



Vote Conservation

Te Papa Atawhai

Report in relation to selected Non-Departmental Appropriations
for the year ended 30 June 2009

Presented to the House of Representatives pursuant to Section 32A of the
Public Finance Act 1989

Foreword

As Minister of Conservation I am required under section 32A of the Public Finance Act 1989 to report on outputs which are predominantly supplied by third parties paid directly by the Crown where these are not separately reported to Parliament.

This report covers activities related to the Nature Heritage Fund, Nga Whenua Rahui, New Zealand Biodiversity Fund, Community Conservation Fund, and Moutoa Gardens/Pakaitorere. These are funded under the Vote: Conservation Non-departmental output classes:

Identification and Implementation of Protection for Natural and Historic Places
New Zealand Biodiversity Fund
Moutoa Gardens/Pakaitorere

Output Class Management Services -Natural and Historic Places is not included in this report because the Historic Places Trust and the Queen Elizabeth the Second National Trust are both required to submit individual audited financial statements to Parliament.



Hon Tim Groser
Minister of Conservation

Introduction

This report covers activities related to five funds appropriated under Vote: Conservation Non-departmental Output Classes:

- Nature Heritage Fund
- Nga Whenua Rahui Fund
- New Zealand Biodiversity Fund
- Community Conservation Fund
- Moutoa Gardens/Pakaitorere

The following paragraphs cover the overall goals and achievements of the five funds during 2008/09.

Statements of Service Performance

NON-DEPARTMENTAL OUTPUT EXPENSES

Identification and Implementation of Protection for Natural and Historic Places

Scope of Appropriation

Purchasing identification, registration and associated promotion of the conservation, protection and care of historic places, implementation of legal protection of natural and historic resources on private or leasehold land; and the protection of indigenous ecosystems on private land or in Maori ownership through the use of contestable funds.

Intended Impacts, Outcomes or Objectives

Examples of the full range of New Zealand's ecosystem are conserved.

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

Description of Activities – The Nature Heritage Fund

A number of significant additions to New Zealand's protected area estate were made through purchases by the Nature Heritage Fund, whose goal is to protect indigenous ecosystems that represent the full range of natural diversity originally present in the New Zealand landscape by providing incentives for voluntary conservation.

Administered by an independent committee and serviced by the Department of Conservation, the Fund receives an annual allocation of funds from the Government. Applications were assessed against the Fund's four levels of ecological criteria of representativeness, sustainability, landscape integrity and amenity/utility and rated according to Statement of National Priorities for

Protecting Rare and Threatened Biodiversity on Private Land (2007) as directed by the Minister to ensure that priority was given to the most worthy cases.

A total of 1,320 applications have been processed since the inception of the Fund in 1990. Some 728 cases have been approved, resulting in 339,553 hectares of indigenous ecosystems being protected, either by direct purchase or through covenants, at a cost of around \$153.626 million. This equates to an average cost of around \$452 per hectare.

This year, the Fund fully committed all but \$26,000 of its 2008/09 budget to purchase four new properties and to help fund the Government's purchase of St James Station. The St James purchase utilised the Nature Heritage Fund's budget for this financial year with a further \$32.32 million from the next five financial years and a contribution from Vote LINZ. The Fund has also provided additional funding to a number of previously-approved projects resulting in the protection of 79,062 hectares of nationally-important and threatened ecosystems. All new cases funded were initiated as private applications to the Fund. Non-forest ecosystems comprised around 70% of the area protected by new cases this year.

All purchases met the Government's Statement of National Priorities for Protecting Rare and Threatened Biodiversity on Private Land (2007) under the New Zealand Biodiversity Strategy, some meeting more than one as follows; three of the purchases met priority one (ecosystems that have 20% or less remaining in indigenous cover), five met priority two (sand dunes and wetlands) and two met priority four (habitats of chronically-threatened species). They included approximately 332 hectares of wetland, 53 hectares of tussock grasslands on limestone, and 278 hectares of lowland forest.

These areas have been protected because they meet the Fund's focused criteria and land purchase strategies. They are the most significant ecosystems and those most at risk as ranked on a national basis. All the land purchased this year will be administered by the Department of Conservation.

The Fund operates on the basis of a three-year revolving fund, often involving cases that are negotiated across a number of financial years. A sum of \$2.061 million will be carried forward to the 2009/10 financial year, as it is committed to a number of cases that are awaiting settlement or are currently under negotiation.

This three-year revolving fund mechanism was established in 1998 and has proved to be an essential and successful tool for allowing purchases covering a number of years. The ability to transfer commitment forward recognises the process involved in finalising land transactions and has also enabled the Fund to successfully operate since 1990 in a competitive open market with funding approved prior to negotiation. This has reduced the substantial risk to the Crown that existed prior to this process.

The significant purchases completed this year are as follows:

Waituna, Southland: 241 hectares of wetland adjacent to the 1,648-hectare Toetoes Conservation Area which provides linkage to the 3,557-hectare Waituna Scientific Reserve at Waituna on the Awarua Plains in Southland. The Awarua Plains wetland complex, which includes a Ramsar site, is probably the largest remaining peat bog complex in New Zealand. This acquisition is, therefore, of major strategic importance.

The area had been identified as a priority for wetland protection because of the wetland values present and land use change, and land intensification/development taking place. The priority became more urgent as the landowners had initiated a land development programme as an option for the property, or an outright sale.

This purchase protects two main ecosystem types; peat bog and forest. The area is dominated by a mosaic of semi-open wirerushland and manuka shrubland with an area of *Carex-flax*/red tussock swamp along Cawse Creek, and some peat ponds, a stand of forest and some farmland. The forest and associated regenerating forest is particularly significant as only 1% of the original extent of this forest type remains in the ecological district, of which only about 20% is protected. Most of the remaining forest is fragmented and now within farmland. The area supports South Island fernbird, marsh crane, and spotless crane, and a population of giant kokopu. This purchase was supported by the local community and the Department of Conservation. Some restoration work is being undertaken on the farmland in association with the Arawai Kakariki wetland conservation management initiative.

Nancy Tass, West Coast: 296 hectares of podocarp/beech river terrace, forest and wetlands adjoining the Nancy Clearing Ecological Area and Granville Forest Conservation Area in the Ahaura Valley on the West Coast.

Part of this block has been identified as a Significant Natural Area (SNA) by the Grey District Council because of its significant ecological values and was offered for sale to the Crown by the landowners who indicated that the land would be developed up to the boundaries of the SNA for grazing, or sold privately to fund purchase of alternate grazing. Any such development would alter the hydrology and natural function of the wetland.

The forested river flats at the junction of the Ahaura and Nancy rivers contain a mixture of kahikatea-dominated, red beech-dominated and rimu-dominated forests. They range in sequence from open wetland to podocarp/beech forest with a high component of kahikatea, to hard and red beech/hardwood forest on steeper hill country. The area supports a number of threatened species, such as the speckled skink, western weka, kakariki, kereru and falcon. It is surrounded by public conservation land.

Wetland, West Coast: 65.7 hectares of Shearer's Swamp wetland with kahikatea/podocarp forest adjacent to the 132-hectare Waikoriri Conservation Area which, in turn, adjoins the 672-hectare Fergusons Bush Scenic Reserve near Kakapotahi on the West Coast.

The owner of the land adjacent to Shearer's Swamp is establishing a large dairy farm with an extensive land development programme that will clear the land and affect drainage in the area. The landowner approached the Fund about the purchase as a means of benefiting both his business and conservation. The land purchased by the Fund is an unprotected enclave forming part of the adjacent Shearer's Swamp. This addition to the stewardship area extends and protects this vulnerable and valuable wetland.

The area includes open swamp dominated by flax, sedges, tall *Coprosma* shrubs on 1.2 metres of peat and a mixture of tall kahikatea/yellow silver pine forest and low hardwood forest. The area supports a high waterfowl population, fernbird, bittern and marsh crane, kereru, kotare and kotuku. Kea is known to feed in the area seasonally, and falcons and kakakiri have been seen in the area. The forest contains a number of pools which are known as mudfish habitat. Giant kokupu, banded kokupu, long- and short- finned eels are also present.

Spittle Hill, Canterbury: 53 hectares of tussock grassland with rare endangered plants and limestone rock formations adjoining the Kura Tawhiti Conservation Area near Castle Hill, Canterbury.

This purchase achieves protection for a key area of land that contains significant historic, cultural, biodiversity and high recreational values. Many members of the public as well as school, university and tourism groups visit this site for nature study, rock climbing and family recreation. It complements the adjoining Kura Tawhiti (Castle Hill) limestone areas and L W McCaskill Nature Reserve. This purchase benefits the public of New Zealand and international tourism, and is strongly supported by Ngai Tahu.

The outcrops and talus provide a refuge for species that range from critically-endangered to naturally uncommon which are now confined to crevices and rocks where farm management practices have not impacted. It is also a site for the rare grasshopper *Brachaspis* "lowland" along with carabid beetles. The limestone outcrops used by a range of recreational users are internationally renowned as a bouldering (climbing) site. It is an outstanding landscape feature of the Castle Hill Basin and the area has a high number of visitors. The purchase area adjoins other protected areas and provides a natural access into the Kura Tawhiti Conservation Area.

All of the purchases met New Zealand Biodiversity Strategy priorities for the protection of biodiversity on private land. At present, the Nature Heritage Fund has protected 339,553 hectares at an average cost of \$452 per hectare.

South Island Landless Natives Act 1906 (SILNA)

Waitutu: 136 hectares of SILNA land west of Te Waewae Bay on the south coast of the South Island has been protected in perpetuity by conservation covenant. This is a family block owned by the Hart/Kini families and it was a breakthrough that the owners re-approached the Crown after earlier attempts to purchase the land in 1993 had failed. The area comprises old growth tall lowland podocarp and beech forest over coastal terraces to the east of the

Waitutu River. It includes dense rimu with miro and Hall's totara over sub-dominant silver and mountain beech. This type of forest is poorly represented in the Fiordland National Park. The section is traversed by the South Coast Track that runs from Port Craig to the Waitutu River. It is the last remaining unlogged section to be protected by the Nature Heritage Fund in the high-priority Waitutu area (all other unlogged sections having already been protected by the Fund). The land will be managed in conjunction with the adjoining Fiordland National Park.

Government purchase

St James Station: This was a government purchase utilising the Nature Heritage Fund's budget for this financial year, plus the next five financial years, and a contribution from Vote LINZ, to purchase 78,399 hectares of tussock land and forest near Hanmer, North Canterbury.

This significant purchase has secured two major river catchments (Clarence and Waiau) for ecological system services as well as the Spenser and St James mountain ranges. It also protects six areas and part of another, covering 16,168 hectares, identified as Recommended Areas for Protection in the Molesworth Ecological Region PNAP Survey. In addition, this purchase secured public access to the St James walkway and Te Araroa Trail, and provides for future tourism and recreational opportunities.

St James was the largest Crown pastoral lease in New Zealand, and, in recent years only 13% of the land had been grazed. Over 29% of the property is still in forest. This purchase meets the New Zealand Biodiversity Strategy's criteria for protection (priorities 1 and 2). The property's significant landscape is dominated by exceptional natural features such as glaciated valleys, glacial moraine deposits, streams, wetlands, lakes, and high altitude tarns. It also has red, mountain and black beech forests, manuka/kanuka and matagouri scrublands, numerous alpine species, at least five species of tussock, and a vast expanse of valley floor native grasslands. Some 430 indigenous species of flora have been identified on the property, and 30 native bird species have been sighted there.

The pastoral lease, unoccupied Crown land, plus roads and rivers will become public conservation land.

Description of Activities – Nga Whenua Rahui

This year there have been a number of significant additions to New Zealand's protected area estate mainly through covenanting by the Nga Whenua Rahui Fund. The Fund's goal is to protect indigenous ecosystems on Maori-owned land that represent a range of natural diversity originally present in New Zealand by providing incentives for voluntary conservation.

The Fund is administered by an independent committee of respected Maori leaders and serviced by the Department of Conservation. An annual allocation of funds from the Government is given to the Nga Whenua Rahui Fund.

Applications were assessed against the Fund's ecological criteria of representativeness, sustainability, and landscape integrity. It takes into account the new Statement of National Priorities for Protecting Rare and Threatened Biodiversity on Private Land (2007), as well as the spiritual and cultural values of Maori associate with their lands.

Maori landowners' contribution to conservation is significant and this year is no different, with a number of agreements currently under negotiation.

Three funding rounds were held this year allocating \$3,899,000 for voluntary protection of Maori land. Interest from Maori landowners to formally protect their lands for conservation remains high and is oversubscribed.

The Fund has been successful in engaging both private and public organisations for funding in collaborative conservation initiatives.

This year, the Minister formally signed 20 kawenata/agreements representing 7,308 hectares of indigenous ecosystems on privately-owned Maori land.

This comprised 16 native bush areas, representing 7,290 hectares and four wetland sites representing 18 hectares of protection.

In addition, a further 21 projects, to protect 7,436 hectares, were recommended to the Minister of Conservation for approval.

The Fund is in direct negotiation with Maori landowners for the protection of 47 sites covering 23,439 hectares. These are sites that the Nga Whenua Committee has recommended to the Minister of Conservation to be protected.

Significant projects undertaken and protected this year were:

Tunapahore B2A, Bay of Plenty, 154 hectares

The area of re-generating indigenous forest is situated in Hawaii between the Motu and the Torere corridors in Opotiki, Bay of Plenty. It adjoins the proposed 1250-hectare Paraumu ecological area. It has now become part of the largest cluster of approved Nga Whenua Rahui sites in New Zealand, containing 24 properties totalling over 86,600 hectares.

The proposed area for B2A is 154 hectares, and is part of the largest indigenous forest tract in the North Island. It is directly connected to the "Raukumara Forest Park (115,352 hectares) and has a high concentration of native flora/fauna, plus a very diverse wildlife population. This area ranks as "exceptional" and "very high" in the ecological district.

The wind protection of the Raukumara Range allows for the abundance of species found in the area, with pohutukawa found in the low lying coastal area and the transition to forest in montane species such as tawari, quintina, kaimahi, raukawa, broadleaf tawa, manuka/kanuka, mamaku, tanekaha, rewarewa, puriri, kohuhu, mahue, putaputaweta fern, rimu and toatoa. The under-storey has kohekohe, rangiora, tawa, mahue and heketara.

The diversity and abundance of wild-life in the area is invaluable and included in the species found there are the rare Hochsetter's frog, the red- and yellow-crowned parakeet, kaka, kokako, kiwi and the New Zealand falcon.

Four rare and endangered plant species occur in the district, namely, the native broom (*Carmichaelia Williamsii*), *Olearia* sp., (*Olearia pachyphylla*), and rata spp., (*Metrosideros carminea* and *Coriara pottsiana*).

Morikaunui Incorporation, Whanganui River, 2,018 hectares

This project involves two closely-linked areas and one adjoining indigenous forest area situated in the northern Wanganui district; centred to the east of Hiruharama, south-west of Raetihi and to the immediate east of the Whanganui River.

Areas of the vegetation are described as being tawa-dominated hardwood/podocarp with rata, rimu, rewarewa, hinau and pukatea.

A Protected Natural Area (PNA) report noted three main broad categories of forest encompassing 32 forest types which include beech, podocarp, broadleaved types and kahikatea-dominated podocarp, broadleaved forest types.

The areas are large enough to adequately sustain the ecosystems present, and there is sufficient opportunity for continued regeneration and evolution of the natural indigenous communities. There have been over 30 native bird species indentified in the district including the North Island brown kiwi. Long-tailed bats have also been known to inhabit the district.

Owahanga, Wairarapa, 2,490 hectares

This large block of re-generating indigenous forest and coastal tussock land is situated east of Masterton near the coast.

The area is described as one of the largest areas of native forest in the Eastern Wairarapa Ecological District. The site is very important, as an indigenous coastal forest block this size, on the East Coast of the North Island, is rare.

The block is a Recommended Area for Protection (RAP) containing young re-generating native forest with manuka, puriri, kohekohe, kowhai, ti kouka, mapou, black beech, ramarama being common.

The 100-hectare dune tussock beach land is also classified as a RAP with pingao and spinifex present in the fore-dune. There are many bird species within the proposed area.

Pest Control

Nga Whenua Rahui has carried out pest control on 44,000 hectares. Ten thousand hectares received possum/stoat/rat control to best practice

standards using ground control methods. Thirty-four thousand hectares of feral goat control was completed using ground and aerial control methods.

Nga Whenua Rahui embarked on the first stage of biodiversity inventory monitoring this year, using nationally-approved protocols.

Surveys were conducted on 11 sites covering 47,717 hectares to gather biodiversity information and to undertake a health check on protected sites.

The basis for this type of monitoring is to assist in addressing the Statement of National Priorities for Protecting Rare and Threatened Native Biodiversity on Private Land (2007).

A further 17 sites are planned for 2009/10, covering 48,079 hectares.

Kokako Translocation – Ngapukeariki, Mainland Island, Eastern Bay of Plenty

In 2005, 19 kokako were translocated from Waimana to Ngapukeariki in the Eastern Bay of Plenty. Ngapukeariki is situated in the 10,000-hectare Mangaroa/Ohotu block which is owned by members of the Whanau-a-Apanui iwi and is subject to Nga Whenua Rahui kawenata.

This is the fourth year of establishing a breeding programme, and with rigorous pest control and ongoing monitoring, the kokako have established territories within their adopted home.

Nga Whenua Rahui's Ngapukeariki mainland island project celebrated the 2008/09 year with its most successful kokako breeding season. A total of eight chicks fledged bringing the total number of fledged chicks to 19 since the release of kokako in 2005.

Ecosystem Restoration

Ecosystem restoration is being conducted on four wetland, 11 wetland/bush and four duneland sites. An additional six wetland sites are in the assessment planning stages and are scheduled for active management starting in 2009/10.

Examples of some of these projects and their value to conservation and communities are summarised below:

Hakakino, Pouhokio Station, Waimarama; Hawke's Bay Ecological District: Eastern Hawke's Bay

The Protected Natural Area (PNA) report for the ecological district rated the Hakakino site as high. It is an example of mixed broadleaved coastal forest, only remnants of which survive in the district, and most of which have no formal protection. Even more significant is the complex of archaeological sites that are important in the history of the local hapu.

The project focuses on the restoration of the ngahere, wetlands and riparian areas, but also on enhancing and caring for the archaeological features, both

to protect and to make them accessible to the descendants of the original inhabitants, and those they wish to invite to experience the site.

A nursery has been developed to enable the restoration of the ngahere. It provides opportunities for the local people involved to develop the knowledge and skills, and helps to restore to Ngai Kahungunu ki Heretaunga the matauranga (traditional knowledge) that pertains to the ngahere and its traditional uses.

Whakaki, Ecological District: Waihua

Lake Whakaki is the largest freshwater lagoon on the East Coast of the North Island. It also includes the highest-ranking beach of the Waihua Ecological district in Inventory of New Zealand's active dunelands, as well as other significant ecological features.

It is the major mahinga kai for the local hapu, and has been managed for centuries for its abundant freshwater fish species.

The restoration of the wetlands by the local people has been underway for more than ten years. The resources that have been made available since Nga Whenua Rahui has become involved enabled this to proceed at a much more substantial rate, particularly in increasing the capacity of the site nursery.

A fresh focus over the last two years is to enhance the sand dunes that protect the lagoon from the effects of the rapidly increasing coastal erosion.

Matakana Island, Ecological District: Tauranga

The Matakana project involves the restoration of small coastal wetlands, each with separate owners, which collectively have a very significant role in the maintenance of fish stocks in Tauranga Island. It involves a number of kawenata.

In 2007, with funding from the Matauranga Kura Taiao Fund and the World Wildlife Fund for Nature, the leaders of the project commissioned an ecological survey of the Island and have since systematically worked to restore each of the wetlands.

Funding and support from Nga Whenua Rahui, Environment Bay of Plenty, Western Bay District Council and the Department of Conservation reinforce the importance of saving these ecosystems.

This project is a key part of the strategy of the Matakana Island community to address the issues arising from the rangatahi needing to leave the island through lack of local work opportunities.

The nursery provides employment and the opportunity to develop knowledge and skills.

The research has led to the recovery and passing on of matoranga (traditional knowledge) from kaumatua.

The inclusion of the project in the local primary school curriculum ensures that the matoranga will continue to live on in the coming generations.

Punawhakaata, Ecological District: Taupo

The restoration of the water quality of Lake Taupo is one of New Zealand's major environmental issues. The restoration of the wetlands around the lake is a key part in the strategy to address this issue. The vast majority of the wetlands are Maori owned.

Punawhakaata is the only wetland at this stage to be protected with the help of Nga Whenua Rahui.

The project is particularly important because it demonstrates to local hapu and land-owners the value of restoring their wetland areas and the benefits that has for the lake.

Work has been in progress for four years. In addition to Nga Whenua Rahui, funding support is provided by the Waikato Catchment Ecological Enhancement Trust, and Genesis Power.

Atihau Wetland Restorations, Ecological Districts: Parts of Matemateonga, Rangitikei and Tongariro

The Atihau kawenata includes a number of areas in the Waimarino and Wanganui districts. The focus of the restoration work has been on the wetlands included in the kawenata.

A number of the wetlands are included in the Horizons Regional Council's list of priority wetlands for the region. Many are in very good condition but are depleted of some of the significant species necessary for long-term viability. This is due, in particular, to the impact of long-term grazing by domestic and feral animals.

The focus is to plant a range of species to enhance the wetlands. The wetlands have been surveyed and a schedule for restoration planting has been drawn up. The programme is in year two and will continue for another three years. The Horizons Regional Council is fully involved in the programme.

Matoranga Kura Taiao Fund

A total of 13 Matoranga Kura Taiao projects were approved for this reporting period.

Two projects that were previously approved were completed, and a further 45 are still to be completed.

All approved projects met the Fund's criteria.

Significant projects being undertaken and protected are:

Matakana Island Marine Inc, Tauranga

The project currently involves the Nga Whenua Rahui-funded nursery with the participation of the local school, parents and the wider community.

The vision is that the nursery will be the education vehicle to improve local capability in caring, nurturing and enhancing the wetland's environment in particular, using traditional processes and practices.

Environmental education is now part of the local primary school and Kohanga Reo curriculum and it is through this initiative that the matauranga will be learnt, used and thus retained.

Whakatu Incorporation, Nelson

Restoration and protection of significant natural areas within the Wakapuaka 1B block lands at Delaware Bay. This project currently provides for the protection and restoration of significant natural areas. This will involve fencing, weed control, planting, and releasing of previously planted plants.

The project begins with the re-creation of wetlands along the Motueka River and aims to encourage hapu/iwi in the use of traditional knowledge and practices in biodiversity through kaitiakitanga. The wetlands are particularly important because of their water quality and habitats which allow fish to breed and flourish.

The growing of native plants in a small nursery will provide native plants for the restoration project.

Patuharakeke Te Iwi Trust Board, Whangarei

This project involves a three-stage programme.

Stage one involves creating and mapping an inventory of all significant sites including wetlands in the traditional Patuharakeke settlement.

Stage two is to identify the kauri groves and check the health of these groves by surveying the birdlife and rongoa resource.

Stage three will be the revival of customary whale harvesting of resources obtained from strandings.

Service Performance**Non-Financial****Protection of Indigenous ecosystems on private land****Nature Heritage Fund**

Performance Measures	2007/08	2008/09	2008/09
	Actual Standard	Budgeted Standard	Actual Standard
Number of successful purchases	7 purchases	6 purchases	6 purchases
Number of successful covenants	0 covenants	2 covenants	0 covenants
Hectares of indigenous ecosystem protected	12,096	2,500	79,062

Comments on Variance

The Government's purchase of St James Station resulted in more hectares protected in 2008/09 than predicted. No applications for covenants were received in 2008/09.

SILNA

Performance Measures	2007/08	2008/09	2008/09
	Actual Standard	Budgeted Standard	Actual Standard
Number of SILNA blocks protected	0	11 blocks	1 block
Hectares of indigenous ecosystem protected	0	1,521	136

Comments on Variance

The programme cannot proceed while the Maori Trustee who administers a number of blocks is currently exploring the possibility of sustainable harvesting as an alternative option.

Nga Whenua Rahui

Performance Measures	2007/08	2008/09	2008/09
	Actual Standard	Budgeted Standard	Actual Standard
Number of Kawenata / Management Agreements signed off	11	18	20

Comments on Variance

Various factors such as timing, multiple ownerships, reassurance of the legal agreements that tangata whenua retain tinorangatiratanga (management and ownership) have all contributed to achieving more than the forecast.

Financial

Expenses and Revenue	2007/08 Actual \$000	2008/09 Estimates \$000	2008/09 Supp Estimates \$000	2008/09 Actual \$000
Total	18,639	25,017	54,207	48,464
Nature Heritage Fund	15,222	8,953	45,178	43,117
SILNA	0	11,264	2,000	1,700
Nga Whenua Rahui	3,417	4,800	7,029	3,647

Comment on Variance – Nature Heritage Fund

The variance between the actual financial performance and Supplementary Estimates is \$ 2,061,000. This balance, committed to new and existing projects, is carried forward to when projects come to charge.

Comment on Variance – SILNA

The variance between the actual financial performance and Supplementary Estimates is \$ 300,000. This balance, committed to an existing project, is carried forward to when the project comes to charge.

Comment on Variance – Nga Whenua Rahui

The variance between the actual financial performance and Supplementary Estimates is \$ 3,382,000. This balance, committed to new and existing projects, is carried forward to when projects come to charge.

New Zealand Biodiversity Fund**Scope of Appropriation**

This appropriation is limited to the payment of grants: to provide land managers with information and advice, or assistance with costs of pest and weed control, fencing and other biodiversity management actions; and to support community biodiversity restoration initiatives.

Intended Impacts, Outcomes or Objectives

Examples of the full range of New Zealand's ecosystems are conserved.

New Zealanders increasingly engage in conservation.

Description of Activities

The high level of interest from private landowners wishing to protect the biodiversity values on their properties continued with both the Condition and Advice Funds being oversubscribed in each funding round.

The Advice Fund assists organisations and landowners with training, advice or management plans to directly support the protection and enhancement of biodiversity on private land. The Condition Fund provides assistance to landowners and organisations to improve and maintain indigenous vegetation, species and habitats on private land, through fencing, weed control, animal pest control and planting projects.

Applications were invited during this reporting period for Funding Round 12 and 13; however, Funding Round 11 was under active consideration at the time of reporting for the last annual report. As a result, all three funding rounds are commented on below.

Funding Round 11:

A total of 92 applications were received with 72 projects being allocated a total of \$1.147 million. This allocation includes \$386,657 from out-year appropriations. Leverage of funding from applicants and other funding sources contributed a further \$1.440 million, giving a total investment of \$2.558 million for biodiversity protection and enhancement on private land.

Funding Round 12:

The Fund received 130 applications requesting \$3.577 million. Of these, 115 projects were approved, allocating a total \$2.393 million. This allocation includes \$889,670 from out-year appropriations. Leverage of funding from applicants and other funding sources contributed a further \$2.905 million, giving a total investment of \$5.298 million for biodiversity protection and enhancement of private land.

Funding Round 13:

Applications for Funding Round 13 closed on 1 July 2009. The 92 applications received requested \$2,684 million from the 2008/09 appropriation with an additional \$2,826 million being requested for the year two and three (out-years) of these projects. These applications are currently under active consideration. Recommendations for funding will be put to the Director-General of Conservation in September 2009. The decisions from this round will be reported in the 2009/10 annual report.

In April 2007, the Government announced its Statement of National Priorities for Protecting Rare and Threatened Biodiversity on Private Land (2007). The Biodiversity Funds' criteria were amended to ensure projects in high priority areas receive added weighting. Over the last year, 83% of funded projects align with one or more of the Statement of National Priorities for Protecting Rare and Threatened Biodiversity on Private Land (2007).

Highlights from the Biodiversity Fund include:

The Crown's investment benefits from "other contributions" which can include monies contributed by the private landowners, local authorities, community trusts, the Queen Elizabeth the Second National Trust and other funding agencies. It also includes in-kind labour contributions to the projects which are calculated at \$15 per hour/per volunteer. In the two funding rounds completed during the past year, the total investment in biodiversity on private land has been \$7.856 million, of which the Crown has invested \$3.540 million over the three-year work programmes for the projects approved.

The Biodiversity Fund-approved projects have included the protection of areas of native forest, wetlands, riparian margins, coastal habitat and tussock grasslands. In addition, threatened species, including kokako, kiwi, fernbird, mudfish, yellow-eyed penguin and blue penguin benefited from increased protection through the various operations, public awareness and education projects.

Through the 187 approved projects, the Biodiversity Funds have directly assisted animal pest, weed eradication and restoration operations covering over 52,000 hectares of private land. It has also funded the erection of over 110 kilometres of fencing. A number of these projects involve large-scale community group projects working with private landowners at an integrated catchment level undertaking animal pest control operations to protect New Zealand's at-threat iconic species, such as kiwi, blue duck, kokako, and kukupa. These operations are often undertaken in conjunction with local authority and other pest management agencies. Over 6000 landowners have benefited from the operational work, and other information and advice provided to them through the funding of project coordinator positions (for example, New Zealand Landcare Trust Coordinators who provide and facilitate training, field days, and publications).

The New Zealand Deer Stalkers Association in Manawatu, has been granted \$10,900 to increase the area under protection over areas of private land where whio (blue duck) are breeding within the Oroua River catchment, in the Ruahine Ranges. The work programme involves monitoring the whio populations and providing expert advice on the trapping regime being undertaken. The traps themselves have been purchased with the assistance of the World Wildlife Fund and Horizons Regional Council.

In Northland, \$400,000 was allocated to 24 projects during the reporting period. Nine of these projects are for integrated predator management work to assist kiwi populations on large areas of private land. The landowners are working collaboratively with councils, the Department of Conservation, and the New Zealand Landcare Trust to protect kiwi on their properties.

In the Bay of Plenty, the Kaharoa Kokako Trust and QEII National Trust received two separate grants from the Fund (totalling \$48,108 over three years), to establish and undertake predator control on private land that adjoins the core kokako area covering 1000 hectares. These two projects, involving three separate landowners, build on an earlier grant to survey blocks of native

vegetation on private land surrounding the Trusts' principal area, which identified several breeding pairs of kokako residing in an additional area of 160 hectares. As a result of the Trusts' work kokako populations in this area have increased from 26 in 1997, to over 121 in 2006. This is a direct result of the pest animal control operations being undertaken by the community.

Community Conservation Fund

Intended Impacts, Outcomes or Objectives

New Zealanders increasingly engage in conservation through participation in community restoration projects.

The Community Conservation Fund was established as part of the Government's May 2008 budget announcements (CAB Min (08) 14/1(11)) to assist community groups involved with restoration plantings on public land and Maori Reservations under Te Ture Whenua Maori Land Act 1993. The Fund was established as a two-year fund with an appropriation of \$4 million for this period. The May 2009 budget announced that second year appropriation, of \$2 million, had been withdrawn.

Description of Activities

During 2008-2009, two funding rounds were held. The first funding round was opened at the Fund's launch in September 2008. Forty-six projects received funding, with a total allocation of \$1.012 million being made.

The majority of these projects have two-year work programmes starting during the planting season of winter 2009. All these projects are supported by the public landowner agency, with most being on local government or Department of Conservation administered land.

Funding was granted to projects across the country, ranging from large-scale projects, such as the \$88,950 grant for the Restoration of Mangawhai Distal Spit and Wildlife Refuge project in Northland, to smaller projects, such as the \$4,894 grant for the Gore Native Forest Restoration Project. The Mangawhai Harbour Restoration Society project involves re-establishing dunes and native plant colonies in an internationally significant seabird nesting area. In contrast, the Gore and District Amenities Charitable Trust project will revegetate an old landfill site in East Gore with 1,500 native eco-sourced plants, increasing the native biodiversity of this urban environment by restoring native forest and encouraging birdlife to return.

Other examples of the range of projects funded are:

A grant of up to \$80,000 was granted to the Rotary Club of Kawerau to assist with the Monika Lanham Reserve Restoration Project in Kawerau. This grant supplements the significant contributions from the Rotary Club and the Kawerau District Council in restoring a predominantly kanuka urban bush reserve within the township. Currently, the restoration site is infested with

exotic weeds which the Rotary Club and the council are eradicating. The restoration project will also enhance the habitat of the threatened native mistletoe found at the site and provide links to other natural areas, such as Ruruanga Stream, Tarawera River, Putauaki (Mt Edgecumbe) and the Paramahana Scenic Reserve.

The Kawhia Harbour Protection Society received \$6,050 to assist with the restoration of an area within the Kawhia Cemetery Reserve, with the assistance of the Otorohanga District Council. The project involves fencing the area to help prevent illegal dumping; carrying out weed control; and planting 1,000 native ecosourced plants.

The Central Otago Ecological Trust received \$35,592 for the restoration of the Mokomoko Dryland Sanctuary in the Aldinga Conservation Area, near Alexandra. The project involves restoring the native shrub and tussocklands in this dryland environment and providing protection for the new plantings with rabbit-proof fencing. The Trust and volunteers will be undertaking over 380 hours of weed control and site preparation, as well as contributing towards the costs of the fencing and plants.

Hokonui Runanga Incorporated received a grant of \$25,731 to assist with the Matura Te Awa Mataitai Restoration project on the banks of the Matura River on Old Coach Road, Southland. The project, while focussed on restoring the river bank habitat, will also contribute to the health of the river by providing shading for native fish, and ecological linkages between the land and water.

As at the end of the 2008-2009 financial year the second and final funding round was being processed. Forty-three applications were received. The outcome of the funding decisions will be known in December 2009 and will be reported on in the 2009-2010 financial year.

Service Performance

Non-Financial

Performance Measures	2007/08	2008/09	2008/09
	Actual Standard	Budgeted Standard	Actual Standard
Advice projects funded	39	30	40
Condition projects funded	121	70	147
Community Conservation projects funded	-	-	46

Comments on Variance

Variation is due to the contestable fund element which can result in variations in the number of applications received that are consistent with the criteria.

The Community Conservation Fund is a new fund established in the current reporting year.

Financial

Expenses and Revenue	2007/08	2008/09	2008/09	2008/09
	Actual	Estimates	Supp Estimates	Actual
	\$000	\$000	\$000	\$000
Total Appropriation	2,970	11,863	3,183	3,010
Advice and Condition Funds	2,970	9,863	2,798	2,778
Community Conservation Fund	0	2,000	385	232

Comment on Variance - Advice and Condition Funds

The variance between the actual financial performance and Supplementary Estimates is \$ 20,000. This balance committed to new and existing projects is carried forward to when projects come to charge.

Comment on Variance - Community Conservation Fund

The variance between the actual financial performance and Supplementary Estimates is \$ 153,000. This balance, committed to new and existing projects is carried forward to when projects come to charge.

Moutoa Gardens/Pakaitorere

Scope of Appropriation

This appropriation is limited to the ongoing management and maintenance of the Moutoa Gardens Reserve.

Intended Impacts, Outcomes or Objectives

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

Description of Activities

This output class covers the administration of the Moutoa Gardens Historic Reserve by the Moutoa Gardens Historic Reserve Board, the maintenance of the grounds and historic resources, and the capital items needed to improve or maintain the key assets of the reserve.

Service Performance

The Joan Morrell statue on the reserve has been reinstated. A draft conservation plan has been produced for the Maori War Memorial. Considerable funding is likely to be required to stabilise and protect this monument. New edging is being provided for the standard chain mark.

The gardens continue to be maintained to a high standard.

The board is currently considering its response to an application from the Ministry of Justice to extend the adjoining courthouse building onto the reserve.

The Minister of Conservation has renewed the board's purchase agreement at the same funding level to the year ending 30 June 2011. The board Chair and Deputy-Chair met with the then Minister of Conservation in September 2008 to discuss an increase in funding in order to prepare a strategic plan for the protection and interpretation of the reserve. The Minister has indicated that the plan should be prepared using existing funding.

The board met four times during the year. The board's appointment expires in February 2011

Current Pakaitorere/Moutoa Gardens Historic Reserve Board Members are:

Mr Ken Mair
 Mr Piripi Haami
 Ms Mariana Waitai
 Mr Rangi Wills
 Mr Rob Vinsen
 Ms Barbara Bullock

The position of Crown representative is currently vacant, with the recent passing of Mr Charles Mareikura.

Service Performance

Non-Financial

Performance Measures	2007/08	2008/09	2008/09
	Actual Standard	Budgeted Standard	Actual Standard
Maintain key assets of the reserve to a suitable standard	Achieved	Achieved	Achieved

Financial

Expenses and Revenue	2007/08	2008/09	2008/09	2008/09
	Actual	Estimates	Supp Estimates	Actual
	\$000	\$000	\$000	\$000
Total Appropriation	22	23	23	22

Comments on Variance

Actual expenditure for the Moutoa Gardens/Pakaitorere Board was \$22,000 for the 12 months to the end of June 2009 compared with the annual appropriation of \$23,000.

