve the strategic direction.

The review team indicated a shift was needed in the balance between compliance and exercising professional judgement. While standard procedures can make a lot of work easier, safer and more effective, more emphasis was needed on managers and staff making appropriate judgements and focusing more on performance rather than compliance.

The Department will continue supporting the exercise of judgement, and has a programme underway to simplify its standard operating procedures and processes. Development of other proposals arising from the review (to strengthen priority setting, enhance capability and provide greater support for learning and individual development) is also well underway.

Develop and implement succession planning at all levels of management and for key specialist roles

The executive leadership team has recognised the clear and pressing need for succession planning. Nearly three-quarters of the Department's workforce is over 35, and an even greater percentage of middle managers are over 40. Without succession planning, the gap that will be created by retirement over the next three to eight years poses great risk to the Department.

Succession planning for roles and development planning for individuals are being developed alongside the conservation leadership framework discussed in the key initiatives section, and the learning management system, discussed above. All managers - from the members of the executive leadership team through to managers in area offices - will be asked to make succinct plans for individual development that take into account the core skills and the core roles needed in the near-term and mid-term future. Further work is being done on the process to support succession planning/development planning throughout the Department.

Develop more flexible career paths

To support and foster flexible career paths, the Department continued to offer internal secondments and acting opportunities, and is instituting a more inclusive career development process that should create greater flexibility in both career planning and execution. The process will take account of organisational objectives, manager and team needs, and individual aspirations, and should empower employees to have greater ownership in directing their own career path and career development.

A relationship with Te Puni Kōkiri was established to facilitate and share people resources and build organisational capability.

Complete the equity review to identify how gender affects employment in the Department - a response plan will be developed to address the issues over time

The equity review investigated pay and employment equity in the Department. In accordance with the Department of Labour's directions, the focus was on gender, and the three areas for investigation were rewards, participation and people's experience of respect and fairness. The report and accompanying response plan were completed by October 2007.

Overall the review found there has been positive change in the Department over the past five years. However, areas to be improved include:

- An apparent gender pay gap, which varies across groups.
- Women are under-represented in management across the Department.
- Women's turnover rate is higher than men's turnover.

The response plan has been endorsed by the executive leadership team and describes nine key actions for the Department's senior leaders. These include addressing the pay gap at the individual and organisational level; implementing a career development system; analysing organisational data centrally; and improving the exit system.

The new remuneration system, the learning and development framework and national succession planning (discussed elsewhere in this capability section), are all helping to address equity issues, and achievements against the response plan will be reported to the executive leadership team.

Statistics for permanent staff as at 30 June 2008

At 30 June 2008, the Department employed 1770 permanent full-time equivalent (FTE) staff. Temporary FTE staff at the same date numbered 233. The distribution of permanent staff is displayed in Table 4.

TABLE 4: PERMANENT STAFF, AS AT 30 JUNE 2008

	2001	2002	2003	2004	2005	2006	2007	2008
Women	30.9%	31.9%	33.1%	33.0%	34.1%	34.7%	35.6%	36.3%
Māori	10.2%	10.1%	10.7%	10.6%	10.6%	10.4%	10.25%	10.32%
Pacific peoples	0.5%	0.6%	0.6%	0.4%	0.4%	0.3%	0.44%	0.38%
People with disabilities	5.7%	6.0%	5.5%	5.0%	4.8%	4.4%	3.9%	3.6%

MĀORI RELATIONS CAPABILITY

What we are seeking to achieve and why

The purpose of the Department's work with Māori is to achieve positive conservation outcomes. This requires brokering and maintaining successful relationships through effective engagement.

The Department's engagement with Māori is based on the following high-level guidelines:

- Protecting Māori cultural values on land managed by the Department and protecting conservation values on land owned by Māori.
- Empowering Māori communities to fulfil their customary duty as kaitiaki of taonga and encouraging their participation in conservation delivery.
- Balancing cultural, social and ecological values in decisionmaking.

- Interacting (to the appropriate extent) with Māori on all issues that either party may raise to manage potential risk and maximise opportunities.
- Engendering tangata whenua and Māori support for conservation and the Department of Conservation.
- Giving effect to the principles of the Treaty of Waitangi.

Departmental capability to achieve this is sustained and monitored using the kaupapa atawhai system, which consists of a number of processes, guidelines, tools and staff training programmes.

What we did to achieve this

The *Statement of Intent 2007-2010* set out four areas of focus, and the achievements for 2007-2008 are reported below.

Build Māori capability and diversity within the Department

An implementation project team and plan was established. As a first step, bilingual job titles have been implemented for employees. A second action is the development of the Māori conservation cadetship pilot, developed in partnership with Te Puni Kōkiri. This is discussed under key initiatives for the Department's appreciation outcome. As well as contributing to Māori capability within the organisation, this pilot will help empower Māori communities to undertake conservation work and exercise kaitiakitanga on their own lands.

Build capability in the Department to work with Māori to implement the updated te pukenga atawhai training package and te reo strategy, and monitor business plans through kupenga

The pukenga atawhai training resource *Te kete a te Rito* was reviewed and updated and is now in use. Six courses were held at various marae around the country and were attended by approximately 180 staff from areas, conservancies and head office.

Implementation of the Department's te reo Māori policy Te Reo Atawhai o Te Papa Atawhai is an ongoing process and will take a number of years to implement fully. Business plans continue to be monitored using the kupenga atawhai planning tool, and in many areas tangata whenua continued to be involved in business planning processes.

Help build Māori capability outside the Department to work for conservation by implementing Ngā Whenua Rāhui strategic directions plan

In 2007-2008, the Ngā Whenua Rāhui unit continued supporting the owners of protected land to manage conservation programmes there. Achievements through Ngā Whenua Rāhui are discussed in the protection section of this annual report.

Continue to build international cultural relations for conservation through the World Heritage programme

Opportunities to enhance cultural relationships, particularly in the Pacific region, are being explored.

INFORMATION AND TECHNOLOGY CAPABILITY

What we are seeking to achieve and why

Good access to high quality information is critical. It guides the Department's operational management, helps it understand and explain impacts, and informs decision-making to deliver improved conservation outcomes in the future. The importance of information and technology is recognised in the Department's five-year information and technology programme, approved in May 2006. Key areas are:

- improving data quality and collection efficiency
- providing cost efficient systems based on the needs of the business and fitness for purpose
- supporting collaborative work by data sharing with other agencies
- ensuring all data records include the time and place it was collected, to enable integrated geospatial and temporal analysis.

What we did to achieve this

The *Statement of Intent 2007-2010* set out two areas of focus, and the achievements for 2007-2008 are reported below.

Implementing new systems for asset management and natural heritage management

The new integrated asset management system (AMIS) was developed and tested, and was rolled out in early July 2008. This system replaces separate systems for infrastructural, visitor, historic and fencing assets, and will assist with monitoring, control, reporting and planning for asset management.

Once the asset management system is bedded down, work will begin later in 2008-2009 to identify necessary enhancements.

Work began on the business case for buying and adapting a database for the natural heritage management system. Further work will ensure associated risks, costs and potential benefits have been identified.

Significantly upgrading the intranet to improve staff communication and efficiency

Work to upgrade the intranet was affected by the loss of key staff. This work will be accelerated once new staff are on board.

SCIENCE AND RESEARCH CAPABILITY

What we are seeking to achieve and why

Science and research supports all of the Department's conservation programmes. Among other things, natural heritage science and research supports:

- the development of the natural heritage management system (site prioritisation, and inventory and monitoring; optimising threatened species recovery; integrated threat management)
- providing scientific and technical advice, internally and externally
- forecasting issues likely to be of concern to the Department, such as climate change
- contributing to the development of measures to report on intermediate outcomes

- agreed technical support and contributions to international strategies, conventions and agreements (such as the Convention on International Trade in Endangered Species)
- the Department's sustainable business practices, such as measuring its carbon footprint.

Further discussion of science and research achievements is provided in the protection and appreciation sections of this annual report.

To encourage investment in conservation science and research by other bodies (such as the Foundation for Research, Science and Technology), the Department publicises its research priorities. In 2007-2008, it was involved as an 'end user' in eight long-term outcome based investments (OBIs) funded by the Foundation for Research, Science and Technology. As the research results become available, they are translated into changes in work practices.

What we did to achieve this

The Department's science and research capability was enhanced during 2007-2008 by the following achievements:

New research

New research included topics such as climate change, ecosystem services, the importance of public conservation lands in the nation's carbon accounts, adapting to a changing climate and the use of ecological indicators. This research has boosted capability through collaborations with other agencies, access to other funding sources and increasing staff skills.

Outcome based investments

As a significant end-user agency, the Department participated in all eight outcome based investments (OBIs) funded by the Foundation for Research, Science and Technology. It contributed practical science and technical advice, as well as higher-level governance expertise.

All OBIs require a plan for science transfer or communication to end users to reinforce the value of science for conservation. This can include workshops, formal publications, websites, newsletters and material for general release. The Department held an internal science convention to deliver the results of research projects and open them for peer review. It also hosted nine science seminars ('Talking Science!') in which OBI science leaders explained progress to date.

Making research publicly available

Twelve externally peer reviewed and 34 informal papers were published and made publicly available via electronic means. Just under 162,280 document downloads were made through the Department's website. All science publication abstracts were made more accessible by identifying the research question, clearly stating the key results, and highlighting the implications for management.

LONG-TERM FINANCIAL CAPABILITY

What we are seeking to achieve and why

The aim is ongoing improvements in efficiency and effectiveness to get the best return for conservation resources and to balance future budgets.

An activity-based costing model has identified the ongoing costs of each element of the Department's business. This will lead to efficiencies in the way it delivers its outputs.

The long-term financial plan identified gaps in future budgets to be closed through further efficiencies, reprioritised outputs and, where necessary, process and structural changes.

What we did to achieve this

The *Statement of Intent 2007–2010* set out three areas of focus, and the achievements for 2007–2008 are reported below.

Refine and balance budgets for the next three years, based on long-term financial plans

In February 2008, the Director-General initiated a strategy and budget alignment review, which reported in June 2008. As previously described, the review was designed to ensure the alignment of the Department's budget allocation and strategic direction, and that its budget balanced over the coming three years.

Continue with the activity-based costing model to benchmark trends leading to efficiency and effectiveness gains

In 2006–2007 the Department completed an activity-based costing analysis of all its outputs and support services. During 2007–2008 further analysis was undertaken to identify why costs for the same activities differed between area offices. It also sought to develop benchmarks for unit costs and operational performance ratios, so that comparisons could be made between what different area offices paid for similar activities. Analyses were done for weed control, marine protected area management and kiwi management.

The results to date provide national benchmarks against which area offices can compare and investigate their own cost structures and activities in the interest of seeking efficiency and following best practice. Areas with costs significantly higher than the national benchmarks, or patterns of expenses well outside the benchmarks, are reviewing their overall cost structures and work patterns. The analysis also made comparisons with external benchmarks, and identified opportunities to improve data collection and operational processes.

In 2008–2009, work will continue to encourage the use of activity-based cost management to promote best practice and efficient use of resources.

Pilot the first phase of assessing and reporting on the cost-effectiveness of interventions in the natural heritage output class

The Department is engaged in a long-term process of developing and reporting on cost-effectiveness throughout its operations. This year was the second full year of gathering costs for the activities that make up the main natural heritage interventions. This has enabled the Department to refine the tools used for recording, analysing, and mapping the location and resourcing of these activities.

The next phase is at an early stage – it aims to relate the location and resourcing levels of fieldwork to the trends shown up by intermediate outcome indicators. Developments within the natural heritage management system programme of work have led to a proposed sampling strategy for a selection of indicators. This proposed strategy needs to be tested to determine its feasibility and resolve methodological issues. This work has been programmed for 2008–2009.

Once fully developed, this information will allow the Department to report (at a national level) how its interventions achieve natural heritage outcomes.

Sustainable business practice

What we are seeking to achieve and why

The Department is a key contributor to the Government's initiatives for a sustainable New Zealand. Its natural heritage work mitigates carbon emissions for all New Zealanders, and the Department is taking the lead on adopting sustainable business practices for its own operations.

In 2007-2008, the Department's sustainable development programme had the following three components:

- Six government departments, including the Department of Conservation, were directed by the Prime Minister in February 2007 to achieve **carbon neutral status** by 2012. The challenge is to reduce the Department's carbon footprint without sacrificing its level of service delivery.
- **Sustainable procurement** involves having sustainability elements integrated into government purchases of goods and services. The Ministry of Economic Development has developed mandatory standards and associated guidelines for a range of products.
- The Department is a member of the **Govt³** programme, which commits it to measuring its annual performance against eight sustainability indicators. Challenges in 2007-2008 included rolling out a recycling system at head office and developing a head office workplace travel plan.

These components help the Department move towards sustainable business practices to reduce its use of resources and the overall environmental impact of its conservation management activities. In many cases, sustainable business practices also reduce the cost of operations, freeing up resources for further conservation work. As part of its role as a leader in sustainable business practices the Department has adopted further measures to reduce its carbon and ecological footprint.

What we did to achieve this

Carbon neutrality

A detailed inventory of the Department's emissions for 2006-2007 was prepared, which identified total emissions of 8135 tonnes CO₂e (carbon dioxide equivalents) from transport, energy use and waste to landfill (this is a corrected figure for 2006-2007 from the reported 9561 tonnes due to identification of errors in the 2006-2007 data). The 2006-2007 year is the baseline year against which progress in emissions reduction will be measured.

The inventory for the 2007-2008 year identified total emissions of 8789 tonnes CO₂e. The increase is mainly due to the Department bringing all helicopter emissions into the carbon neutral programme (both helicopters hired directly by departmental staff and those hired by contractors completing contracts on behalf of the Department).

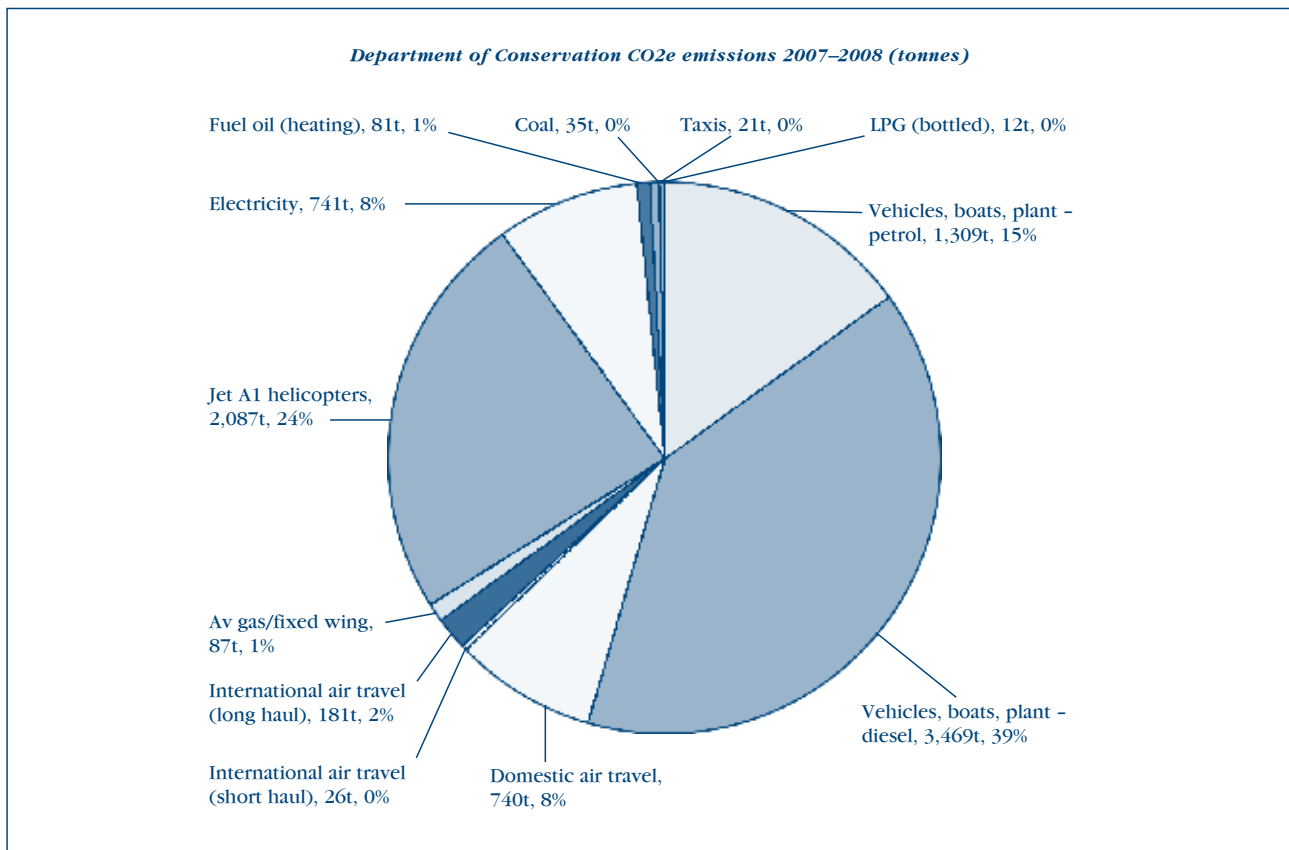
Transport is the largest source of emissions for the Department. Vehicle transport accounts for 54% of the emissions, air travel is 10%, while helicopter and fixed wing use accounts for a further 25% of emissions. The Department's emissions for the 2007-2008 year are shown in Figure 4.

A *Greenhouse Gas Reduction Plan 2008-2012* was prepared, which commits the Department to reducing its emissions by 15% by 2012 from the 2006-2007 baseline. The plan identifies key actions to reduce the carbon footprint from transport and energy use.

Actions taken so far to reduce the Department's carbon footprint are:

- A workplace travel plan for head office was prepared. Its measures aim to reduce the head office travel footprint by 15% by 2012.
- A building guide was developed to encourage adoption of sustainable principles in new and retrofitted offices.
- A partnership was entered into with Meridian Energy subsidiary, Right House Ltd. Right House will provide specialist advice on energy- and water-efficient products and services, including small-scale off-grid renewable power generation for the Department's buildings, houses, huts and remote sites.
- An ongoing programme has been put in place to buy more fuel-efficient, lower emission vehicles.
- 200 webcams were distributed to encourage staff to avoid air and vehicle use to attend meetings.
- 228 water- and energy-efficient shower heads, 88 hot water cylinder wraps and more than 3500 compact fluorescent light bulbs were installed in offices and accommodation.
- Energy audits of 20 offices were carried out.

FIGURE 4: DEPARTMENT OF CONSERVATION CO₂e EMISSIONS 2007-2008 (TONNES)



Emissions that cannot be avoided will be offset by re-forestation and pest control on public conservation land. The Department has identified five areas suitable for revegetation of indigenous forest cover to establish and enhance forest carbon sinks. This will involve planting and enabling natural regeneration (particularly through the control of introduced wild animal herbivores). The Ministry for the Environment has evaluated these sites and is funding the projects to help offset the emissions of the first six agencies in the carbon neutral public service programme.

The Department monitors a number of indicators as part of the carbon neutral public service programme, as outlined in Table 5.

Sustainable procurement

The Department made a number of changes to its purchasing requirements to ensure it meets the mandatory sustainable procurement standards issued by the Ministry of Economic Development. Actions taken in 2007-2008 include providing guidance to staff to:

- purchase either New Zealand plantation timber or overseas timber with Forest Stewardship Council or equivalent certification
- purchase, lease or hire vehicles with a minimum emission standard of at least Euro IV (or equivalent) and four stars in the Australian new car assessment programme
- progressively upgrade lighting with new generation replacements to improve performance and increase efficiency - this includes new buildings, refits of existing buildings and when moving into new premises
- purchase recycled copier paper
- purchase a range of eco-friendly office supplies.

The Department's standard contracts and tenders have been revised to incorporate sustainability requirements. Clauses have been inserted requiring:

- responses to tenders to include statements about the submitter's sustainability provisions
- sustainability to be an evaluation criteria, weighted appropriately, depending on the particular circumstances of the services required
- the preparation of a sustainability business plan if required by the Director-General
- best endeavours by contractors to conduct the services on a sustainable basis, including the use and disposal of eco-friendly products
- provision of data to allow the Department to calculate carbon emissions arising from the work undertaken if it uses mechanical equipment, vehicles and aircraft.

³⁶ The eight sustainability indicators are: Energy use in buildings; energy use for domestic land transport; energy use for domestic and international air travel; waste - tonnes to landfill and tonnes recycled; paper use - reams of copier paper used; staff numbers (full-time equivalent); tenders and contracts - whether standard text includes sustainable practice clauses; and progress on achieving targets in an organisation's sustainable practice action plan.

Govt³

In relation to Govt³, the Department:

- completed work begun in 2006-2007 to collect the survey data for the eight sustainability indicators³⁶ - these indicators are being amended to complement the carbon neutral public service indicators
- undertook a waste audit of head office over 5 working days, which identified that waste-to-landfill had fallen from 32 kg in 2006-2007 to 25 kg in 2007-2008.

The Govt³ survey and emissions data (carbon footprint) requirements have been incorporated into the Department's reporting system to enable each conservancy and area office to monitor its carbon footprint and track the effectiveness of its greenhouse gas reduction measures.

The focus for 2008-2009 will be to continue implementing the measures in the *Greenhouse Gas Reduction Plan 2008-2012*. This includes installing

renewable energy sources on suitable off-grid sites to reduce dependence on diesel generation for electricity, and implementing building energy audit recommendations. In addition, the Department will adopt mandatory sustainability procurement standards issued by the Ministry of Economic Development.

MEASURING SUSTAINABLE BUSINESS PRACTICES

The Department monitored a number of sustainability indicators to assess the overall environmental impact of its conservation management activities, shown in Table 5. These indicators are drawn from the carbon neutral public service programme and Govt³. Explanations for various components of the table are provided below. The data is subject to final external verification at time of publication of this annual report.

TABLE 5: SUSTAINABILITY INDICATORS MONITORED BY THE DEPARTMENT OF CONSERVATION

Sustainability indicators	2005-2006 CO ₂ e (tonnes)	2006-2007 CO ₂ e (tonnes)	2007-2008 CO ₂ e (tonnes)
Petrol - vehicles, boats and plant	1185	1320	1309
Diesel - vehicles, boats and plant	2833	2782	3469
Domestic air travel	1089	932	740
¹ International (short haul <3700km) flights			26
¹ International (long haul >3700km) flights	216	197	181
² Jet A1 helicopter			2087
² Aviation gas, fixed wing	1770	1583	87
Biomass/wood use	Not measured	54	Not measured
Fuel oil (heating)	Not measured	152	81
Coal (heating)	Not measured	37	35
LPG (bottled)	Not measured	8	12
³ Electricity	1420	931	741
Taxi	25	34	21
⁴ Rental cars	77	104	-
Waste to landfill from head office over 5 working days	-	0.032	0.025
TOTAL CO₂e tonnes	8615	8135	8789
Office paper		19,680 reams	17,174 reams
Full-time employee equivalents	2000	2018	2003

NOTES:

1. Short and long haul flights are separated out from 2007-2008.
2. Aviation gas is separated out from Jet A1 fuel from 2007-2008.
3. Electricity errors corrected - 2006-2007 data reporting 1004 tonnes CO₂e was incorrect.
4. Rental cars incorporated into petrol and diesel emissions from 2007-2008.

Fuel consumption

The Department relies extensively on vehicles and boats to undertake its business activities across New Zealand, often in remote locations. The existing fleet of 667 vehicles is made up of 75% diesel-powered vehicles and 25% petrol-fuelled vehicles.

Air travel

Department staff travel for many reasons as part of their work - to consult stakeholders, visit workplaces and sites, attend meetings and participate in workshops and conferences. Departmental staff have focused on reducing domestic travel by increasing use of audio-conferencing and webcams.

Helicopter/fixed wing

Helicopters and fixed wing aircraft are used for a number of purposes, including pest control, transporting materials to build huts, tracks and shelters, removing human waste, rescuing stranded trampers and to fight fires. The increase in helicopter emissions in 2007-2008 in comparison to the 2006-2007 baseline data is because:

- the correction of errors in the 2006-2007 baseline data reduced emissions from helicopters in that year
- all helicopter use during 2007-2008 has been captured. In the previous two years, emission reporting excluded helicopters hired by contractors completing contracts on behalf of the Department.

Office paper

During 2007-2008, a total of 17,174 reams of A4 copy paper were purchased from the Department's national supplier. In November 2007, the Department switched to using 80% recycled copier paper - 70% less energy is required to recycle paper compared with making it from raw materials.

Energy consumption

The total electricity consumed in Department of Conservation staff buildings in 2007-2008 was 4,357,873 kWh. This is a small reduction in electricity use compared to the 2006-2007 corrected baseline figure of 4,453,920 kWh.

Financial statements

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 2008.



Alastair Morrison
DIRECTOR-GENERAL
30 September 2008



Countersigned by
Christeen Mackenzie
CHIEF FINANCIAL OFFICER
30 September 2008



Audit report

To the readers of the Department of Conservation's financial statements and statement of service performance for the year ended 30 June 2008.

The Auditor-General is the auditor of the Department of Conservation (the Department). The Auditor-General has appointed me, Andrew Dinsdale, using the staff and resources of KPMG, to carry out the audit on his behalf. The audit covers the financial statements, statement of service performance and schedules of non-departmental activities included in the annual report of the Department for the year ended 30 June 2008.

Unqualified Opinion

In our opinion:

- The financial statements of the Department on pages 82 to 114:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Department's financial position as at 30 June 2008; and
 - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Department on pages 35 to 38, 39, 40, 57 to 58, 59 to 60, and 64:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.
- The schedules of non-departmental activities on pages 115 to 125 fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2008.

The audit was completed on 30 September 2008, and is the date at which our opinion is expressed.

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

Basis of Opinion

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

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

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

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

Audit procedures generally include:

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

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

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

Responsibilities of the Director-General and the Auditor

The Director-General is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Department's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. In addition, the schedules of non-departmental activities must fairly reflect the assets, liabilities, revenues, expenses, contingencies, commitments and trust monies managed by the Department on behalf of the Crown for the year ended 30 June 2008. The Director-General's responsibilities arise from sections 45A, 45B and 45(1)(f) of the Public Finance Act 1989.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45D(2) of the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand. In addition to the audit we have carried out audit-related and general advisory assignments, which are compatible with those independence requirements. Partners and employees of our firm may also deal with the Department on normal terms within the ordinary course of its activities. These matters have not impaired our independence as auditor of the Department. We have no other relationship with or interests in the Department.



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

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and the statement of service performance of the Department of Conservation for the year ended 30 June 2008 included on the Department of Conservation's web site. The Director-General is responsible for the maintenance and integrity of the Department of Conservation's web site. We have not been engaged to report on the integrity of the Department of Conservation's web site. We accept no responsibility for any changes that may have occurred to the financial statements and the statement of service performance since they were initially presented on the web site.

The audit report refers only to the financial statements and the statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements and the statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 30 September 2008 to confirm the information included in the audited financial statements and statement of service performance presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of accounting policies for the year ended 30 June 2008

Reporting entity

The Department of Conservation (the Department) is a Government Department as defined by section 2 of the Public Finance Act 1989.

In addition, the Department has reported on Crown activities and the trust monies which it administers.

The primary objective of the Department is to provide services to the public rather than making a financial return. Accordingly, the Department has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Department are for the year ended 30 June 2008. The financial statements were authorised for issue by the Director-General of the Department on 30 September 2008.

Basis of preparation

The financial statements of the Department have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practices (NZ GAAP).

This is the first set of financial statements prepared using NZ IFRS. The comparatives for the year ended 30 June 2007 have been restated to NZ IFRS accordingly. Reconciliations of equity and net surplus/(deficit) for the year ended 30 June 2007 under NZ IFRS to the balances reported in the 30 June 2007 financial statements are detailed in note 24.

These financial statements have been prepared in accordance with, and comply with, NZ IFRS as appropriate for public benefit entities.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Department is New Zealand dollars.

The statements have been prepared on a historical cost basis, modified by the revaluation of certain items of property, plant and equipment.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Department include:

NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. This will enable readers to analyse changes in equity resulting from transactions with the Crown in its capacity as 'owner' separately from 'non-owner' changes. The revised standard gives the Department the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The Department expects it will apply the revised standard for the

first time for the year ended 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

Accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position as at 1 July 2006 for the purposes of the transition to NZ IFRS.

Budget figures

The budget figures are those included in the Department's statement of intent for the year ended 30 June 2008, which are consistent with the financial information in the Main Estimates. In addition, the financial statements also present the updated budget information from the Supplementary Estimates.

Revenue

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

Revenue is measured at the fair value of consideration received.

Revenue Crown

Revenue earned from the supply of outputs to the Crown is recognised as revenue when earned.

Sale of publications

Sale of publications are recognised when the product is sold to the customer. The recorded revenue is the gross amount of the sale.

Application fees

Revenue from application fees is recognised to the extent that the application has been processed by the Department.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in the Department are recognised as income when control over the asset is obtained.

Cost allocation

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

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

Direct costs assigned to outputs

Direct costs are charged directly to outputs. Depreciation and capital charge are charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred.

For the year ended 30 June 2008, direct costs accounted for 62% of the Department's costs (2007: 62%).

Indirect and corporate costs assigned to outputs

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

For the year ended 30 June 2008, indirect costs accounted for 38% of the Department's costs (2007: 38%).

Financial instruments

Financial assets and financial liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

Cash and cash equivalents

Cash includes cash on hand and funds on deposit with banks.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and

subsequently measured at amortised cost using the effective interest rate, less impairment changes.

Impairment of a receivable is established when there is objective evidence that the Department will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. Overdue receivables that are renegotiated are reclassified as current (i.e. not past due).

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.

Where inventories are acquired at no cost, or for nominal consideration the cost is current replacement cost at the date of acquisition.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

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.

Property, plant and equipment

Property, plant and equipment consists of land, buildings, plant and equipment, infrastructure, vessels, motor vehicles, furniture and fittings, visitor assets and cultural assets.

- Freehold land and administrative buildings are stated at fair value as determined by an independent registered valuer. Fair value is determined using market-based evidence where available, or depreciated replacement cost. Land and buildings are revalued at least every five years.
- Infrastructure assets are valued by independent valuers and are stated at fair value. Infrastructure assets are revalued at least every five years.
- Vessels are recognised at fair value. Fair value is determined using market-based evidence where available, or depreciated replacement cost. Vessels are revalued at least every five years.
- Visitor assets are stated at fair value using optimised depreciated replacement cost as determined by an independent registered valuer on an annual basis. When a visitor asset is under construction the actual cost is accumulated as work in progress. On completion of the project, assets are recorded at fair value and any difference between the actual cost and the fair value is transferred to the revaluation reserve.
- Cultural assets are not depreciated and are shown at estimated replacement cost.
- The cost of developing, purchasing and upgrading software is capitalised. Where the software is an integral part of the hardware (i.e. computer cannot operate without that specific software) it is treated as part of the equipment.

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

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

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Department and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance. When revalued assets are sold, the amounts included in the property, plant and equipment revaluation reserves in respect of those assets are transferred to general funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Department and the cost of the item can be measured reliably.

Depreciation

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

THE USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT HAVE BEEN ESTIMATED AS FOLLOWS:

Asset	Estimated Useful Life
VISITOR ASSETS	
Amenity areas	10-25 years
Signs	5-10 years
Tracks	6-25 years
Roads (surface only)	10-22 years
Campsites	10-20 years
Toilets	20-50 years
Structures	25-50 years
Other buildings	35-50 years
OTHER FIXED ASSETS	
Administrative Buildings	
Buildings	20-40 years
Plant, Field and Radio Equipment	
Plant and field equipment	10 years
Radio equipment	5-10 years
Furniture, Computers, Other Office Equipment	
Furniture, computers, other office equipment	5 years
Motor Vehicles	
Vehicles	6 years and 8 months With a 30% residual value
Vessels	
Engines	10 years
Hulls	15 years
Infrastructure	
Industrial fire equipment	45 years
Landscaping	44 years
Roads	10-100 years
Sewerage	64 years
Solid waste	38 years
Stream control	98 years
Water supply	60 years

In accordance with NZ IAS 16 Property, Plant and Equipment, the useful lives of Property, Plant and Equipment are assessed annually to determine whether they are appropriate and the depreciation charge adjusted accordingly. In some circumstances, and particularly for re-valued assets, this may lead to instances where the estimated useful lives vary, but not materially, from the standard policy presented above.

Community assets

The nation's land and historic buildings managed by the Department are the nation's natural and historic heritage. As these community assets belong to the Crown, their valuation is reflected in the Schedule of Non-Departmental Assets. Typically this land includes the national, conservation and forest parks as well as Crown reserve land.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Department, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of financial performance.

The useful lives of major classes of intangible assets have been estimated as follows:

- Acquired computer software 5 years.
- Developed computer software 5 years.

Impairment

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or

changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance. For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the statement of financial performance.

Statement of cash flows

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

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

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

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

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

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 liability in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Taxation

Government departments are exempt from the payment of income tax in terms of the Income Tax Act 2004.

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

Donation receipts

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

- Donations which are received without a specific purpose are recognised as revenue in the period of receipt.
- Donations received for specific purposes where a written agreement specifies the purpose for which the funds must be used are matched against related expenditure when it has been incurred. Where the expenditure has not been incurred the

unspent balance is treated as revenue in advance.

- Donations received for specified purposes under section 33 of the Conservation Act 1987, section 18 of the New Zealand 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

Taxpayers' funds is the Crown's investment in the Department and is measured as the difference between total assets and total liabilities. Taxpayers' funds is disaggregated and classified as general funds and property, plant and equipment revaluation reserves.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Short-term employee entitlements

Employee entitlements that the Department expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Department recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be

carried forward at balance date, to the extent that the Department anticipates it will be used by staff to cover those future absences.

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information
- the present value of the estimated future cash flows. A weighted average discount rate of 6.58% and a salary inflation factor of 3.00% were used. The discount rate is based on the weighted average of government bonds with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Provisions

The Department recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of

money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Critical accounting estimates and assumptions

In preparing these financial statements the Department has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Retirement and long service leave

Note 18 provides an analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities.

Valuation of certain items of property, plant and equipment

Note 13 provides details on valuation of property, plant and equipment.

Commitments

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

Contingent liabilities

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

	Notes	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
REVENUE					
Crown		263,950	257,401	263,950	251,174
Other	2	30,979	29,508	35,489	28,973
Total revenue		294,929	286,909	299,439	280,147
EXPENSES					
Personnel costs	3	133,103	114,846	128,705	121,686
Operating costs	4	103,363	117,834	115,231	101,021
Depreciation and Amortisation expense	5	20,639	23,950	21,480	18,759
Capital charge	6	31,704	30,979	31,723	29,460
Loss on sale of property, plant and equipment		2,348	0	3,000	2,259
Total expenses		291,157	287,609	300,139	273,185
Net surplus/ (deficit) for the year	7	3,772	(700)	(700)	6,962

Explanations of significant variances against budget are detailed in note 1: Major budget variations.

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 2008

	Notes	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
CURRENT ASSETS					
Cash and cash equivalents	9	33,100	19,822	16,206	25,306
Prepayments		1,276	244	1,270	1,270
Inventories	10	1,078	1,342	1,185	1,184
Trade and other receivables	11	6,171	4,538	3,875	2,916
Debtor Crown	12	48,772	48,772	42,668	52,765
Total current assets		90,397	74,718	65,204	83,441
NON-CURRENT ASSETS					
Property, plant and equipment	13	397,008	380,441	415,075	382,309
Intangible assets	14	7,155	0	3,864	3,960
Total non-current assets		404,163	380,441	418,939	386,269
Total assets		494,560	455,159	484,143	469,710
CURRENT LIABILITIES					
Trade and other payables	15	17,145	24,362	15,929	16,029
GST payable		1,230	(1,207)	(992)	741
Employee benefits	16	13,153	7,647	10,555	10,554
Environmental provision	17	813	779	779	731
Provision for payment of surplus	7	2,447	0	0	6,332
Revenue in advance		2,264	2,049	2,234	2,235
Total current liabilities		37,052	33,630	28,505	36,622
NON-CURRENT LIABILITIES					
Employee benefits	18	11,439	10,090	9,899	9,899
Total non-current liabilities		11,439	10,090	9,899	9,899
Total liabilities		48,491	43,720	38,404	46,521
TAXPAYERS' FUNDS					
General funds	19	336,269	325,694	332,328	309,772
Property, plant and equipment- revaluation reserves	19	109,800	85,745	113,411	113,417
Total taxpayers' funds		446,069	411,439	445,739	423,189
Total liabilities and taxpayers' funds		494,560	455,159	484,143	469,710

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

STATEMENT OF CHANGES IN TAXPAYERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2008

	Notes	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
Total taxpayers' funds at beginning of year		423,189	392,547	423,187	387,049
Net surplus/ (deficit) for the year		3,772	(700)	(700)	6,962
Property, plant and equipment revaluation gains (losses) taken to equity		3,322	(1)	(1)	28,401
Total recognised income and expenses for the year		7,094	(701)	(701)	35,363
Distributions to Crown					
Repayment of surplus to Crown		(21)	0	0	(165)
Provision for payment of surplus	7	(2,447)	0	0	(6,332)
Contributions from Crown					
Asset transfers		0	2,000	5,000	0
Capital contribution	8	18,254	17,593	18,254	7,274
Total taxpayers' funds at end of year	19	446,069	411,439	445,740	423,189

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
CASH FLOWS - OPERATING ACTIVITIES				
Cash provided from:				
Supply of outputs to				
- Crown	267,943	261,394	274,047	253,320
- Customers	25,915	28,966	34,531	28,184
	293,858	290,360	308,578	281,504
Cash disbursed to:				
Produce outputs				
- Employees	128,594	114,846	128,705	119,612
- Suppliers	101,507	116,833	117,017	99,553
- Capital charge	31,704	30,979	31,723	29,460
	261,805	262,658	277,445	248,625
Net cash inflow from operating activities	32,053	27,702	31,133	32,879
CASH FLOWS - INVESTING ACTIVITIES				
Cash provided from:				
Sale of property, plant and equipment	612	0	0	814
Cash disbursed to:				
Purchase of property, plant and equipment	32,267	45,296	52,155	28,894
Purchase of intangibles	4,505	0	0	2,338
	36,772	45,296	52,155	31,232
Net cash outflow from investing activities	(36,160)	(45,296)	(52,155)	(30,418)
CASH FLOWS - FINANCING ACTIVITIES				
Cash provided from:				
Capital contributions	18,254	17,593	18,254	7,274
Cash disbursed to:				
Capital withdrawal	21	0	0	165
Payment of Surplus to Crown	6,332	0	6,332	6,264
	6,353	0	6,332	6,429
Net cash inflow from financing activities	11,901	17,593	11,922	845
Net increase/(decrease) in cash and cash equivalents	7,794	(1)	(9,100)	3,306
Add opening cash and bank balances	25,306	19,823	25,305	22,000
Closing cash and cash equivalents	33,100	19,822	16,205	25,306

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

RECONCILIATION OF NET SURPLUS/(DEFICIT) AND NET CASH FLOWS FROM OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2008

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
Net surplus/(deficit) for the year	3,772	(700)	(700)	6,962
Add /(less) non-cash items:				
Depreciation and amortisation expenses	20,639	23,950	21,480	18,759
Bad debts	12	0	0	6
Asset and other write-offs	57	0	0	267
Donated Assets	(1,841)	0	0	(1,445)
Total non-cash items	18,867	23,950	21,480	17,587
MOVEMENTS IN WORKING CAPITAL				
Prepayments (increase)/decrease	(6)	0	0	(1,022)
Inventories (increase)/decrease	106	0	(1)	156
Trade and other receivables (increase)/decrease	(3,223)	(542)	(958)	657
Debtor Crown (increase)/decrease	3,993	3,993	10,097	2,146
Trade and other payables increase/(decrease)	1,116	1,751	(100)	2,226
GST payable increase/(decrease)	489	(750)	(1,733)	(332)
Employee entitlements increase/(decrease)	4,509	0	0	2,074
Other provisions increase/(decrease)	82	0	48	166
Other liabilities increase/(decrease)	0	0	0	0
Net movement in working capital	7,066	4,452	7,353	6,071
Add/(less) investing activity items				
Net loss on sale of property, plant and equipment	2,348	0	3,000	2,259
Total investing activities	2,348	0	3,000	2,259
Net cash inflow from operating activities	32,053	27,702	31,133	32,879

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 2008

Commitments by category	30/06/08 Actual \$000	30/06/07 Actual \$000
CAPITAL COMMITMENTS		
Land and buildings	3,157	1,947
Other plant and equipment	3,341	2,811
Infrastructural assets	1,682	1,477
Total capital commitments	8,180	6,235
OPERATING COMMITMENTS		
Non-cancellable accommodation leases	41,275	42,268
Other non-cancellable leases	622	802
Other commitments	2,787	2,685
Total operating commitments	44,684	45,755
Total commitments	52,864	51,990
COMMITMENTS BY TERM		
Less than one year	15,628	13,574
One to two years	6,380	6,022
Two to five years	13,409	12,820
Greater than five years	17,447	19,574
Total commitments	52,864	51,990

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 3 years and amount to \$2.2 million as at 30 June 2008 (2007: \$0.6 million).

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, plant and equipment and intangible assets that have not been paid for or not recognised as a liability at the balance sheet date.

Non-cancellable operating lease commitments (accommodation and other)

The Department leases property, plant and equipment in the normal course of its business. The majority of these leases are for premises and photocopiers, which have a non-cancellable leasing period ranging from three to ten years.

Other non-cancellable commitments

The Department has entered into non-cancellable contracts for computer maintenance, cleaning services, consulting services and other contracts for service.

The Department's non-cancellable operating leases have varying terms, escalation clauses and renewal rights. There are no restrictions placed on the Department by any of its leasing arrangements.

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

STATEMENT OF CONTINGENT LIABILITIES AND CONTINGENT ASSETS AS AT 30 JUNE 2008

	30/06/08 Actual \$000	30/06/07 Actual \$000
Public liability claims	26,821	27,653
Total contingent liabilities	26,821	27,653

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

	30/06/08 Maximum Exposure \$000	30/06/07 Maximum Exposure \$000
Court and Tribunal proceedings and other potential claims		
41 proceedings and potential claims of which 11 are quantifiable. The remaining 30 claims cannot be quantified. The contingent liability for the 11 quantifiable claims is shown below.		
Dispute over the alleged disruption of mining activities	11,850*	11,850
A potential set of claims, involving the handling of certain licence applications	8,000	8,000
A claim for compensation due to fencing boundaries	5,365	5,365
Other quantifiable proceedings and potential claims	1,606	2,438
Total court and tribunal proceedings and other potential claims	26,821	27,653

* This amount is the estimated total claim against several parties including the Department. The extent to which the Department is contingently liable for this claim is unknown as at 30 June 2008.

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

Indemnities

The Director-General of Conservation has a delegation from the Minister of Finance under the Public Finance Act 1989 to agree to indemnities in access agreements over private land. This provides access, for the public and the staff of the Department, to land managed by the Department.

No indemnities were granted in 2007-2008 for public access.

Contingent assets

The Department has no contingent assets (2007: Nil).

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

STATEMENT OF DEPARTMENTAL EXPENSE AND CAPITAL EXPENDITURE AGAINST
APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2008

	Notes	30/06/08 Expenditure Actual \$000	30/06/08 Final Appropriation \$000	30/06/08 Under/(Over) Expenditure \$000	30/06/07 Expenditure Actual \$000
OUTPUT CLASSES					
Vote: Conservation					
Management of natural heritage		143,695	146,265	2,570	135,641
Management of historic heritage		6,005	6,376	371	5,546
Management of recreational opportunities		119,200	122,267	3,067	111,014
Conservation with the community		13,748	14,791	1,043	13,487
Policy advice and Ministerial servicing		6,011	7,681	1,670	4,676
Recreational opportunities review		516	700	184	808
Crown regional pest management strategy contribution		1,982	2,059	77	2,013
Total Output Appropriations		291,157	300,139	8,982	273,185
CAPITAL CONTRIBUTIONS TO THE DEPARTMENT					
Capital contribution	8	18,254	18,254	0	7,274

There was no unappropriated expenditure in 2007-2008 (2006-2007: Nil).

Expenses and capital expenditure incurred in excess of appropriation

Nil

Expenses and capital expenditure incurred without appropriation or other authority

Nil

Breaches of projected departmental net asset schedule

Nil

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 2008

	As at 30/06/07 \$000	Contributions \$000	Distributions \$000	Net Interest \$000	As at 30/06/08 \$000
Conservation Project Trust	1,328	634	(758)	59	1,263
Reserve Trust	0	0	0	0	0
NZ Walkway Trust	14	0	0	1	15
National Park Trust	100	61	(122)	3	42
Bonds/Deposits Trust	6,218	500	(274)	365	6,809
Total	7,660	1,195	(1,154)	428	8,129

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

There are three sources of receipts:

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

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 2008

NOTE 1: MAJOR BUDGET VARIATIONS

Significant variances between Actual and Supplementary Estimates Budget:

Statement of financial performance

Personnel costs were 3% over budget due to increased salary costs and redundancy provisions.

The Department's operating costs were \$12 million lower than budget due to weather related and operational delays in project expenditure.

Visitor asset depreciation was \$2.4 million lower than budget due to capital expenditure on visitor assets being lower than anticipated.

Statement of financial position

Cash and bank balances were \$16.9 million greater than forecast in the Supplementary Estimates largely due to reduced spending on visitor and other assets and the operating surplus for the year of \$3.8 million.

Debtors and receivables increased by \$8.4 million to \$54.9 million as compared with the Supplementary Estimates mainly due to underestimation of Debtor Crown.

Property, plant and equipment balance is \$18.1 million lower than the Supplementary Estimates due to the Supplementary Estimates allowing for the maximum permissible expenditure.

The provision for employee benefits increased \$4.1 million over the Supplementary Estimates, to \$24.6 million due to redundancy provisions and increases from actuarial calculations of Retirement and Long Service Leave.

NOTE 2: REVENUE OTHER

	30/06/08 Actual \$000	30/06/07 Actual \$000
Recreational charges	9,647	9,193
Leases and rents	521	483
Retail sales	2,968	3,242
Resource sales	700	1,694
Donations - sponsorships	3,235	4,094
Permissions cost recoveries	1,836	1,411
Administration cost recoveries	8,521	6,929
State Services Commission superannuation recovery	2,093	1,852
Other	1,458	75
Total revenue other	30,979	28,973

NOTE 3: PERSONNEL COSTS

	30/06/08 Actual \$000	30/06/07 Actual \$000
Salaries and wages	123,223	113,742
Termination benefits	1,760	0
Long service and retiring leave	2,436	2,306
Superannuation subsidies	2,821	2,605
Recruitment	453	633
Uniforms	698	621
ACC levies	961	822
Other	751	957
Total personnel costs	133,103	121,686

NOTE 4. OPERATING COSTS

	30/06/08 Actual \$000	30/06/07 Actual \$000
Professional fees and contractors	35,097	35,654
Fees paid to auditors:		
Audit of financial statements	294	261
Audit of NZ IFRS transition	0	30
Fees for Management System Review	12	0
Fees for advisory support for Strategy and Budget Alignment Review	53	0
Grants	796	1,000
Communications and computer expenses	9,788	9,282
Travel	5,148	5,855
Motor vehicle and vessel expenses	4,221	4,073
Accommodation	3,465	3,535
Office supplies	2,515	2,309
Field supplies	13,464	14,296
Lease expenses	17,017	15,360
Printing	2,023	2,135
Other	9,470	7,231
Total operating costs	103,363	101,021

NOTE 5: DEPRECIATION AND AMORTISATION EXPENSE

	30/06/08 Actual \$000	30/06/07 Actual \$000
Visitor assets	12,148	11,793
Administrative buildings	1,564	1,804
Plant, field and radio equipment	2,039	1,219
Furniture, computers, other office equipment	895	289
Motor vehicles	1,851	1,682
Vessels	487	474
Infrastructure	345	363
Intangibles	1,310	1,135
Total depreciation and amortisation expense	20,639	18,759

NOTE 6: CAPITAL CHARGE

The Department pays a capital charge to the Crown twice yearly on the balance of taxpayers' funds, including revaluation reserve, as at 1 July and 1 January.

The capital charge rate for the year ended 30 June 2008 was 7.5 % (2007: 7.5%).

NOTE 7: PROVISION FOR PAYMENT OF SURPLUS

	30/06/08 Actual \$000	30/06/07 Actual \$000
Net surplus/ (deficit) for the year	3,772	6,962
Add: IFRS adjustment	0	7
Less: Donated assets	(1,841)	(1,445)
Plus: Output class deficits	516	808
Total provision for payment of surplus	2,447	6,332

The repayment of surplus is required to be paid by the 31st of October of each year.

NOTE 8: CAPITAL CONTRIBUTION

	30/06/08 Actual \$000	30/06/07 Actual \$000
Visitor assets	14,432	0
Non-visitor assets	3,822	7,274
Total capital contribution	18,254	7,274

NOTE 9: CASH AND CASH EQUIVALENTS

	30/06/08 Actual \$000	30/06/07 Actual \$000
Cash at bank	33,031	25,236
Petty cash floats	69	70
Total cash and cash equivalents	33,100	25,306

The Department's bankers are Westpac New Zealand Limited under an arrangement between Westpac New Zealand Limited and the Crown.

NOTE 10: INVENTORIES

	30/06/08 Actual \$000	30/06/07 Actual \$000
Retail	360	261
Nursery	124	119
Fire control supplies	18	39
Wild animal control supplies	374	418
Publications	138	177
Park maps	64	170
Total inventories	1,078	1,184

NOTE 11: TRADE AND OTHER RECEIVABLES

	30/06/08 Actual \$000	30/06/07 Actual \$000
Gross trade receivables	4,822	2,672
Less: Provision for doubtful debts	(320)	(216)
Net trade receivables	4,502	2,456
Other receivables	1,669	460
Total receivables	6,171	2,916
MOVEMENTS IN THE PROVISION FOR DOUBTFUL DEBTS		
Balance brought forward	(216)	(271)
Additional provisions made during the year	(161)	(50)
Receivables written off during period	57	105
Closing balance	(320)	(216)

NOTE 12: DEBTOR CROWN

Cabinet agreed in 2002 to fund the Department adequately for visitor assets over a 20 year period. Initially the cash flow to the Department does not match the revenue flow. As a result, the Department is recognising the Crown as a debtor. The Crown debtor balance reached \$48.8 million in 2007–2008 (2007: \$52.8 million) and will be progressively reduced until 2021–2022 when the balance will be completely cleared to zero.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

Cost or Valuation	Land \$000	Buildings \$000	Plant and Equipment \$000	Infrastructure \$000	Vessels \$000	Motor Vehicles \$000	Furniture and Fittings \$000	Visitor Assets \$000	Cultural Assets \$000	Total \$000
Balance at 1 July 2006	12,852	82,254	19,413	22,577	8,626	18,905	3,922	549,322	30	717,901
Additions	0	2,574	2,560	2,116	301	2,603	5,562	15,409	0	31,125
Revaluation increase	(360)	50,036	0	0	0	0	0	182	0	49,858
Transferred to intangibles	0	0	(1,318)	0	0	0	0	0	0	(1,318)
Disposals	(45)	(983)	(262)	0	(493)	(1,975)	(1,022)	(10,629)	0	(15,409)
Balance at 30 June 2007	12,447	133,881	20,393	24,693	8,434	19,533	8,462	554,284	30	782,157
Balance at 1 July 2007	12,447	133,881	20,393	24,693	8,434	19,533	8,462	554,284	30	782,157
Additions	0	4,051	1,470	2,477	609	2,501	1,160	24,732	0	37,000
Revaluation increase	0	(182)	0	1,980	(1,420)	0	0	1,749	0	2,127
Disposals	0	(551)	(797)	(605)	(83)	(1,729)	(64)	(9,599)	0	(13,428)
Balance at 30 June 2008	12,447	137,199	21,066	28,545	7,540	20,305	9,558	571,166	30	807,856
Accumulated depreciation and impairment losses										
Balance at 1 July 2006	0	45,535	9,674	10,451	4,313	8,179	2,601	293,262	0	374,015
Depreciation expense	0	1,804	1,219	363	474	1,682	289	11,793	0	17,624
Eliminate on disposal	0	(699)	(199)	0	(390)	(1,284)	(927)	(4,750)	0	(8,249)
Eliminate on revaluation	0	28,797	0	0	0	0	0	(11,686)	0	17,111
Transfers to intangibles	0	0	(653)	0	0	0	0	0	0	(653)
Balance at 30 June 2007	0	75,437	10,041	10,814	4,397	8,577	1,963	288,619	0	399,848
Balance at 1 July 2007	0	75,437	10,041	10,814	4,397	8,577	1,963	288,619	0	399,848
Depreciation expense	0	1,564	2,039	345	487	1,851	895	12,148	0	19,329
Eliminate on disposal	0	(346)	(315)	(474)	(49)	(1,330)	0	(4,620)	0	(7,134)
Eliminate on revaluation	0	(42)	0	791	(1,311)	0	0	(633)	0	(1,195)
Balance at 30 June 2008	0	76,613	11,765	11,476	3,524	9,098	2,858	295,514	0	410,848
Carrying amounts										
At 1 July 2006	12,852	36,719	9,739	12,126	4,313	10,726	1,321	256,060	30	343,886
At 30 June 2007	12,447	58,444	10,352	13,879	4,037	10,956	6,499	265,665	30	382,309
At 30 June 2008	12,447	60,586	9,301	17,069	4,016	11,207	6,700	275,652	30	397,008

Land, buildings and vessels

Freehold land has been valued at fair value as at 31 March 2006, administration buildings have been valued at fair value as at 31 March 2007 and vessels have been valued at fair value as at 30 April 2008 by valuersnet.nz Limited (registered independent valuers).

Infrastructure

Infrastructural assets were valued by valuersnet.nz Limited (registered independent valuers) as at 31 March 2008.

Visitor assets

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

The land formation costs of tracks, car parks and roads (\$109 million as at 30 June 2008) have been included in the financial statements and are not depreciated. Land formation costs for amenity areas and campsites are currently excluded from the financial statements.

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

Property, plant and equipment under construction

The total amount of property, plant and equipment in the course of construction is \$32.086 million (2007: \$10.425 million).

NOTE 14: INTANGIBLE ASSETS

	Acquired Software \$000	Internally generated software \$000	Total \$000
Cost or Valuation			
Balance at 1 July 2006	673	5,691	6,364
Additions	0	1,020	1,020
Transfers from property, plant and equipment	0	1,318	1,318
Disposals	0	0	0
Balance at 30 June 2007	673	8,029	8,702
Balance at 1 July 2007	673	8,029	8,702
Additions	789	3,716	4,505
Disposals	0	0	0
Balance at 30 June 2008	1,462	11,745	13,207
Accumulated depreciation and impairment losses			
Balance at 1 July 2006	181	2,773	2,954
Amortisation expense	140	995	1,135
Disposals	0	0	0
Transfers from property, plant and equipment	0	653	653
Impairment losses	0	0	0
Balance at 30 June 2007	321	4,421	4,742
Balance at 1 July 2007	321	4,421	4,742
Amortisation expense	246	1,064	1,310
Disposals	0	0	0
Impairment losses	0	0	0
Balance at 30 June 2008	567	5,485	6,052
Carrying amounts			
At 1 July 2006	492	2,918	3,410
At 30 June 2007	352	3,608	3,960
At 30 June 2008	895	6,260	7,155

There are no restrictions over the title of the Department's intangible assets, nor are any intangible assets pledged as security for liabilities.

NOTE 15: TRADE AND OTHER PAYABLES

	30/06/08 Actual \$000	30/06/07 Actual \$000
Trade creditors	12,182	13,015
Other payables	4,963	3,014
Total trade and other payables	17,145	16,029

Creditors and other payables are non-interest bearing and are normally settled on 20th of the following month terms, therefore the carrying value of creditors and other payables approximates their fair value.

NOTE 16: EMPLOYEE BENEFITS (CURRENT)

	30/06/08 Actual \$000	30/06/07 Actual \$000
Accrued salaries and wages	1,184	749
Current portion of long service & retiring leave (as per note 18)	767	1,069
Accrued annual leave, time-off-in-lieu, and vested long service leave	11,202	8,736
Total employee benefits (current)	13,153	10,554

NOTE 17: ENVIRONMENTAL PROVISION

	30/06/08 Actual \$000	30/06/07 Actual \$000
Opening balance	731	565
Provision utilised or reversed during the year	(136)	(50)
Provision made during the year	218	216
Closing balance	813	731

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

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

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

NOTE 18: EMPLOYEE BENEFITS (NON-CURRENT)

	30/06/08 Actual \$000	30/06/07 Actual \$000
Retiring leave	10,396	9,815
Long service leave	1,810	1,153
	12,206	10,968
Less: Current portion of long service & retiring leave (as per Note 16)	(767)	(1,069)
Total employee benefits (non current)	11,439	9,899

The present value of the retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability.

In determining the appropriate discount rate the Department considered the interest rates on NZ government bonds which have terms to maturity that match, as closely to possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary.

NOTE 19: TAXPAYER FUNDS

	30/06/08 Actual \$000	30/06/07 Actual \$000
GENERAL FUNDS		
Balance at 1 July	309,772	301,306
Net surplus/ (deficit) for the year	3,772	6,962
Transfers from revaluation reserve on disposal	1,074	727
Other transfers from revaluation reserve	5,865	0
Capital repayments to the Crown	(21)	(165)
Capital Contribution from the Crown	18,254	7,274
Provision for repayment of surplus to the Crown	(2,447)	(6,332)
General funds at 30 June	336,269	309,772
PROPERTY, PLANT AND EQUIPMENT REVALUATION RESERVES		
Balance as at 1 July	113,417	85,743
Revaluation gains/(losses)	3,322	28,401
Transfer to general funds on disposal	(1,074)	(727)
Other transfers to general funds	(5,865)	0
Revaluation Reserves at 30 June	109,800	113,417
Total taxpayer funds at 30 June	446,069	423,189
REVALUATION RESERVES CONSIST OF:		
Land revaluation reserve	11,374	11,374
Buildings revaluation reserves	37,434	37,866
Visitor assets reserves	58,147	62,058
Other reserves	2,845	2,119
Total revaluation reserve	109,800	113,417

NOTE 20: FINANCIAL INSTRUMENT RISKS

The Department's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Department has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Department has no exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate or, the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

The Department has no interest bearing financial instruments and, accordingly, has no exposure to interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Department, causing the Department to incur a loss. In the normal course of its business, credit risk arises from debtors and deposits with banks.

The Department is only permitted to deposit funds with Westpac, a registered bank, and enter into foreign exchange forward contracts with the New Zealand Debt Management Office. These entities have high credit ratings. For its other financial instruments, the Department does not have significant concentrations of credit risk.

The Department's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and net debtors. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

Liquidity risk

Liquidity risk is the risk that the Department will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements, the Department closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management Office. The Department maintains a target level of available cash to meet liquidity requirements.

The following table analyses the Department's financial liabilities that will be settled based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Notes	Less than 6 months \$000	Between 6 months and 1 year \$000	Between 1 and 5 years \$000	Over 5 years \$000
2007					
Trade and other payables	15	16,029	0	0	0
2008					
Trade and other payables	15	17,145	0	0	0

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

	Notes	30/06/08 Actual \$000	30/06/07 Actual \$000
LOANS AND RECEIVABLES			
Cash and cash equivalents	9	33,100	25,306
Trade and other receivables	11	6,171	2,916
Debtor Crown	12	48,772	52,765
Total loans and receivables		88,043	80,987
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST			
Trade and other payables	15	17,145	16,029

NOTE 21: RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

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 transactions with other government departments, Crown entities and state-owned enterprises on an arm's length basis. Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the Department would have adopted if dealing with that entity at arm's length in the same circumstance are not disclosed.

There are no close family members of key management personnel employed by the Department.

There were no transactions carried out with related parties.

KEY MANAGEMENT PERSONNEL COMPENSATION

	30/06/08 Actual \$000	30/06/07 Actual \$000
Salaries and other short term benefits	2,045	1,771
Other long term benefits	0	0
Termination benefits	0	0
Total key management personnel compensation	2,045	1,771

Key management personnel include the Director-General and the members of the executive leadership team.

NOTE 22: CAPITAL MANAGEMENT

The Department's capital is its equity (or taxpayers' funds), which comprise general funds and revaluation reserves. Equity is represented by net assets.

The Department manages its revenues, expenses, assets, liabilities, and general financial dealings prudently. The Department's equity is largely managed as a by-product of managing income, expenses, assets, liabilities, and compliance with the Government Budget processes and with Treasury Instructions.

The objective of managing the Department's equity is to ensure the Department effectively achieves its goals and objectives for which it has been established, whilst remaining a going concern.

NOTE 23: EVENTS AFTER THE BALANCE SHEET DATE

No significant events which may impact on the actual results have occurred between year-end and the signing of these financial statements (2007: none).

NOTE 24: EXPLANATION OF TRANSITION TO NZ IFRS

The Department's financial statements for the year ended 30 June 2008 are the first financial statements that comply with NZ IFRS. The Department has applied NZ IFRS 1 First-time Adoption of NZ IFRS (NZ IFRS 1) in preparing these financial statements. The Department's transition date is 1 July 2006. The Department prepared its opening NZ IFRS balance sheet at that date. The reporting date of these financial statements is 30 June 2008. The Department's NZ IFRS adoption date is 1 July 2007.

EXPLANATION OF TRANSITION TO NZ IFRS:

	Previous NZ GAAP 1 July 2006 \$000	Effect on transition to NZ IFRS 1 July 2006 \$000	NZ IFRS 1 July 2006 \$000	Previous NZ GAAP 1 July 2007 \$000	Effect on transition to NZ IFRS 1 July 2007 \$000	NZ IFRS 1 July 2007 \$000
Current assets						
Cash and cash equivalents	22,000		22,000	25,306		25,306
Prepayments	248		248	1,270		1,270
Inventories	1,340		1,340	1,184		1,184
Trade and other receivables	3,386		3,386	2,916		2,916
Debtor Crown	54,912		54,912	52,765		52,765
Total current assets	81,886	0	81,886	83,441	0	83,441
Non-current assets						
Property, plant and equipment Note a)	347,296	(3,410)	343,886	386,269	(3,960)	382,309
Intangible assets	0	3,410	3,410	0	3,960	3,960
Total non-current assets	347,296	0	347,296	386,269	0	386,269
Total assets	429,182	0	429,182	469,710	0	469,710
Current liabilities						
Trade and other payables	13,803		13,803	16,029		16,029
GST payable	1,073		1,073	741		741
Employee benefits Note b)	7,926	363	8,289	10,184	370	10,554
Other provisions	565		565	731		731
Provision for payment of surplus	6,264		6,264	6,332		6,332
Revenue in advance	2,049		2,049	2,235		2,235
Total current liabilities	31,680	363	32,043	36,252	370	36,622
Non-current liabilities						
Employee benefits	10,090		10,090	9,899		9,899
Total non-current liabilities	10,090	0	10,090	9,899	0	9,899
Total liabilities	41,770	363	42,133	46,151	370	46,521
Taxpayers' funds						
General funds Note b)	301,669	(363)	301,306	310,142	(370)	309,772
Property, plant and equipment-revaluation reserves	85,743		85,743	113,417		113,417
Total taxpayers' funds	387,412	(363)	387,049	423,559	(370)	423,189
Total liabilities and taxpayers' funds	429,182	0	429,182	469,710	0	469,710

RECONCILIATION OF SURPLUS

The following table shows the changes in the Department's surplus, resulting from the transition from previous NZ GAAP to NZ IFRS for the year ended 30 June 2007.

	Previous NZ GAAP 30 June 2007 \$000	Effect on transition to NZ IFRS 30 June 2007 \$000	NZ IFRS 30 June 2007 \$000	
Revenue				
Crown	251,174		251,174	
Other	28,973		28,973	
Total revenue	280,147		280,147	
Expenses				
Personnel costs	Note b)	121,679	7	121,686
Operating costs		101,021		101,021
Depreciation and Amortisation expense		18,759		18,759
Capital charge		29,460		29,460
Loss on sale of property, plant and equipment		2,259		2,259
Total expenses		273,178	7	273,185
Net surplus/ (deficit) for the year		6,969	(7)	6,962

a) Computer software

Computer software was classified as property, plant and equipment under previous NZ GAAP. Computer software has been reclassified as an intangible asset on transition to NZ IFRS.

b) Employee entitlements - sick leave

Sick leave was not recognised as a liability under previous NZ GAAP. NZ IAS 19 requires the Department to recognise employees' unused sick leave entitlement that can be carried forward at balance date, to the extent that the Department anticipates it will be used by staff to cover future absence.

Non-departmental schedules

Statement of accounting policies

for the year ended 30 June 2008

Reporting entity

These non-departmental schedules and statements present financial information on public funds managed by the Department on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, reference should also be made to the Financial Statements of the Government.

Accounting policies

The non-departmental schedules and statements have been prepared in accordance with the Government's accounting policies as set out in the Financial Statements of the Government, and in accordance with relevant Treasury Instructions and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules and statements are consistent with New Zealand generally accepted accounting practice as appropriate for public benefit entities.

This is the first set of non-departmental schedules and statements prepared using NZ IFRS. There has been no adjustment to non-departmental income and expense or assets and liabilities for the year ended 30 June 2007 on transition to NZ IFRS.

The accounting policies set out below have been applied consistently to all periods presented in these schedules and in preparing an opening NZ IFRS statement of financial position as at

1 July 2006 for the purposes of the transition to NZ IFRS.

The following particular accounting policies have been applied:

Budget figures

The budget figures are those included in the Department's statement of intent for the year ended 30 June 2008, which are consistent with the financial information in the Main Estimates. In addition, these schedules also present the updated budget information from the Supplementary Estimates.

Revenue

The Department collects revenue on behalf of the Crown. This is mainly from concession fees, rent/leases and licences from commercial users of Crown-owned land. Revenue is recognised when earned and is reported in the financial period to which it relates.

Goods and Services Tax (GST)

All items in the non-departmental schedules, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. In accordance with Treasury instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the government financial statements.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Department will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the schedule of non-departmental expenses. When a debtor is uncollectible, it is written off against the allowance account for debtors. Overdue receivables that are renegotiated are reclassified as current (i.e not past due).

Commitments

Future expenses and liabilities to be incurred on non-cancellable contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the statement of commitments at the value of that penalty or exit cost.

Property, plant and equipment

Land is stated at current rateable value and is revalued at least every five years.

Historic buildings used for rental activities are valued at market value based on the highest and best use. Historic buildings are revalued at least every five years.

Infrastructural assets relate to fencing assets and are stated at fair value using optimised depreciation replacement cost. Infrastructural assets are revalued at least every five years.

Cultural assets are stated at fair value. These assets are not depreciated and are valued at least every five years.

Depreciation

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

The useful lives of assets have been estimated as follows:

Asset	Estimated Useful Life
Buildings (Historic)	98-100 years
Infrastructural assets (Fencing)	40 years

Provisions

The Department recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

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

SCHEDULE OF NON-DEPARTMENTAL INCOME FOR THE YEAR ENDED 30 JUNE 2008

	Notes	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
REVENUE					
Concessions, leases and licences	1	14,039	11,864	11,864	14,718
Other operational revenue		2,011	1,940	2,310	1,922
Capital receipts		1,480	1,800	1,800	1,596
Total non-departmental income		17,530	15,604	15,974	18,236

Non-departmental income is administered by the Department of Conservation on behalf of the Crown. As this income is not established by the Department nor earned in the production of the Department's outputs, it is not reported in the departmental financial statements.

SCHEDULE OF NON-DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30 JUNE 2008

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
VOTE: CONSERVATION				
Non-departmental output classes	25,048	19,593	30,558	17,038
Appropriated expenses incurred by the Crown	9,403	12,298	17,794	8,994
Revaluation of Infrastructural assets	0	0	0	(4,797)
GST input on appropriations	3,333	2,777	4,052	1,807
(Gain) / loss on sale of fixed assets	0	0	0	0
Total non-departmental expenses	37,784	34,668	52,404	23,042
OTHER APPROPRIATIONS - MULTI-YEAR APPROPRIATIONS				
World Heritage Committee hosting	1,031	4,048	4,048	2,247
Total non-departmental expenses including multi-year appropriation	38,815	38,716	56,452	25,289

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

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

SCHEDULE OF NON-DEPARTMENTAL EXPENDITURE AND CAPITAL EXPENDITURE AGAINST APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2008

	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/08 Under/(Over) Expenditure \$000	30/06/07 Actual \$000
VOTE: CONSERVATION APPROPRIATION FOR NON-DEPARTMENTAL OUTPUT CLASSES					
Identification and implementation of protection for natural and historic places	20,651	13,602	26,054	5,403	11,568
Management services for natural and historic places	1,405	1,506	1,506	101	2,138
Moutoa Gardens/Pakaitore	22	23	23	1	22
NZ biodiversity advice & condition funds	2,970	3,609	2,975	5	2,588
Steward Island Infrastructure	0	853	0	0	722
Sub-total output classes	25,048	19,593	30,558	5,510	17,038
APPROPRIATION FOR OTHER EXPENSES TO BE INCURRED BY THE CROWN					
Esplanade reserve compensation	18	30	230	212	0
Lake Taupo access fee	300	764	300	0	709
Matauranga Māori fund	522	554	673	151	664
Subscriptions to international organisations	229	305	305	76	174
Purchase and development of reserves	2,426	3,452	8,187	5,761	803
Payment of rates on properties for concessionaires	538	1,689	1,689	1,151	499
Waikaremoana lakebed lease	124	124	124	0	124
Contribution to Whareroa farm purchase	0	0	0	0	44
Vested coastal marine areas	0	30	30	30	0
Redress - Foreshore and Seabed Act 2004	(440)	0	222	662	878
Depreciation	5,674	5,250	5,934	260	5,098
Bad and doubtful debts	12	100	100	88	1
Sub-total other expenses	9,403	12,298	17,794	8,391	8,994
Other expenses not requiring appropriation	3,333	2,777	4,052	719	(2,990)
Total Non-Departmental Expenditure and Appropriations	37,784	34,668	52,404	14,620	23,042
Other Appropriations - Multi-year Appropriations					
World Heritage Committee Hosting *	1,031	4,048	4,048	770	2,247
Total Non-Departmental expenses including multi-year appropriation	38,815	38,716	56,452	15,390	25,289
CAPITAL INVESTMENT IN ORGANISATIONS OTHER THAN DEPARTMENTS					
Milford Flood Protection	0	0	337	0	0
APPROPRIATIONS FOR CAPITAL EXPENDITURE					
Crown Land Acquisitions	45,464	0	476	(44,988)	0
Total Non-Departmental Expenditure and Capital Expenditure including multi-year appropriation	84,279	38,716	57,265	(29,598)	25,289

* The estimate figures for the multi-year appropriation are for 2006–2007 and 2007–2008 years.

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

The Schedule of Expenditure and Appropriations details expenditure and capital payments incurred against appropriations. The Department administers these appropriations on behalf of the Crown. Other expenses not requiring appropriation include revaluation of infrastructural assets and GST input tax.

SCHEDULE OF NON-DEPARTMENTAL MULTI-YEAR APPROPRIATION FOR THE YEAR ENDED 30 JUNE 2008

	Current Year Actual \$000	Life to Date Actual \$000	Main Estimates \$000	Supp. Estimates \$000	Under/ (Over) Expenditure \$000	Last Year Actual \$000
World Heritage Committee Hosting	1,031	3,278	4,048	4,048	770	2,247

A multi-year appropriation of \$4.048 million was approved to fund the hosting of the World Heritage Committee as projected expenditure covered the two years of 2006-2007 and 2007-2008.

SCHEDULE OF NON-DEPARTMENTAL UNAPPROPRIATED EXPENDITURE AND CAPITAL EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008

	30/06/08 Unappropriated Expenditure \$000	30/06/08 Appropriation Voted \$000	30/06/07 Unappropriated Expenditure \$000
VOTE: CONSERVATION APPROPRIATION FOR NON-DEPARTMENTAL OUTPUT CLASSES			
	0	0	0
Total non-departmental expenditure	0	0	0
VOTE: CONSERVATION APPROPRIATION FOR NON-DEPARTMENTAL CAPITAL EXPENDITURE			
Crown Land Acquisitions	44,988	476	0
Total non-departmental expenditure	44,988	476	0

Expenses and capital expenditure approved under Section 26C of the Public Finance Act 1989

A reserve was acquired by the Department as the result of an exchange between the government and Winstone Aggregates, a division of Fletcher Concrete and Infrastructure Ltd, which saw the government swap two quarries, Wiri North and Wiri South, in exchange for the stonfields and volcanic cone. Approval has been sought for the unappropriated expenditure to be validated under the Appropriation (Financial Review) Act.

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

SCHEDULE OF NON-DEPARTMENTAL ASSETS AS AT 30 JUNE 2008

	Notes	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
CURRENT ASSETS					
Cash and cash equivalents		54,008	59,438	53,402	57,906
Trade and other receivables	2	2,901	2,542	2,208	2,207
Total current assets		56,909	61,980	55,610	60,113
NON CURRENT ASSETS					
Property plant and equipment	3	5,619,010	4,057,046	4,785,641	4,790,762
Total non current assets		5,619,010	4,057,046	4,785,641	4,790,762
Total non-departmental assets		5,675,919	4,119,026	4,841,251	4,850,875

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES AS AT 30 JUNE 2008

	Notes	30/06/08 Actual \$000	30/06/08 Main Estimates \$000	30/06/08 Supp. Estimates \$000	30/06/07 Actual \$000
CURRENT LIABILITIES					
Payables	4	1,909	2,074	3,960	3,436
Provisions	5	2,830	2,846	2,846	3,369
Total current liabilities		4,739	4,920	6,806	6,805
Total non-departmental liabilities		4,739	4,920	6,806	6,805

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2008

	Notes	30/06/08 Actual \$000	30/06/07 Actual \$000
CAPITAL COMMITMENTS			
Capital commitments	6	5,403	22,972
Total commitments		5,403	22,972
TERM CLASSIFICATION OF COMMITMENTS			
Capital: Less than one year		5,403	22,972
Total commitments		5,403	22,972

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

SCHEDULE OF NON-DEPARTMENTAL CONTINGENT LIABILITIES AND CONTINGENT ASSETS AS
AT 30 JUNE 2008

	30/06/08 Actual \$000	30/06/07 Actual \$000
Quantifiable liabilities	8,972	8,972
Total contingent liabilities	8,972	8,972

There were 18 claims against the Crown, 17 of which are not currently quantifiable. Seven of these claims are for customary rights orders under the Foreshore and Seabed Act 2004. The remaining 10 claims vary in nature.

Contingent assets

The Department on behalf of the Crown has no contingent assets (2007: nil).

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

NOTES TO THE SCHEDULES

NOTE 1: CONCESSIONS, LEASES AND LICENCES

	30/06/08 Actual \$000	30/06/07 Actual \$000
Guiding	3,099	2,553
Telecommunications	1,484	1,358
Grazing	1,371	1,459
Tourism occupations	1,809	1,834
Ski areas	1,322	1,218
Sporting and special events	48	34
Aircraft landings	1,136	1,060
Residential/Recreational	849	717
Other occupations	532	599
Vehicle transport	181	176
Boating	940	374
Filming	130	416
Easements	397	244
Extractions fees	71	59
Miscellaneous	221	2,133
Recovery of rates	449	484
Total concessions, leases and licences	14,039	14,718

NOTE 2: RECEIVABLES AND ADVANCES

	30/06/08 Actual \$000	30/06/07 Actual \$000
Trade and other receivables	1,942	1,832
Less : Provision for doubtful debts	(414)	(414)
Net trade and other receivables	1,528	1,418
Accrued revenue	1,246	789
Other receivables	127	0
Total receivables and advances	2,901	2,207
MOVEMENTS IN THE PROVISION FOR DOUBTFUL DEBTS		
Balance brought forward	(414)	(564)
Additional provisions made during the year	0	0
Reversal of prior period provisions	0	150
Receivables written off during period	0	0
Closing balance	(414)	(414)

The carrying value of receivables and advances approximates their fair value.

NOTE 3: PROPERTY PLANT AND EQUIPMENT

	Land \$000	Buildings \$000	Infrastructure \$000	Cultural Assets \$000	Total \$000
COST OR VALUATION					
Balance at 1 July 2006	3,963,102	49,661	176,525	5,350	4,194,638
Additions	5,356	0	0	0	5,356
Revaluation increase	698,846	5,999	19,696	0	724,541
Disposals	0	0	0	0	0
Balance at 30 June 2007	4,667,304	55,660	196,221	5,350	4,924,535
Balance at 1 July 2007	4,667,304	55,660	196,221	5,350	4,924,535
Additions	59,631	0	0	0	59,631
Revaluation increase	779,449	1,830	4,305	0	785,584
Disposals	0	0	0	0	0
Balance at 30 June 2008	5,506,384	57,490	200,526	5,350	5,769,750
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
Balance at 1 July 2006	0	21,454	101,477	0	122,931
Depreciation expense	0	658	4,440	0	5,098
Eliminate on disposal	0	0	0	0	0
Eliminate on revaluation	0	2,659	3,085	0	5,744
Balance at 30 June 2007	0	24,771	109,002	0	133,773
Balance at 1 July 2007	0	24,771	109,002	0	133,773
Depreciation expense	0	735	4,939	0	5,674
Eliminate on disposal	0	0	0	0	0
Eliminate on revaluation	0	850	10,443	0	11,293
Balance at 30 June 2008	0	26,356	124,384	0	150,740
CARRYING AMOUNTS					
At 1 July 2006	3,963,102	28,207	75,048	5,350	4,071,707
At 30 June 2007	4,667,304	30,889	87,219	5,350	4,790,762
At 30 June 2008	5,506,384	31,134	76,142	5,350	5,619,010

Land is stated at current rateable value as supplied by Quotable Value. These values were reviewed by valuersnet.nz Limited (registered independent valuers) as at 30 June 2008 to ensure that these values comply with NZ IAS 16, Property, Plant and Equipment.

The use and disposal of Crown land managed by the Department is determined by legislation. The main acts are the Reserves Act 1977, the Conservation Act 1987 and the National Parks Act 1980. These acts impose restrictions on the disposal of surplus areas and the use of reserves, conservation areas and national parks.

Crown land is not subject to mortgages or other charges nor are they subject to conditions regarding Treaty of Waitangi claims. Specific areas may however be included in the Treaty settlements if the Crown decides to offer those areas to claimants.

Historic buildings used for rental activities were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2008. These buildings were valued at market value based on the highest and best use.

The Department manages a significant portfolio of fencing assets (infrastructural assets) on behalf of the Crown. The vast majority of the fencing is for boundary purposes. The valuation methodology for fences has been reviewed by an independent valuer. Infrastructural assets were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2008.

Cultural assets over \$100,000 were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2006 at fair value.

The Department has a number of heritage assets under its care due to the historical significance of these assets to New Zealand. These heritage assets are not able to be reliably measured and therefore cannot be recognised in the balance sheet.

NOTE 4: PAYABLES

	30/06/08 Actual \$000	30/06/07 Actual \$000
Payables	1,572	2,978
Revenue in advance	337	458
Total payables and advances	1,909	3,436

Payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of payables approximates their fair value.

NOTE 5: PROVISIONS

	30/06/08 Actual \$000	30/06/07 Actual \$000
Opening balance	3,369	3,036
Provision utilised or reversed during the year	(600)	(430)
Provision made during the year	61	763
Closing balance	2,830	3,369
Provisions consist of:		
Environmental provision	2,415	2,954
Designations	415	415
Closing balance	2,830	3,369

The provisions include environmental provisions and Designations.

Environmental provisions

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

- The tailings and tunnels in the Maratoto Mine may excrete contaminants in the water.
- There are a number of abandoned coalmines both underground and open cast within the Benneydale, Mahoenui, Piraongia, Waitewhenua and Ohura

coalfields. The risks of contamination are associated with the treatment ponds, trailing dams and underground drives.

- There is contamination relating to chemicals used for timber treatment in the old timber mill site in the Ongaonga Field Centre.
- There is a requirement to clean up dumped refuse in the Waikanae Conservation area.
- There is danger of contaminated water around the Kauaeranga Army Firing Range.

Designations

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

NOTE 6: CAPITAL COMMITMENTS

	30/06/08 Actual \$000	30/06/07 Actual \$000
Nature Heritage Fund	2,004	7,847
Nga Whenua Rahui	3,399	4,684
SILNA	0	10,441
Total other capital commitments	5,403	22,972

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

NOTE 7: EVENTS AFTER THE BALANCE SHEET DATE

No significant events which may impact on the actual results have occurred between year-end and the signing of these financial statements (2007: none).

NOTE 8: EXPLANATION OF TRANSITION TO NZ IFRS

Reconciliation of assets and liabilities

There has been no adjustment to non-departmental recognised assets and liabilities on transition to NZ IFRS.

Reconciliation of income and expenses

There has been no adjustment to non-departmental income and expenses on transition to NZ IFRS.

Additional financial information

SUMMARY OF OUTPUT CLASS EXPENDITURE BY OUTPUT FOR THE YEAR ENDED 30 JUNE 2008

	30/06/08 Actual \$000
VOTE: CONSERVATION	
MANAGEMENT NATURAL HERITAGE	
Fire Control	11,727
Conservation Services Program	2,303
Natural Heritage Restoration	6,966
Possum Control	13,679
Deer Control	1,994
Goat Control	6,479
Other Terrestrial Animal Pests	6,430
Other Aquatic Pests	1,297
Island Management and Restoration	6,032
Fencing (Stock Control)	1,636
Inventory and Monitoring	4,269
Weed Control	18,316
Legal Protection of Areas and Sites	16,143
RMA Advocacy and Coastal Planning	5,259
Species Conservation Programmes	36,752
Mainland Island Sites	2,392
CITES	590
Specific Pest and Disease response	1,431
Crown Pest/weeds Exacerbator Costs	0
Total Management Natural Heritage	143,695
MANAGEMENT OF HISTORIC HERITAGE	
Historic Heritage	6,005
Total Management of Historic Heritage	6,005

	30/06/08 Actual \$000
MANAGEMENT OF RECREATIONAL OPPORTUNITIES	
Huts	17,891
Booked Accommodation	1,336
Campsites	4,838
Tracks	40,490
Amenity Areas and Community Services	9,665
Roads and Carparks	9,638
Visitor Centres	10,936
Visitor Information	2,725
Recreation Concessions	5,376
Recreation Planning and Import Monitoring	9,411
Taupo Sports Fisheries	3,036
Non Recreation Concessions	3,858
Total Management of Recreational Opportunities	119,200
CONSERVATION WITH THE COMMUNITY	
Participation	8,621
Education and Communication	4,658
International Obligations	469
Total Conservation with the Community	13,748
POLICY ADVICE AND MINISTERIAL SERVICING	
Policy Advice	975
Ministerial Services	155
Management Planning	2,341
Statutory Bodies	2,519
Biosecurity Policy Advice	21
Total Policy advice and Ministerial servicing	6,011
RECREATIONAL OPPORTUNITIES REVIEW	
Recreational Opportunities Review	516
Total Recreational Opportunities Review	516
CROWN REGIONAL PEST MANAGEMENT STRATEGY	
Pests/Weeds Exacerbator Costs	1,982
Total Crown Regional Pest Management Strategy	1,982
Total Vote Conservation	291,157
Total Output Appropriations	291,157

EXPENDITURE BY CONSERVANCY FOR THE YEAR ENDED 30 JUNE 2008 (EXCLUDING GST)

Conservancy	30/06/08 Actual \$000
Northland	13,334
Auckland	11,881
Waikato	12,099
Bay of Plenty	8,271
Tongariro/Taupo	11,004
East Coast/Hawkes Bay	10,627
Wanganui	11,104
Wellington	10,660
Nelson/Malborough	16,093
West Coast	16,652
Canterbury	18,238
Otago	13,943
Southland	18,637
Northern Regional Office	2,365
Southern Regional Office	1,901
Research, Development and Improvement (RD&I)	27,842
Head Office (excluding RD&I)	44,639
Recreational Opportunities Ownership Costs	41,351
Recreational Opportunities Review	516
Total expenses per Statement of Financial Performance	291,157

PERFORMANCE OF RESERVE BOARDS AS AT 30 JUNE 2007

Reserve Board	Type	Revenue \$	Expenditure \$	Net Assets \$
NORTHLAND				
Oakura	Recreation	3,237	1,849	195,000
Waikiekie	Recreation	11,062	7,375	139,215
Ruakaka Central	Hall	16,184	12,162	165,000
Waipu Cove	Recreation	630,080	425,090	1,795,679
Ruakaka	Recreation	277,924	298,299	495,947
Whatitiri	Recreation	9,597	44,318	111,403
Taurikura	Hall	1,685	1,490	140,000
Coates Memorial Church	Local purpose	506	739	110,000
AUCKLAND				
Glorit *	Hall	8,325	10,049	3,624
BAY OF PLENTY				
Awakaponga	Hall	2,445	6,783	153,951
Matata	Recreation	22,377	25,722	54,429
Lake Rotoiti	Scenic	8,732	8,612	20,015
WANGANUI				
Papanui	Hall	20	1,794	1,186
Poukiore	Recreation	4,251	2,474	118,057
Tiriraukawa	Hall	753	546	100,000
Moutoa Gardens	Historic	37,300	17,394	259,354
WELLINGTON				
Ruawhata **	Hall	0	0	4,190
Horowhenua	Recreation	1,247	1,087	38,806
Whitireia Park	Recreation	28,200	37,060	133,277
NELSON/MARLBOROUGH				
Homewood	Hall	398	2,610	78,217
Kaiteriteri	Recreation	4,046,390	3,304,053	4,674,049
WEST COAST				
Charleston	Hall	2577	470	89,543
Millerton	Hall	570	1,233	37,413
Nelson Creek	Recreation	1,746	977	+32,000

NOTES

The details above are dated to 30 June 2007 because they are based on audited reports which are often not available until after the deadline for the preparation of the annual report.

- * The figures for the Glorit board are as at April 2008.
- ** The Ruawhata Hall Board is effectively in recess while the department explores the future of the reserve and has therefore not received any revenue or made any payments.
- + these figures are estimates
- The figures for the Nelson Creek Recreation Reserve Board are the same as those included in the previous year's report which included the 2007 figures by mistake.
- The figure for the net assets of the Whitireia Park Board in last year's annual report, \$98,165, was the figure for the fixed assets only; the correct figure for the net assets was \$142,137.

Appendices

APPENDIX A: RELEVANT LEGISLATION³⁷ AND INTERNATIONAL AGREEMENTS

Primary legislation administered by the Department of Conservation

- Canterbury Provincial Buildings Vesting Act 1928
- Conservation Act 1987
- Harbour Boards Dry Land Endowment Revesting Act 1991
- Hauraki Gulf Marine Park Act 2000
- Kapiti Island Public Reserve Act 1897
- Lake Wanaka Preservation Act 1973
- Marine Mammals Protection Act 1978
- Marine Reserves Act 1971
- Mount Egmont Vesting Act 1978
- National Parks Act 1980
- Native Plants Protection Act 1934
- New Zealand Walkways Act 1990
- Ngāi Tahu (Tutaepatu Lagoon Vesting) Act 1998
- Queen Elizabeth the Second National Trust Act 1977
- Queenstown Reserves Vesting and Empowering Act 1971
- Reserves Act 1977
- Stewart Island Reserves Empowering Act 1976
- Sugar Loaf Islands Marine Protected Area Act 1991
- Trade in Endangered Species Act 1989
- Tutae-Ka-Wetoweto Forest Act 2001
- Waitangi Endowment Act 1932-1933
- Waitangi National Trust Board Act 1932
- Waitutu Block Settlement Act 1997
- Wild Animal Control Act 1977
- Wildlife Act 1953

Regulations and other instruments administered by the Department of Conservation

- Abel Tasman National Park Bylaws 1981
- Abel Tasman National Park Waters Control Bylaws 1990
- Anaura Bay Recreation Reserve Bylaws 1999
- Aquaculture Reform (Repeals and Transitional Provisions) (Golden Bay and Tasman Bay Interim Aquaculture Management Areas) Order 2005
- Aquaculture Reform (Repeals and Transitional Provisions) (Wilson Bay Interim Aquaculture Management Areas) Order 2008
- Arthur's Pass National Park Bylaws 1981
- Buller River Mouth Wildlife Refuge Order 1973

³⁷ Legislation includes Regulations, and other instruments such as Bylaws, Orders and Notices administered by the Department of Conservation.

- Cape Rodney-Okakari Point Marine Reserve Order 1975 (New Zealand Gazette, 6 November 1975, 2427)
- Chatham Islands Wildlife Notice 1977
- Christchurch City (Reserves) Empowering Act (Ministerial Responsibility) Order 1989
- Conservation Act Commencement Order 1990
- Conservation Law Reform Act Commencement Order 1990
- Egmont National Park Bylaws 1981
- Fiordland National Park Bylaws 1981
- Fish and Game Council Elections Regulations 1990
- Freshwater Fisheries Regulations 1983
- Game Licences, Fees, and Forms Notice 2008
- Glory Cove Scenic Reserve Bylaws 2005
- Grey-Faced Petrel (Northern Muttonbird) Notice 1979
- Hart's Creek Wildlife Refuge Order 1973
- Hawksbury Lagoon Wildlife Refuge Order 1974
- Historic Places Trust Elections Regulations 1993
- Huka Falls Scenic Reserve Bylaws 1995
- Lake Grassmere Wildlife Refuge Order 1968
- Lake Orakai, Tutira, and Waikopiro Wildlife Refuge Order 1973
- Lake Rotomahana Wildlife Refuge Order 1967
- Lake Rotorua (Motutara) Wildlife Refuge Order 1993
- Little Shag Notice 1955
- Marine Mammals Protection (Auckland Islands Sanctuary) Notice 1993
- Marine Mammals Protection (Banks Peninsula Sanctuary) Notice 1988
- Marine Mammals Protection Regulations 1992
- Marine Reserve (Auckland Islands-Motu Maha) Order 2003
- Marine Reserve (Horoirangi) Order 2005
- Marine Reserve (Kapiti) Order 1992
- Marine Reserve (Kermadec Islands) Order 1990
- Marine Reserve (Long Bay-Okura) Order 1995
- Marine Reserve (Long Island-Kokomohua) Order 1993
- Marine Reserve (Motu Manawa-Pollen Island) Order 1995
- Marine Reserve (Parininihi) Order 2006
- Marine Reserve (Piopiotahi (Milford Sound)) Order 1993
- Marine Reserve (Pohatu) Order 1999
- Marine Reserve (Poor Knights Islands) Order 1981
- Marine Reserve (Tapuae) Order 2008
- Marine Reserve (Te Angiangi) Order 1997
- Marine Reserve (Te Awaatu Channel (The Gut)) Order 1993
- Marine Reserve (Te Matuku) Order 2005
- Marine Reserve (Te Papaepae O Aotea (Volkner Rocks)) Order 2006
- Marine Reserve (Te Tapuwae o Rongokako) Order 1999
- Marine Reserve (Tonga Island) Order 1993
- Marine Reserve (Tuhua (Mayor Island)) Order 1992
- Marine Reserve (Ulva Island-Wharawhara) Order 2004
- Marine Reserve (Westhaven (Te Tai Tapu)) Order 1994
- Marine Reserve (Whanganui A Hei (Cathedral Cove)) Order 1992
- Marine Reserve (Whangarei Harbour) Order 2006

- Marine Reserves Regulations 1993
- Mount Aspiring National Park Bylaws 1981
- Mount Cook National Park Bylaws 1981
- Nelson Lakes National Parks Bylaws 2006
- New Zealand Game Bird Habitat Stamp Regulations 1993
- New Zealand Walkways Bylaws 1979
- Northland Reserves Bylaws 2007
- Noxious Animals in Captivity Regulations 1969
- Onekaka Inlet Scenic Reserve Bylaws 1995
- Opossum Regulations 1953
- Palmerston North Showgrounds Order 1991
- Paynes Ford Scenic Reserve Bylaws 1995
- Pupu Springs Scenic Reserve Bylaws 2007
- Rakiura National Park Order 2002
- Reserves (Model Bylaws) Notice 2004
- Resource Management (Earlier Expiry of Moratorium - Central Pegasus Bay) Order 2004
- Resource Management (Earlier Expiry of Moratorium - Kaipara Harbour) Order 2004
- Revocation of Resource Management (Marlborough Sounds Coastal Tendering - Marine Farming) Order 1999
- Rimutaka State Forest Park Traffic Bylaws 1981
- South East Otago Reserves Foreshore and Waters Control Bylaws 1984
- Sports Fish Licences, Fees, and Forms Notice 2007
- State Forest Parks and Forest Recreation Regulations 1979
- Taupo District Trout Fishery Licences, Fees, and Forms Notice 2008
- Taupo Fishery Regulations 2004
- Taupo Landing Reserve Regulations 1938
- Te Urewera National Park Bylaws 2006
- Titi (Muttonbird) Islands Regulations 1978
- Titi (Muttonbird) Notice 2005
- Tongariro Hatchery Anglers' Camping Ground Regulations 1954
- Tongariro National Park Bylaws 1981
- Trade in Endangered Species Order 2008
- Trade in Endangered Species Regulations 1991
- Tuhua (Mayor Island) Marine Reserve Notice 1993
- Waitangi National Trust Board Bylaws 1981
- Wellington City Exhibition Grounds Act (Consent to Borrow) Order 1989
- Westland National Parks Bylaws 1981
- Whanganui National Park Bylaws 1993
- Whitebait Fishing Regulations 1994
- Whitebait Fishing (West Coast) Regulations 1994
- Wildlife (Canada Goose) Order 1973
- Wildlife (Cape Barren Goose) Order 1973
- Wildlife (Farming of Unprotected Wildlife) Regulations 1985
- Wildlife Management Reserve (Westhaven (Whanganui Inlet)) Order 1994
- Wildlife Order 1986
- Wildlife Order 1970
- Wildlife Order 1996

- Wildlife (Partridge) Order 1960
- Wildlife (Peafowl) Notice 1961
- Wildlife (Peafowl) Order 1960
- Wildlife (Rainbow Lorikeet) Order 2001
- Wildlife Regulations 1955
- Wildlife Sanctuary (Alderman Islands) Order 1965
- Wildlife Sanctuary (Gannet Island) Order 1980
- Wildlife Sanctuary (Karewa Island) Order 1965
- Wildlife Sanctuary (Mokohinau Islands) Order 1965
- Wildlife Sanctuary (Motunau Island) Order 1969
- Wildlife Sanctuary (Otamatou Rocks) Order 1965
- Wildlife Sanctuary (Stephens Island) Revocation Order 1996
- Wildlife Sanctuary (Sulphur Point, Lake Rotorua) Order 1964
- Wildlife Sanctuary (Taiaroa Head Foreshore) Order 1979
- Wildlife Sanctuary (The Brothers Islands) Order 1970
- Wildlife Sanctuary (Trio Islands) Order 1965
- Wildlife Sanctuary (Whangamata Islands) Order 1976
- Wildlife Sanctuary (White Rocks, Duffers Reef, and Sentinel Rock) Order 1966
- Wildlife (White Pointer Shark) Order 2007

International agreements

The New Zealand government is a signatory to a range of international agreements that deal with international environmental and conservation issues. Those in which the Department has a particular interest are:

- Agreement for the Conservation of Albatross and Petrels (ACAP)
- Antarctic Treaty System (ATS)
- Convention Concerning the Protection of the World Cultural and Natural Heritage (the World Heritage Convention)
- Convention on Biological Diversity (CBD)
- Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES)
- Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR)
- Convention on the Conservation of Migratory Species of Wild Animals (CCMS)
- Convention on the Conservation of Nature in the South Pacific (Apia Convention)
- Convention on the Conservation of Southern Bluefin Tuna (CCSBT)
- Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar Convention)
- International Convention for the Regulation of Whaling
- IUCN - World Conservation Union
- Memorandum of Understanding for the Conservation of Cetaceans and Their Habitats in the Pacific Islands Region
- Protocol on Environmental Protection to the Antarctic Treaty United Nations Convention on the Law of the Sea (UNCLOS)
- South Pacific Regional Environment Programme (SPREP)
- United Nations Open-ended Informal Consultative Process on Oceans and Law of the Sea (UNICPOLOS).

APPENDIX B: THE DEPARTMENT'S STRUCTURE

The Department of Conservation's structure reflects the geographic spread of its work.

Fieldwork and conservation outputs are delivered mainly from the network of 49 area offices. The 49 areas are grouped into 13 conservancies, each with a conservancy office to provide support. The conservancies are led and managed by two General Managers, Operations; one working from the northern regional office in Hamilton, and the other from the southern regional office in Christchurch.

The Department's head office in Wellington provides policy advice to the Minister of Conservation and contributes to whole-of-government policy processes, and provides national service and support functions to the Department.

As at 30 June 2008, the Department employed 1770 permanent full-time equivalent staff. Throughout the year, around 500 temporary full-time equivalent staff are also employed (depending on the season), as well as contractors.

TABLE 1: THE DEPARTMENT'S STRUCTURE

Chief Executive	General Managers	
Director-General <i>Tumuaki Aburei</i> Alastair Morrison	General Manager Northern Operations <i>Tumuaki Te Tari tapere ki te Raki</i> Barbara Browne (covering 8 conservancies and 27 areas)	Field operations About 82% of permanent staff at 30 June 2008
	General Manager Southern Operations <i>Tumuaki Te Tari tapere ki te Tonga</i> John Cumberpatch (covering 5 conservancies and 22 areas)	
	General Manager Research, Development and Improvement <i>Tumuaki Rangabau-wbakabiato-wbakakoi</i> Kevin O'Connor	Head office Policy, support and service About 18% of permanent staff at 30 June 2008
	General Manager Corporate Services <i>Tumuaki Tānga Tōpū Wbakaritenga</i> Grant Baker	
	General Manager Marketing and Communications <i>Tumuaki Wbakawbanaunga ā bāpori</i> Sue Paterson	
	General Manager Policy <i>Tumuaki Wbakabere Kaupapa</i> Doris Johnston	
	General Manager People and Organisation Development <i>Tumuaki Wbakabiato-kaimabi ā Papa Atawhai</i> Felicity Lawrence	
	Tumuaki Kabui Kura Taiao General Manager Māori Issues Tata Lawton	

APPENDIX C: PROTECTED AREAS MANAGED BY THE DEPARTMENT

FIGURE 1: TERRESTRIAL PUBLIC CONSERVATION LAND

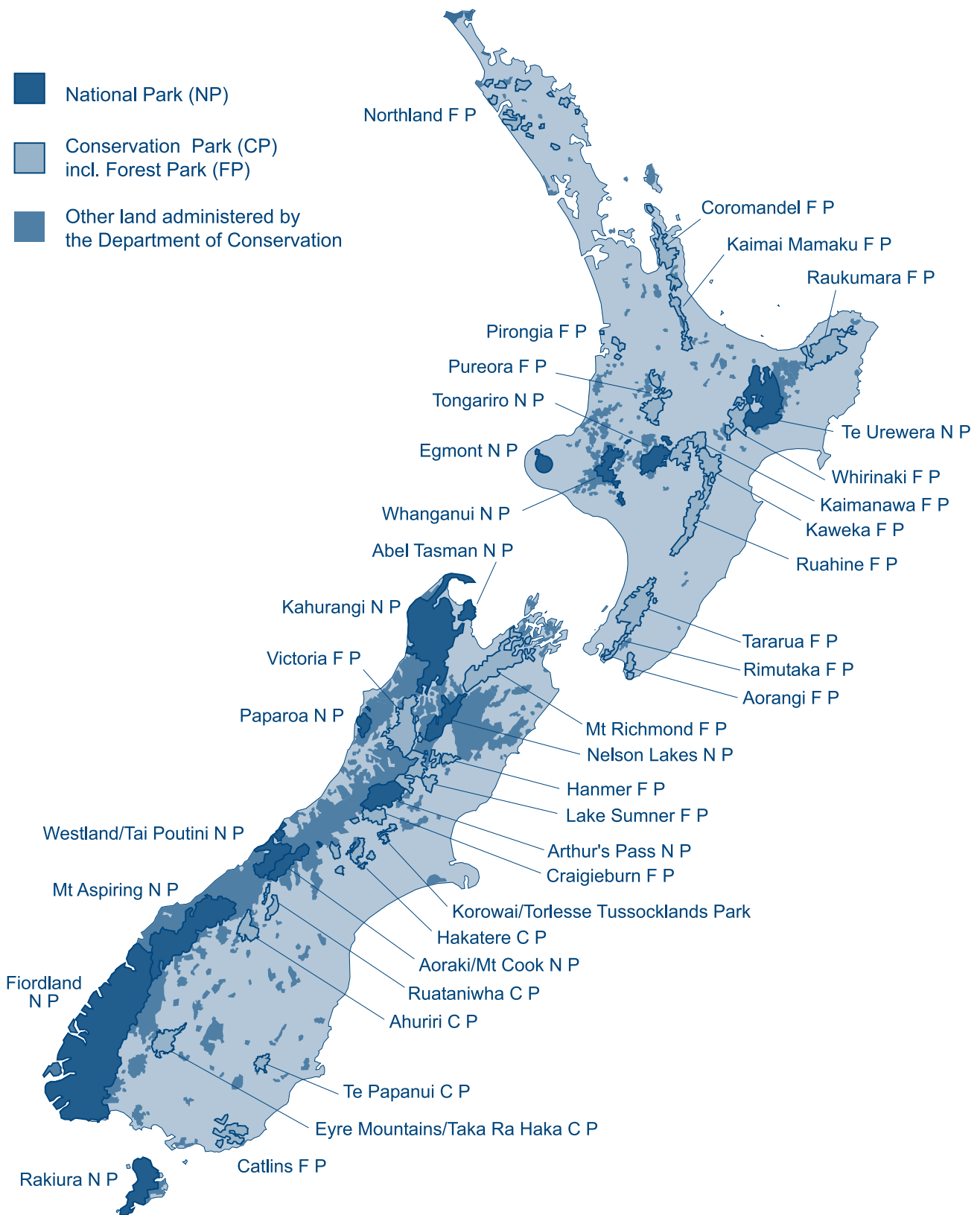
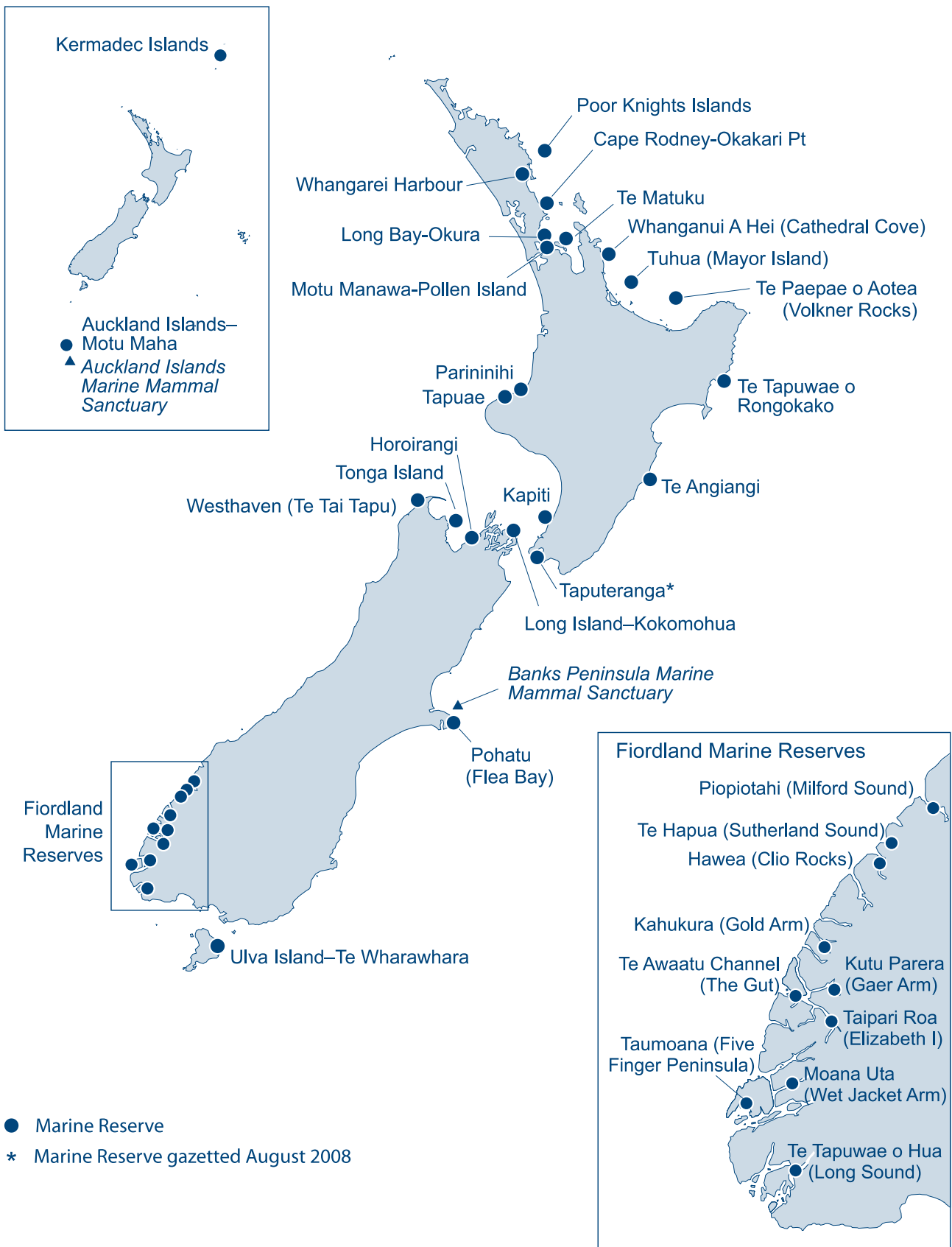


FIGURE 2: MARINE RESERVES AND MARINE MAMMAL SANCTUARIES



APPENDIX D: TRACKING OUTCOMES AND INDICATORS

This appendix tracks the Department's progress in reporting on the primary and intermediate outcomes identified in its statements of intent. Tables 1 and 2 present the indicators for the protection and appreciation outcomes, and show when each indicator has been reported on, when the next is due, and the trend it aims to show. Further information on the indicators is contained in the protection and appreciation sections of this annual report. Because the Department has adopted a new, single high-level outcome with seven intermediate outcomes for the 2008-2009 year, notes have been made throughout the tables to show which indicators will be continued, and which will be discontinued (and why). Developing indicators is ongoing work and subject to further refinement each year.

TABLE 1: TRACKING PROTECTION OUTCOMES AND INDICATORS

OUTCOME 1: PROTECTION					
Indicators	AR 2005-2006	AR 2006-2007	AR 2007-2008	AR 2008-2009	AR 2009-2010
<p>Primary outcome indicator: Track change in indigenous vegetation cover across New Zealand as a whole, by environment type and level of protection.</p>	<p>1st reported. Uses Land Environments of New Zealand (LENZ) database and the New Zealand Land Cover Database (LCDB).</p>			<p>2nd report due. Will show trend in percentage cover of indigenous vegetation. Thereafter reported every five years. Will be an indicator of the new single high level outcome: 'Conserving and managing New Zealand's natural, historic and cultural heritage provides increasing benefit to New Zealanders'.</p>	
<p>Secondary outcome indicator: Trend in New Zealanders' views on condition of heritage, whether protection has improved and whether the Department's contribution is valuable.</p>	<p>1st reported. Benchmark set.</p>		<p>2nd report. This secondary outcome indicator has been discontinued as it does not fit the Department's new single outcome and intermediate outcomes.</p>		

OUTCOME 1: PROTECTION					
Indicators	AR 2005-2006	AR 2006-2007	AR 2007-2008	AR 2008-2009	AR 2009-2010
INTERMEDIATE OUTCOME: HARMFUL ORGANISMS					
Indicator: Increase in biosecurity and/or pest management responses by Biosecurity New Zealand to incursions/pests adversely affecting conservation values, as a direct response to the Department's biosecurity advice and advocacy.	1st reported.	2nd report.	3rd report provided. Pending Cabinet approval, most of the Department's biosecurity functions are transferring to MAF Biosecurity New Zealand. Therefore, this indicator will no longer be relevant and will not be reported in 2008-2009.		
INTERMEDIATE OUTCOME: NATURAL CHARACTER					
Indicator: Track change in indigenous vegetation cover on conservation land by environment type.	1st reported. Uses New Zealand Land Cover Database (LCDB). Baseline established.	Ministry for the Environment began updating the LCDB (its third update).		2nd report due, supported by updated LCDB. Will be used as an indicator of the new intermediate outcome: 'The ecological integrity of managed sites is maintained or restored'.	
Indicator: Track changes in size-class structure of selected indigenous dominants in particular places within forests on conservation land.	1st reported. Focused on two contributing indicators: size-class structure and representation of specific species or functional groups.	Contributing indicator group expanded from two to five indicators, under a three-year work programme.	No report due. Will next be reported in the annual report to 30 June 2011. Will be used as an indicator of the new intermediate outcome: 'The ecological integrity of managed sites is maintained or restored'.	Three-year work programme on contributory indicators due for completion.	
INTERMEDIATE OUTCOME: LOWER RISK OF EXTINCTION					
Indicator: Track change in the number of extinct species or subspecies (both confirmed and assumed extinctions).	Threat classification system prepared in 2001. Species list was reassessed in 2004. 1st reported in the annual report to 30 June 2004.	Review of threat classification system methodology began.	Review of threat classification system methodology completed. New three-year cycle of reviewing discrete taxonomic groups began (vascular plants, birds and fungi).	Taxonomic groupings review continues. Indicator will be used to report on the new intermediate outcome: 'The security of threatened species unique to New Zealand, and most at risk of extinction, is improved'.	Taxonomic groupings review continues. Projected date of next report is in annual report to 30 June 2011, once all groups have been reviewed.

OUTCOME 1: PROTECTION					
Indicators	AR 2005-2006	AR 2006-2007	AR 2007-2008	AR 2008-2009	AR 2009-2010
Indicators: Tracking changes in the threat classification status of managed 'acutely threatened', 'chronically threatened' and 'at risk' species or subspecies.	Last reported in the annual report to 30 June 2004. Updated information provided.	No report due, but updated information provided.	2nd report. Review of threat classification system methodology completed. Terms 'acutely threatened' and 'chronically threatened' removed. As for the above indicator, the three-year re-listing cycle using updated methodology began.	As for above indicator.	Taxonomic groupings review continues. Projected date of next report on trend in number of managed 'at risk' and 'threatened' species/ subspecies is 30 June 2011.
INTERMEDIATE OUTCOME: REPRESENTATIVE RANGE					
To identify the impact of the Department's efforts to increase protection of places with conservation values, it will track trends in the percentage of the most at-risk environment types:				Will be used as an indicator of the new intermediate outcome: 'Examples of the full range of New Zealand's ecosystems are conserved'.	
Percentage of lowland forest areas in protection	1st reported. Baseline data established.	2nd report. Trends in the percentage of the most at-risk environment types under legal protection from year to year (using underlying LENZ data), with the least represented types clearly identified.	3rd report provided.	4th report due.	5th report due.
Percentage of wetland areas in protection			1st report. Baseline data established for palustrine and inland saline wetlands. Priority ranking system established.	2nd report due.	3rd report due.
Percentage of marine areas in protection	1st reported. Baseline data established.	2nd report. Trends in the percentage of the most at-risk environment types under legal protection from year to year, with the least represented types clearly identified.	Indicator discontinued because it was not sufficiently focused on the needs of marine protection. An annual figure of hectares of legally protected marine areas is provided through the output measure - 'legal protection of areas and sites: marine protection'. A new indicator has been developed for marine protection. This is to be reported in 2008-2009 and thereafter in a three yearly reporting cycle.	1st report against new indicator due. Next report due in report to 30 June 2012.	

OUTCOME 1: PROTECTION					
Indicators	AR 2005-2006	AR 2006-2007	AR 2007-2008	AR 2008-2009	AR 2009-2010
Tracking the impact of the Department's efforts to encourage or require others to protect places and species.	1st reported. Disestablished as a formal indicator as tracking and quantification difficulties. Development of a prototype database to track RMA work begun.	Continued development of prototype database to track RMA work.	Discontinued as a reporting indicator.		
Intermediate outcome: Historic heritage					
Indicator: Track change in the percentage of historic assets in 'improving', 'stable' and 'degrading' categories.	Indicator developed. Baseline data gathered.	1st reported. Benchmarks established in each category.	2nd report unable to be made as the indicator is currently being revised so that the Department's new asset management system can be used to help measure the indicator for the 2008-2009 year.	2nd report due. Now used as an indicator of trends under the new intermediate outcome: 'A representative range of historic and cultural heritage is conserved and interpreted'.	3rd report due.
Indicator: Track change in the number of historic sites that meet ICOMOS standards.	Indicator developed. Baseline data gathered.	1st reported. Benchmarks established.	2nd report unable to be made as the indicator is currently being revised so that the Department's new asset management system can be used to help measure the indicator for the 2008-2009 year.	2nd report due. Now used as an indicator of trends under the new intermediate outcome: 'A representative range of historic and cultural heritage is conserved and interpreted'.	3rd report due.
Indicator: Track change in the number of sites for which key history has been safeguarded.	Indicator developed. Baseline data gathered.	1st reported. Benchmarks established. Target for 2010 established.	2nd report provided. Trend in number of sites for which key history has been safeguarded cannot be interpreted until the Department has three years of data.	3rd report due. Now used as an indicator of the new intermediate outcome: 'A representative range of historic and cultural heritage is conserved and interpreted'.	4th report due. Target date falls due.

TABLE 2: TRACKING APPRECIATION OUTCOMES AND INDICATORS

OUTCOME 2: APPRECIATION					
Indicators	AR 2005-2006	AR 2006-2007	AR 2007-2008	AR 2008-2009	AR 2009-2010
Outcome indicator: Track trends in benefits New Zealanders seek and receive from the natural, historic, and cultural heritage managed by the Department.	Tools developed and applied. 1st reported in annual report to 30 June 2006.		2nd report provided. To be reported on every three years. Next report due in annual report to 30 June 2011.	Will be used as an indicator of the new single outcome: 'Conserving and managing New Zealand's natural, historic and cultural heritage provides increasing benefit to New Zealanders'.	
Outcome indicator: Track relative value of conservation as indicator of support for conservation.	1st reported in 2005-2006.	2nd report. Values survey provided baseline information. Conservation values monitor trial begun.	3rd report provided. Uses results from a pilot that translated questions from the 2006-2007 survey into a cost-effective framework that will enable ongoing measurement of New Zealanders' conservation values.	Will be used as an indicator of the new outcome: 'Conserving and managing New Zealand's natural, historic and cultural heritage provides increasing benefit to New Zealanders'.	4th report due. Will be based on a survey to track, over time changes in the value New Zealanders attribute to conservation.
INTERMEDIATE OUTCOME: CONCESSIONS					
Indicator: Track change over time in number of significant adverse effects that stem from business concession activities.	1st reported. Methodologies to monitor visitor impacts under development.	2nd report.	The Department has discontinued this indicator because of the difficulty of reporting this information, and because it does not adequately reflect the intentions of the new intermediate outcome which will be reported on in 2008-2009: 'Business opportunities consistent with conservation outcomes are enabled'. The indicator was therefore not monitored during 2007-2008.		
INTERMEDIATE OUTCOME: RECREATION					
Indicator: Track change over time in New Zealanders' participation in recreation on public conservation land and their satisfaction with the quality of recreation opportunities provided.	2nd report on original indicator: 'Change over time in visitor satisfaction with the range of recreation opportunities provided'.		1st report on revised indicator, which now also includes measure of changes in participation. Revision was driven by a need to measure the intermediate outcome more accurately - that is, participation is a better first-line indicator of 'access' than the satisfaction levels of people already on site.	2nd report due. Indicator will be used to report on the new intermediate outcome: 'New Zealanders have increased opportunities for recreation and outdoor activities'.	3rd report due.

OUTCOME 2: APPRECIATION					
Indicators	AR 2005-2006	AR 2006-2007	AR 2007-2008	AR 2008-2009	AR 2009-2010
INTERMEDIATE OUTCOME: AWARENESS AND UNDERSTANDING					
Indicator: Track change in people's satisfaction with their involvement in conservation.	1st reported. Baseline data established.	2nd report.	3rd report provided.	Discontinued as a reporting indicator due to change in outcome and intermediate outcomes.	
Indicator: Track change in the percentage of people involved in conservation projects in general and on conservation land.	1st reported. Baseline data established.	2nd report.	3rd report provided.	Discontinued as a reporting indicator due to change in outcome and intermediate outcomes.	
Indicator: Track change in the quality of the Department's engagement with key associates.	1st reported. Baseline data established.	2nd report.	3rd report provided.	4th report due. Will now be used as an indicator of the new intermediate outcome: 'New Zealanders increasingly engage in conservation'.	5th report due.
Indicator: Track change in tangata whenua's satisfaction with the Department's activities to assist them to maintain their cultural relationships with taonga.	1st reported. Baseline data established.	2nd report.	3rd report provided.	4th report due. Will now be used as an indicator of the new intermediate outcome: 'New Zealanders increasingly engage in conservation'.	5th report due.
Indicator: Track change in New Zealanders' understanding of important conservation issues.	1st reported. Baseline data established.	2nd report.	3rd report provided.	4th report due. Will now be used as an indicator of the new intermediate outcome: 'New Zealanders increasingly engage in conservation'.	5th report due.
Indicator: Track change in the percentage of departmental information sources New Zealanders use to learn about conservation.	1st reported. Baseline data established.	2nd report.	3rd report provided.	Discontinued as a reporting indicator due to change in outcome and intermediate outcomes.	
Indicator: Track change in recognition of the role of Crown pastoral leases in providing ecosystem services.	1st reported. Indicator disestablished as not sufficiently robust to continue.		1st report on redeveloped indicator. Now tests recognition of link between conservation and services, such as flood protection and water quality and quantity.		



APPENDIX E: AREA OF NATURAL HERITAGE UNDER LEGAL PROTECTION

On land, for management purposes, the Department uses a terrestrial environmental classification system, which classifies areas of natural heritage under legal protection into 20 different types of 'environment' - places which are more similar to each other environmentally than they are to other places.

The Land Environments of New Zealand (LENZ) classification system has been developed by Landcare Research and the Ministry for the Environment. LENZ sorts factors such as climate, landform and soil properties that are known to be correlated to forest, shrub and fern distribution, and allows areas of similar environments to be grouped together.

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

Table 1 in this appendix shows the area of natural heritage under legal protection - by LENZ Level I (20 group) classification. It presents a summarised quantitative comparison between the beginning of July 2007 and the end of June 2008, using a grid analysis methodology.

Table 2 in this appendix shows the 32 marine reserves gazetted as at 30 June 2008, the area each marine reserve covers, and the year of its gazettal.

Area of natural heritage on land under legal protection - by land environment level I (20 Group) classification

TABLE 1: SUMMARISED QUANTITATIVE COMPARISON FROM BEGINNING OF JULY 2007 TO END JUNE 2008 (GRID ANALYSIS METHODOLOGY)

LENZ Level I classification)	Land environment name	Area protected end June 2003 (ha)	Area protected end June 2004 (ha)	Area protected end June 2005 (ha)	Area protected end June 2006 (ha)	Area protected end June 2007 (ha)	Area protected end June 2008 (ha)	Total area LENZ Lvl (ha)	Change of protected area July 2007 to end June 2008 (ha)	Change of protected area July 2007 to end June 2008 (%)	Total environment legally protected end June 2008 (%)
A	Northern lowlands	89,269	86,594	87,793	87,948	89,659	90,002	1,853,745	343	0.38	4.86
B	Central dry lowlands	6625	5794	5957	7819	8521	8658	691,433	137	1.61	1.25
C	Western and southern North Island lowlands	6992	5508	5578	5571	5919	6020	635,918	101	1.71	0.95
D	Northern hill country	405,174	400,668	400,604	399,976	400,538	401,634	2,099,624	1096	0.27	19.13
E	Central dry foothills	195,521	195,457	221,514	294,338	301,303	311,625	1,323,675	10,322	3.43	23.54
F	Central hill country and volcanic plateau	1,113,910	980,163	978,161	978,892	982,203	982,719	5,241,270	516	0.05	18.75
G	Northern recent soils	26,207	23,865	24,453	24,233	25,076	24,868	338,680	-208	-0.83	7.34
H	Central sandy recent soils	56,498	27,862	27,862	27,824	28,094	28,014	135,282	-80	-0.28	20.71
I	Central poorly-drained recent soils	3872	3229	3232	3319	3369	3373	120,994	4	0.12	2.79
J	Central well-drained recent soils	16,555	3879	4031	4273	5382	5612	293,580	230	4.27	1.91
K	Central upland recent soils	27,532	26,930	27,522	33,809	35,767	37,605	160,716	1838	5.14	23.40
L	Southern lowlands	64,674	57,056	59,355	58,767	62,455	62,384	801,165	-71	-0.11	7.79
M	Western South Island recent soils	108,308	109,358	109,317	109,712	111,390	110,556	220,345	-834	-0.75	50.17
N	Eastern South Island plains	19,496	12,587	13,079	12,682	15,073	18,052	2,044,508	2979	19.76	0.88
O	Western South Island foothills and Stewart Island	1,171,335	1,164,468	1,164,275	1,163,870	1,165,310	1,164,995	1,414,258	-315	-0.03	82.37
P	Central mountains	2,317,400	2,181,691	2,205,866	2,315,771	2,325,497	2,347,450	3,248,591	21,953	0.94	72.26
Q	Southeastern hill country and mountains	489,564	556,499	580,367	595,507	604,446	624,199	3,271,981	19,753	3.27	19.08
R	Southern Alps	1,758,686	1,797,754	1,795,980	1,799,656	1,799,921	1,803,733	1,926,881	3812	0.21	93.61
S	Ultramafic soils	28,123	31,067	31,245	31,245	31,245	31,245	33,476	0	0.00	93.34
T	Permanent snow and ice	132,852	152,935	152,901	153,035	153,042	153,550	157,015	508	0.33	97.79
Other	Other	46,530	37,690	37,984	39,076	41,815	41,793	211,363	-22	-0.05	19.77
Total		8,085,123	7,861,054	7,937,076	8,147,323	8,196,025³⁸	8,258,087	26,224,500	62,062	0.76	31.49

³⁸ In the annual report to 30 June 2007, the figure reported for year-end 2007 was 8,206,098 hectares. The difference is because moveable marginal strips administered by the Department have now been excluded, giving a total of 8,196,025 hectares.

ANALYSIS QUALIFIERS

- The summary statistics are defined using a grid analysis methodology. The methodology ‘flattens’ the data to ensure removal of duplicated land areas that still remain in the Department’s information systems.
- The above summary statistics exclude offshore islands and marine areas, but include nearshore islands, within the geographic extents of the Land Environments of New Zealand (LENZ) database.
- The ‘area protected’ includes all land administered by the Department of Conservation. This excludes protected land controlled and managed by other agencies, unprotected land of interest to the Department, and reserves vested in other agencies.
- The above summary statistics also exclude moveable marginal strips administered by the Department due to incomplete national data.
- All figures have been rounded to the nearest hectare.

Marine reserves in New Zealand

TABLE 2: MARINE RESERVES IN NEW ZEALAND AS AT 30 JUNE 2008

Marine reserve name	Established (at 30 June year end)	Area (hectares)
Cape Rodney-Okakari Point (Leigh)	1974-1975	518
Poor Knights Islands	1980-1981	1,890
Kermadec Islands	1989-1990	748,000
Te Wanganui-a-Hei (Cathedral Cove)	1991-1992	840
Mayor Island (Tuhua)	1991-1992	1,060
Kapiti Island	1991-1992	2,167
Long Island-Kokomohua	1992-1993	619
Tonga Island	1992-1993	1,835
Te Awaatu Channel (The Gut)	1992-1993	93
Piopiota (Milford Sound)	1992-1993	690
Westhaven (Te Tai Tapu)	1993-1994	536
Long Bay-Okura	1994-1995	980
Motu Manawa (Pollen Island)	1994-1995	500
Te Angiangi	1996-1997	446
Te Tapuwae o Rongokako	1998-1999	2,452
Pohatu (Flea Bay)	1998-1999	215
Auckland Islands / Motu Maha	2002-2003	498,000
Ulva Island / Te Wharawhara	2003-2004	1,075
Te Hapua (Sutherland Sound)	2004-2005	449
Hawea (Clio Rocks)	2004-2005	411
Kahukura (Gold Arm)	2004-2005	464
Kutu Parera (Gaer Arm)	2004-2005	433
Taipari Roa (Elizabeth Island)	2004-2005	613
Moana Uta (Wet Jacket Arm)	2004-2005	2,007
Taumoana (Five Finger Peninsula)	2004-2005	1,466
Te Tapuwae o Hua (Long Sound)	2004-2005	3,672
Te Matuku (Waiheke Island)	2005-2006	690
Horoirangi (Nelson)	2005-2006	904
Whangarei Harbour	2006-2007	260
Parininihi (North Taranaki)	2006-2007	1,844
Te Paepae o Aotea (Bay of Plenty)	2006-2007	1,267
Tapuae (Taranaki)	2007-2008	1,404
TOTAL as at 30 June 2008	32 Reserves	1,277,800

APPENDIX F: GLOSSARY

acutely threatened species	Groups of organisms that face a very high risk of extinction in the wild. Defined by criteria that quantify total population, area of occupancy, fragmentation of populations, declines in total population and habitat area, and predicted declines due to existing threats.
at risk species	Groups of organisms that have either restricted ranges or small scattered sub-populations and do not meet the criteria of acutely threatened or chronically threatened. Although not currently in decline, these organisms could be rapidly depleted by a new threat.
biogeographic region	An area that is defined according to patterns of ecological and physical characteristics in the seascape. A biogeographic region may cover hundreds or thousands of kilometres.
biodiversity	The variability among living organisms from all sources, including terrestrial, marine and other aquatic ecosystems, and the ecological complexes of which they are part. This includes diversity within species, between species, and of ecosystems.
Biodiversity Condition and Advice Funds	<p>The two funds are part of the New Zealand Biodiversity Strategy. Their purpose is to enhance management of biodiversity on private land. This includes areas of native vegetation, wetlands, and the habitats of native fish, birds and other species.</p> <p>The Biodiversity Advice Fund focuses on information and advice to land managers. It funds projects which inspire landholders or groups to better protect indigenous species on their land, such as workshops, field days and publications.</p> <p>The Biodiversity Condition Fund aims to improve and maintain the condition of areas of indigenous vegetation, species and habitats. The fund seeks to broaden community effort in the management of indigenous biodiversity. Suitable projects may include fencing or pest control on private land.</p>
biosecurity	The exclusion, eradication or effective management of risks posed by pests and diseases to the economy, environment and human health. In its broadest sense, biosecurity covers all activities – pre-border, border and post-border – aimed at managing the introduction of new species to New Zealand and managing their impacts once here.
by-catch	Non-target species killed in the course of fishing activity, including protected species, such as birds and marine mammals.
capability	The appropriate combination of the people, resources, systems, organisational design, culture, leadership, and relationships necessary to deliver a specified level of performance in the pursuit of the organisation's objectives.
carbon credit	A carbon credit, or emission unit, reflects a defined amount of greenhouse gas that is either extracted from the atmosphere or not emitted into the atmosphere as a result of a specific human activity. A credit is usually one metric tonne of carbon dioxide (CO ₂) equivalent emissions. Credits can be earned (and subsequently sold) through activities such as establishing new forests, where the process of photosynthesis removes carbon dioxide (CO ₂) from the atmosphere and stores it as wood. Credits can be purchased to enable an emitter of greenhouse gases to meet its obligations (for example, under a national emissions trading scheme). Kyoto compliant carbon credits meet the requirements of the Kyoto Protocol. Voluntary credits meet the standards set for the international voluntary carbon market.
carbon footprint	The total amount of greenhouse gases produced as a result of a specified human activity, usually expressed in carbon dioxide (CO ₂) equivalents.

carbon neutral	A product, service or event is carbon neutral when the net total of greenhouse gas emissions is zero. Carbon neutrality is achieved by calculating the total carbon emissions associated with a product, service or event, reducing the emissions where possible, and then offsetting the remaining emissions by either generating or purchasing carbon credits.
carbon offset projects	Activities that an entity could undertake to generate or purchase carbon credits.
carbon sink	A natural environment that absorbs and stores more carbon dioxide from the atmosphere than it releases. Forests and oceans are major carbon sinks.
carbon stock	The quantity of carbon contained in a pool, eg in a terrestrial ecosystem there are five pools: above-ground live biomass, below-ground live biomass, litter, coarse woody debris, and soil. Natural ecosystems – particularly indigenous forests – are the largest land cover carbon stocks in New Zealand.
carbon storage	Carbon is stored as a result of the process of photosynthesis, whereby plants remove carbon dioxide (CO ₂) from the atmosphere and convert it into carbon (largely in woody material) and oxygen.
chronically threatened species	Groups of organisms which are facing extinction, but are buffered slightly by either a large total population, or a slow decline rate.
coastal marine area	For the purpose of implementing the Marine Protected Areas Policy, the coastal marine area is the area from the shore to the limit of the territorial sea (12 nautical miles).
concession	A lease, licence, permit or easement granted under Part IIIB of the Conservation Act 1987 to enable a trade, occupation or business to be carried out on areas managed by the Department of Conservation. The holder of such a lease, licence, permit or easement is a concessionaire. (see also ‘conforming concessions’.)
conforming concessions	A conforming non-notified process is being implemented by the Department to establish publicly available schedules that provide details of acceptable activities (consistent with conservation values) at specific locations. These schedules will be linked to statutory management plans to ensure there is a clear basis for decision-making. Activities listed on the schedule have been vetted for their potential effects in the specific location to ensure that conservation values are not at risk. This upfront assessment of effects gives greater certainty for operators proposing a specific activity at a specific location that their application will be approved, so long as they comply with the predetermined conditions. This approach also reduces the time and costs of processing applications for both the concessionaire and the Department.
conservation board	Conservation boards are established under the Conservation Act 1987, section 6L. Their primary functions and powers are set out in the Conservation Act 1987, sections 6M and 6N, and the National Parks Act 1980, section 30.
conservation management plan	A plan to implement conservation management strategies and establish detailed objectives for the integrated management of natural and historic resources within any area or areas managed by the Department, and for recreation, tourism, and other conservation purposes (Conservation Act 1987, section 17E).
conservation management strategy	A strategy which implements general policies and establishes objectives for the integrated management of natural and historic resources, including any species, managed by the Department, and for recreation, tourism and other conservation purposes. A conservation management strategy is reviewed every 10 years (Conservation Act 1987, section 17D).
Conservation Services Programme	A programme of research into the effects, and mitigation of effects, of commercial fishing on protected species, funded through conservation services levies set annually following consultation between the relevant government agencies and stakeholder groups according to the cost recovery rules established under the Fisheries Act 1996. The programme provides observer coverage in selected fisheries, monitors the status of protected species known to be incidentally taken in fishing operations (protected species by-catch), and develops ways of mitigating the by-catch of species protected under the New Zealand Marine Mammals Protection Act 1978 and the Wildlife Act 1953.

covenant	A legal agreement between a landowner and a covenanting agency about how the natural values of a particular area will be protected (for example, where fencing is needed and whether public access will be allowed). The landowner retains ownership and the covenant is registered against the title, usually in perpetuity.
Crown as exacerbator	Refers to the Department's responsibility to control weed and animal pests on lands it administers, which could exacerbate problems for neighbours.
cultural and historic heritage	Any natural feature, land, water, archaeological or historic site, building or other structure, facility, object, event or tradition, or combination of these, which contributes to an understanding and appreciation of New Zealand's history and cultures.
ecological integrity	<p>Ecological integrity is when indigenous biotic (living organisms) and abiotic features (such as sunlight, temperature and wind patterns), and natural processes, function to their full potential in sustainable communities, habitats and landscapes.</p> <p>Ecosystems have ecological integrity when all the native plants and animals typical of a region are present, together with the key major ecosystem processes that sustain functional relationships between all these components. At larger scales, ecological integrity is achieved when ecosystems occupy their full environmental range.</p>
ecological sustainability	<p>Promoting 'ecologically sustainable' management in tenure review decision making means safeguarding the life-supporting capacity of the land's ecosystems, including the ability of those ecosystems to support life outside the reviewable land.</p> <p>For the purposes of this definition, the land's ecosystems include indigenous and exotic components and life forms.</p>
ecosystem	A biological system comprising a community of living organisms and its associated non-living environment, interacting as an ecological unit.
ecosystem services	A wide range of conditions and processes through which natural ecosystems, and the species that are part of them, help sustain and fulfil human life. Examples are forest-clad catchments reducing flood risk and providing clean water supplies.
exclusive economic zone	The area of ocean from the outside edge of the territorial sea (which covers inland water, harbours, and the area out to 12 nautical miles from the coast) out to 200 nautical miles from the coast.
functional groups	Groups of species organised on the basis of common traits, so as to analyse issues related to those traits. For instance, plants might be grouped together on the basis of palatability in order to study the browsing impacts of possums.
historic and cultural heritage	See 'cultural and historic'.
indigenous	Occurring naturally in New Zealand, including self-introduced species, but not human-introduced or human-assisted ones.
intermediate outcomes	The impacts, or intended changes in state, to be made by the Department's interventions which are expected to lead to a desired outcome. The logic is that working towards the achievement of intermediate outcomes will contribute to achievement of the overall outcomes for protection and appreciation. Note that in its <i>Statement of Intent 2008-2011</i> , the Department has moved to a single high-level outcome with seven intermediate outcomes.
intervention	See 'outputs'.
kaitiakitanga	The exercise of guardianship by the tangata whenua of an area in accordance with tikanga (Māori custom, obligations and conditions). In relation to a resource, this includes the ethic of stewardship based upon the nature of the resource itself.

kawenata	Māori landowners can protect their indigenous ecosystems under Ngā Whenua Rāhui kawenata. A kaweneta agreement is sensitive to Māori values in terms of spirituality and tikanga. Cultural use of these natural areas is blended with the acceptance of public access within the agreements. The objective is long-term protection with inter-generational reviews of conditions.
the Kyoto Protocol	The Kyoto Protocol to the United Nations Framework Convention on Climate Change is an international agreement to address climate change.
Land Environments of New Zealand (LENZ) database	A database developed by Landcare Research and managed by the Ministry for the Environment. LENZ maps all of New Zealand's landmass into 20 different types of environment. It uses factors such as climate, landform, and soil properties that are known to be correlated to forest, shrub and fern distribution. LENZ can therefore provide a good indication of what New Zealand's land-based ecosystems are, and where they are, along with the species that are likely to live there.
marine protected area	An area of the marine environment set aside for the protection and maintenance of indigenous marine biodiversity at a level which meets the protection standard under the <i>Marine Protected Areas: Classification, Protection Standards and Implementation Guidelines</i> (Ministry of Fisheries and Department of Conservation, Wellington, New Zealand).
Marine Protected Areas Policy	Policy released in 2006 to protect marine biodiversity by establishing a network of marine protected areas that is comprehensive and representative of New Zealand's marine habitats and ecosystems.
marine reserve	The highest form of marine protection that allows no take within its boundaries. A marine reserve is a marine protected area legally constituted by Order in Council adopted under the Marine Reserves Act 1971, section 4, and administered by the Department of Conservation.
mātauranga Māori	Customary Māori knowledge. The Mātauranga Kura Taiao Fund is a contestable fund supporting hapū/iwi initiatives to retain and promote traditional Māori knowledge and its use in biodiversity management. The fund is part of the New Zealand Biodiversity Strategy, and is administered through the Ngā Whenua Rāhui Committee.
natural heritage	Includes indigenous species, habitats and ecosystems, geological and physiographical (physical geography) elements, features and systems.
natural heritage management system (NHMS)	A system being developed by the Department to create a nationally consistent, scientifically sound system of natural heritage management, enabling prioritisation, planning and monitoring of achievement.
Nature Heritage Fund	A contestable Ministerial fund established in 1990 to provide incentives for voluntary conservation on private land. It helps achieve the objectives of the Indigenous Forest Policy to protect indigenous ecosystems that represent the full range of natural diversity originally present in New Zealand landscape. In 1998, the scope of the fund was widened to include non-forest ecosystems.
New Zealand Coastal Policy Statement	Established under the Resource Management Act 1991, the New Zealand Coastal Policy Statement guides local authorities in their day-to-day management of the coastal environment. The Minister of Conservation is responsible for preparing the New Zealand Coastal Policy Statement, which is to promote the sustainable management of the natural and physical resources of the coastal environment, including land, foreshore, seabed and coastal waters from the high tide mark to the 12 nautical mile limit. The existing New Zealand Coastal Policy Statement was issued in 1994. It has been reviewed and a proposed New Zealand Coastal Policy Statement 2008 was released for public consultation in March 2008.
New Zealand Conservation Authority (NZCA)	A national body of 13 appointed members established under the Conservation Act 1987, section 6A. Amongst other functions, it provides advice to the Minister of Conservation and the Director-General of Conservation, and is responsible for approving statements of general policy for national parks, conservation management strategies and plans, and national park management plans.

New Zealand Land Cover Database (LCDB)	A database managed by the Ministry for the Environment. It translates satellite images into information on the different types of vegetation that exist across the whole of New Zealand. Changes in the images can be used, over time, to monitor and report on the changes to the state of New Zealand's environment.
New Zealand Biodiversity Strategy (NZBS)	A national strategy approved by government in 2000 to provide an integrated response to New Zealand's declining indigenous biodiversity, prepared in part to meet a commitment under the Convention on Biological Diversity.
Ngā Whenua Rāhui	A contestable Ministerial fund 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 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 Rāhui Komiti and serviced by the Department of Conservation, receives an annual allocation of funds from Government.
optimising threatened species recovery project	A project being developed by the Department with the initial objective of securing the greatest number of threatened species from extinction - focusing on those species that are at greatest risk of loss, and on those that are unique to New Zealand.
outcome	In the context of the managing for outcomes framework used within the state sector, an outcome is the state, or change in state, desired by the community (result experienced by the community) from a combination of government interventions and external factors. It describes a state or condition of society, the economy or the environment, including changes in those states or conditions. See also 'intermediate outcomes'.
outcome based investment programmes (OBIs)	Multi-year research programmes funded by the Foundation for Research, Science and Technology. The outcomes and intermediate outcomes for these were developed in consultation with end users, including the Department of Conservation. The research programmes are led by Crown Research Institutes and universities. The long-term nature of these OBIs (8-12 years) recognises the long-term nature of natural heritage research.
outcome indicators	By measuring what is happening at a given moment, outcome and intermediate outcome indicators reveal the prevailing state of the environment at a particular point in time. Comparing the results over time shows trends that confirm whether management interventions are delivering the desired changes.
outputs	Outputs (sometimes referred to as 'interventions') are the goods and services supplied by departments and other entities to external parties in order to make progress towards the outcome.
protected area network/protected areas	Terrestrial, freshwater and marine areas that are protected primarily to conserve natural and/or historic heritage using a range of legal mechanisms that provide long-term security of tenure, status or land use purpose, either privately or publicly owned.
public conservation lands and waters	Land and water areas administered by the Department of Conservation.
regional coastal plans	These plans are prepared by regional councils and unitary authorities for the coastal marine area of a region. Their purpose is to help councils achieve sustainable management of their coastal environment. The plans include objectives, policies and rules that govern the activities the councils will allow, control or prohibit in the coastal environment. The plans are a tool used to manage any actual or potential effects from the use, development, or protection of the coastal marine area.

restoration	<p>For natural heritage: the active intervention and management of degraded habitats, ecosystems, landforms and landscapes in order to restore indigenous natural character, ecological and physical processes and their cultural and visual qualities.</p> <p>For historic heritage: to return a place as nearly as possible to a known earlier state.</p>
species	A group of organisms which has evolved distinct common inheritable features and occupies a particular geographic range, and which is capable of interbreeding freely but not with members of other species.
standard operating procedure	Procedures prepared by the Department to achieve national consistency, agreed standards, clearly accountable actions, legal compliance and formally agreed best practice for activities undertaken by the Department.
Statement of National Priorities for Protecting Rare and Threatened Native Biodiversity on Private Land	A statement of national priorities released by Ministers in 2007 to support and inform councils in exercising their biodiversity responsibilities under the Resource Management Act 1991, and to assist landowners, central government and others to play their part in protecting New Zealand's natural heritage. (<i>Protecting our Places: Introducing the National Priorities for Protecting Rare and Threatened Native Biodiversity on Private Land</i> , Ministry for the Environment and Department of Conservation, Wellington).
sustainability	Sustainability is defined as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (the Brundtland Report, <i>Our Common Future</i> , 1987).
sustainable procurement	A process whereby organisations meet their needs for goods, works and utilities in a way that achieves value for money on a whole-of-life basis and generates benefits not only for the organisation, but also to society and the economy, while minimising damage to the environment.
taonga	Valued resources or prized possessions held by Māori, both material and non-material. It is a broad concept that includes tangible and intangible aspects of natural and historic resources of significance to Māori, including wāhi tapu and intellectual property.
taxonomy	Taxonomy is the science of organising living things into groups. The groups (taxa) form a hierarchy: domain, kingdom, phylum, class, order, family, genus, species, and, in some cases, subspecies.
tenure review	<p>Tenure review is a process negotiated between Land Information New Zealand (LINZ) and those holders of Crown pastoral leases who wish to enter the process. The objectives of tenure review, as set out in the Crown Pastoral Land Act 1988, Part 2, section 24 are:</p> <ul style="list-style-type: none"> ▪ ecologically sustainable management of all land entering tenure review ▪ freeholding productive land ▪ protecting high conservation values of other land, preferably by a return to full Crown ownership ▪ promoting public access to new conservation lands. <p>The Department of Conservation is principal adviser to LINZ. The Department provides advice on the conservation values of lands entering tenure review, and recommends the type of protection these values should have, from covenants through to full Crown ownership/conservation management.</p>
Terrestrial and Freshwater Biodiversity Information System (TFBIS)	This programme supports the New Zealand Biodiversity Strategy (NZBS). It supports conservation of New Zealand's indigenous biodiversity by increasing awareness of, and access to, fundamental data and information about terrestrial and freshwater biodiversity. It is a contestable fund administered by the Department of Conservation.
threatened species	A species likely to become endangered in the foreseeable future. Threatened species have been further classified as 'acutely threatened', 'chronically threatened', and 'at risk'. Full definitions and qualifiers can be found in Molloy et al, 2002, <i>Classifying Species According to Threat of Extinction</i> , Department of Conservation Threatened Species Occasional Publication 22.

Rat-free islands are a New Zealand conservation success story, a haven for species that cannot survive alongside introduced predators.

It's a story that began with disaster. Taukihepa (Big South Cape Island) hit headlines in the 1960s when ship rats invaded in a deadly plague. Their irruption caused the extinction of two bird species - the New Zealand snipe and bush wren - and the greater short-tailed bat.

At the time, conservation managers concluded (rather depressingly) that such rat invasions were irreversible. Fortunately, one of the great breakthroughs of New Zealand conservation proved them wrong.

1960–1978: The first island rat eradications were happy accidents, unexpected by-products of local control attempts on mostly small islands, between 1 and 32 hectares in size.

Largest island: Titi, 32 hectares, declared rat-free in 1975.

1977–1992: Deliberate, experimental attempts to eradicate rats from small islands began, using new types of anticoagulant poisons. Initially most operations were ground based and labour intensive, with track networks cut over entire islands and bait stations serviced on foot. Early successes provided the impetus for larger campaigns and, from 1981, islands up to 270 hectares in size were treated.

Largest island: Ulva, 270 hectares, declared rat-free in 1997.

1990–2008: Aerial operations took off, spreading baits by helicopter. From using monsoon buckets in 1990, to today's high-tech mechanical spreaders guided by satellite navigational systems, techniques have evolved to allow the rapid and effective spread of baits over very large areas.

Largest island: Campbell, 11,300 hectares, declared rat-free in 2001.



More than 90 islands, covering 20,000 hectares, are now free of rodents, allowing the restoration of burrow-nesting seabird colonies and the recovery of threatened species.

Rat-free islands are precious storehouses for much of New Zealand's biodiversity.

Towns, D.R.; Broome, K.G. 2003: From small Maria to massive Campbell: forty years of rat eradications from New Zealand islands. *New Zealand Journal of Zoology* 30: 377-398.