Department of Conservation

Annual Report

FOR THE YEAR ENDED 30 JUNE 2007

Department of Conservation
Te Papa Atawhai

Everybody benefits

Track sign, Ruahine Forest Park.
Photograph: DOC.

+ Economic
+ Social
+ Cultural
+ Environmental

Department of Conservation

Annual Report

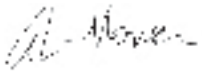
FOR THE YEAR ENDED 30 JUNE 2007

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

ISSN 1176-7324 (Print)
ISSN 1177-990X (Online)

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 2007.



Alastair Morrison
DIRECTOR-GENERAL

Cover and inside cover

Caption: High country setting, Ahuriri Valley, North Otago, New Zealand

Photographs

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Paper

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Everybody benefits

Dusky dolphins, Admiralty Bay, Marlborough Sounds.
Photographer: Dave Hansford.

- Economic
- Social
- Cultural
- Environmental

Introducing the Department of Conservation

Along with whales, seabirds and grand scenery, dusky dolphins are an important natural attraction for tourists visiting Kaikoura.

Photographer: Rob Suisted.

Director-General's Overview

As the Department marked its 20th birthday in April 2007 there was much to celebrate. We have become an organisation known in New Zealand and in the wider world for its technical skills in tackling conservation challenges. There are always new challenges and we are continually looking for ways to improve our effectiveness in meeting those challenges.

As I travel around conservancies, I've become increasingly aware that we are also very good at working with others in the interests of conservation. Throughout the organisation there has been an increasing momentum towards seeing that the Department is part of a wider front of conservation action in New Zealand, and making that happen.

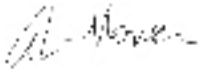
I applaud both of these aspects of the Department, and I see them both as critical to the way forward for conservation. The review of the New Zealand Biodiversity Strategy told us that despite gains already made, the task ahead is still immense. So we have to keep increasing our ability to work smarter, and to work in collaborative ways. Part of working smarter is devoting attention to building up the systems that support our work, the data collection, measurement, and prioritisation systems that will increasingly help us to decide where and how we can get the best returns for conservation. The sections of this report that deal with the Protection outcome outline these capability initiatives, as well as reporting on the achievements made on the ground during the year.

Similarly, the sections of the report that deal with the Appreciation outcome show the range of ways in which the Department has been helping to connect people with conservation, and the conservation gains achieved with the help of others. This includes the growing trend for tourism operators to put effort back into conserving the natural resources they rely on. The Department's continued drive to improve the quality of outdoor recreation facilities and opportunities for New Zealanders is well illustrated by the stories of this year's achievements. Here, as in other areas of its work, the Department is increasingly working with local communities, iwi, and businesses.

Just as the Department has not stood still over 20 years, there is now far greater awareness of, and more extensive engagement in, conservation by New Zealanders than was the case in 1987. This came through strongly in a poll commissioned by the Department in 2006–2007. Over ninety per cent of New Zealanders polled say that conservation of plants and animals, national parks, and water and land habitats are very important to them. The poll results are backed up by the actions that New Zealanders take. The Queen Elizabeth II Trust cannot keep up with landowner demand to covenant land for conservation, while the Nga Whenua Rahui fund mirrors that for Maori land. Community groups and private trusts are creating significant conservation gains, and regional and local authorities are heavily involved in conservation work.

Our Strategic Direction reminds us of these connections between conservation and the wider community. Conservation happens because people want it to happen, and the more people want it to happen the more conservation will be achieved. Taken together, the Government's priorities, the Department's statutory framework and the Strategic Direction provide the backdrop to our ongoing review of our two main planning systems, the Statement of Intent and the Conservation Management Strategies.

As the Department moves forward into the next 20 years, we will keep working to protect New Zealand's natural and historic heritage for its intrinsic values, and for economic, cultural, physical, spiritual and national identity values. Through its contribution to all of these values, conservation is part of the infrastructure of New Zealand's future, particularly as the country meets the challenges of sustainability and climate change. It is very fitting that we are one of the six lead agencies for the pilot of Carbon Neutrality in the Public Service. We will strive to model sustainability in our operations, and we have the potential to be a significant part of the solution, as we continue to explore carbon offset options on public conservation lands.



Alastair Morrison
DIRECTOR-GENERAL
TUMUAKI AHUREI

The Department's Purpose

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

The Department's mission is:

> To conserve New Zealand's natural and historic heritage for all to enjoy now and in the future.
>
> *He ata whakaute, manaaki, me te tiaki ia Papatuanuku ki Aotearoa kia u tonu ai tona whakawaiutanga hei oranga ngakau mo te tini te mano inaianei, ake tonu ake.*

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

- manage, for conservation purposes, all land and other natural and historic resources held under the Conservation Act
- preserve, so far as practicable, all indigenous freshwater fisheries
- protect recreational freshwater fisheries and freshwater fish habitats
- advocate the conservation of natural and historic resources generally
- promote the benefits to present and future generations of conservation of natural and historic resources
- prepare, provide, distribute, promote and publicise conservation information
- foster recreation and allow tourism, to the extent that the use of any natural and historic resource is not inconsistent with its conservation
- advise the Minister on matters relating to any of the above functions or to conservation generally.

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

The Department has powers and functions under a number of other Acts (a list of the key legislation is provided in the Appendices).

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

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

Together with its legislation, these goals provide the Department with a vision for the overall outcome it is working towards:

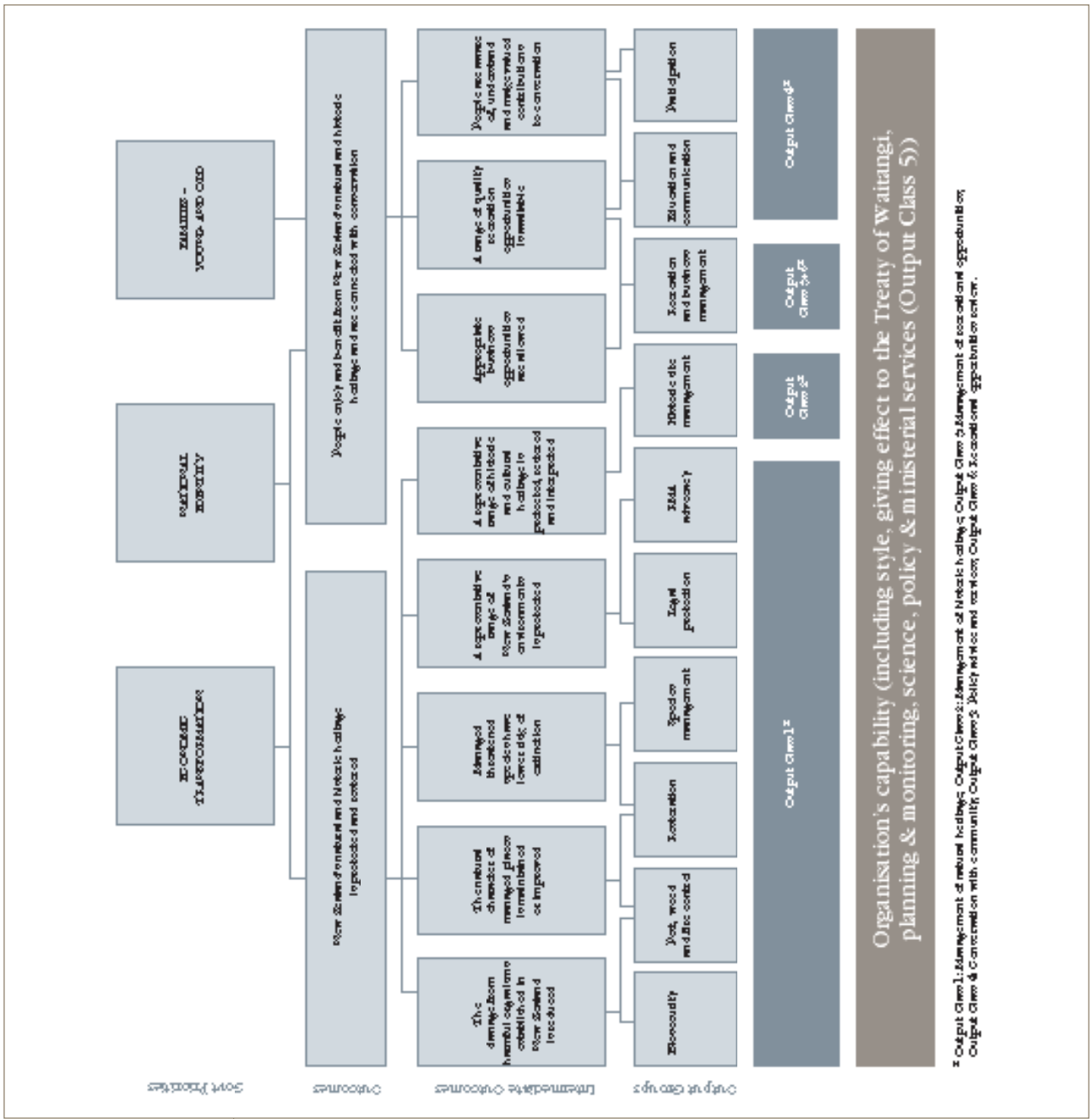
> New Zealand's natural and historic heritage is protected; people enjoy it and are involved with the Department in its conservation.
>
> *Kei te mahi ngatahi te Papa Atawhai me nga iwi whanui ki te whakaute, te manaaki me te tiaki i nga taonga koiora me nga taonga tuku iho o Aotearoa hei painga mo te katoa.*

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

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

The link between the Department's outcomes and outputs, and the Government's priorities for the next decade are shown in Figure 1.

FIGURE 1: THE DEPARTMENT'S CONTRIBUTION TO THE GOVERNMENT'S PRIORITIES FOR THE NEXT DECADE – LINKING OUTCOMES TO OUTPUTS



Public sector outcomes

As well as delivering on its Protection and Appreciation outcomes, the Department also contributes to wider Government goals through joint work with several other government agencies. This includes: implementation of 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) and contributing to Treaty settlement negotiations.

The Department's collaborative work on integrated policy responses helps ensure a common understanding of respective roles, and complements the Department's work to fulfil its legislated conservation responsibilities. The more significant of these relationships are governed by agreed memoranda of understanding. The Protection section of this Annual Report includes descriptions of some examples of the Department's joint policy work.

Strategic Direction

In March 2006 the Department released its Strategic Direction statement covering the next decade and beyond. This document provides the compass setting for the Department to deliver on its statutory responsibilities.

The Strategic Direction was incorporated into the Department's Statement of Intent 2006–2007. It states:

NEW ZEALANDERS WANT THEIR NATURAL AND HISTORICAL HERITAGE CONSERVED.

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

The overarching purpose of the Department is to increase the value of conservation to New Zealanders. To do this:

- The Department will seek to entrench conservation as an essential part of the sustainable social and economic future of New Zealand.
- The Department will be recognised as an effective manager of the lands, waters, species, historic places, and roles entrusted to it.
- The Department will lead, guide, and facilitate conservation gains through 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 Department is in the process of integrating this new Strategic Direction with its existing planning and reporting systems. This is discussed in the Support section of this Annual Report (see under 'Developing the strategy system').

FIGURE 2: MAP OF PUBLIC CONSERVATION LAND, AS AT 30 JUNE 2007.

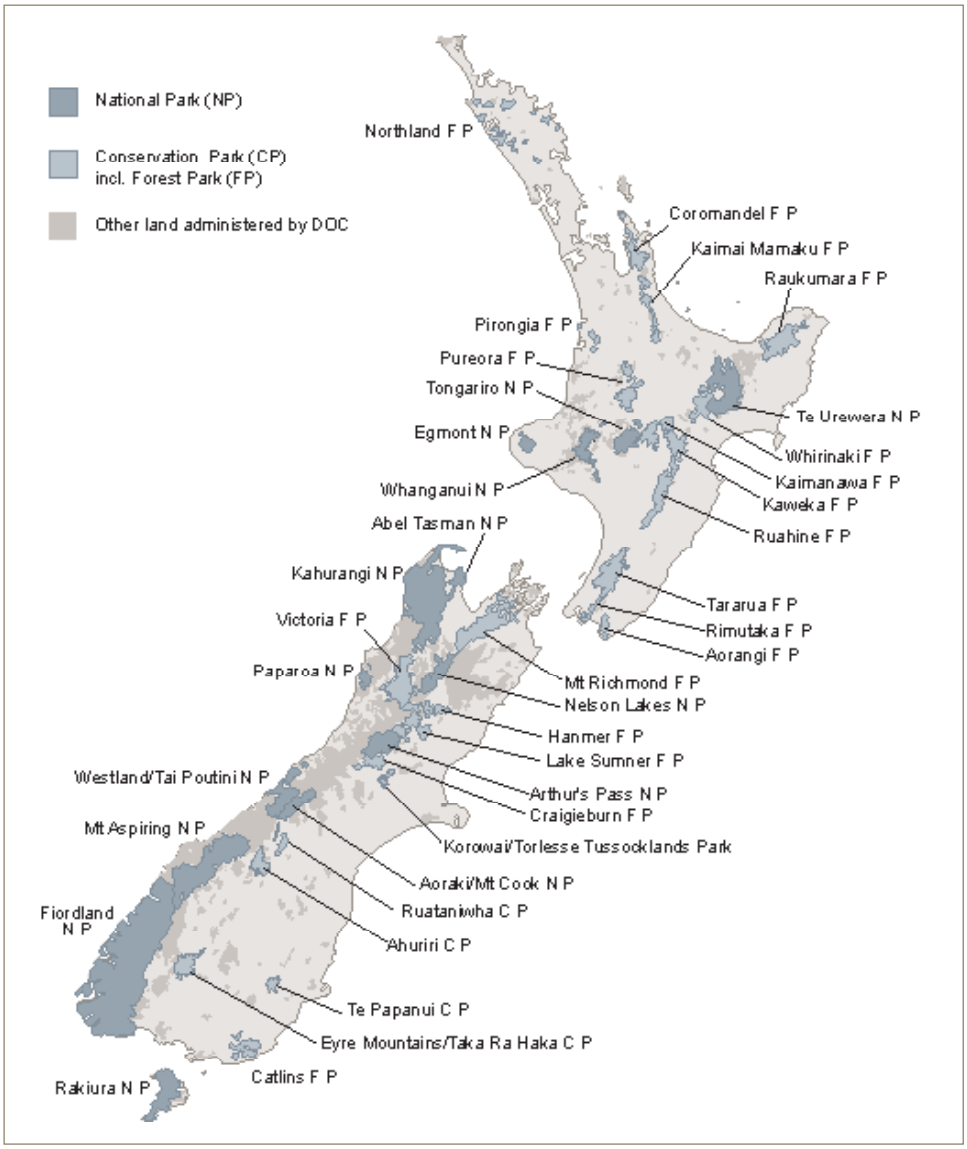
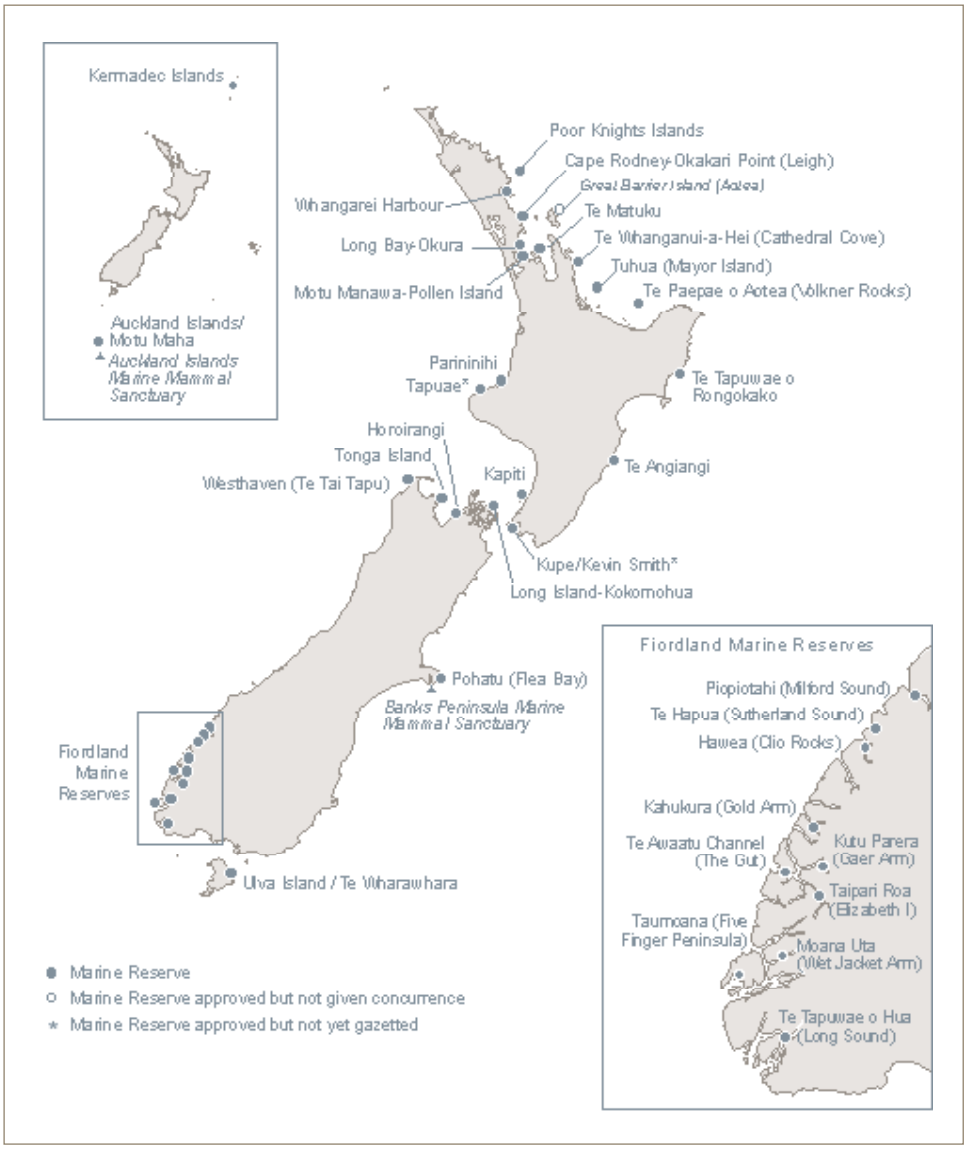


FIGURE 3: MAP OF MARINE PROTECTED AREAS, AS AT 30 JUNE 2007.



Organisational structure

The Department of Conservation has a decentralised organisational structure, reflecting the nature of its work. Fieldwork and conservation outputs are delivered mainly from the far-flung network of 50 Area Offices. The areas are grouped into 13 conservancies, each with a Conservancy Office that provides them with support. The conservancies are led and managed by two General Managers Operations, working from the Northern Regional Office in Hamilton and the Southern Regional Office in Christchurch.

The Department's Head Office in Wellington develops national policies and procedures, and provides national service and support functions.

Director-General
Tumuaki Ahurei
Alastair Morrison

General Manager Northern Operations
Tumuaki Te Tari tapere ki te Raki
Barbara Browne

General Manager Southern Operations
Tumuaki Te Tari tapere ki te Tonga
John Cumberpatch

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

Acting General Manager Research, Development and Improvement
Tumuaki Rangahau-whakahiato Whakakoi
Christeen Mackenzie

General Manager Policy
Tumuaki Whakahere Kaupapa
Doris Johnston

General Manager Business Management
Tumuaki Umanga Kaipākihi
Grant Baker

General Manager External Relations
Tumuaki Whakawhanaunga ā hāpori
Sue Paterson

General Manager People and Organisation Development
Tumuaki Whakahiato-kaimahi ā Papa Atawhai
Felicity Lawrence

TABLE 1: DEPARTMENT OF CONSERVATION ORGANISATION STRUCTURE

CHIEF EXECUTIVE	GENERAL MANAGERS	
Director-General *Tumuaki Ahurei* Alastair Morrison	**General Manager Northern Operations** *Tumuaki Te Tari tapere ki te Raki* Barbara Browne (covering 8 conservancies, including 28 areas)	**Field operations** About 1400 staff
	General Manager Southern Operations *Tumuaki Te Tari tapere ki te Tonga* John Cumberpatch (covering 5 conservancies, including 22 areas)	
	Acting General Manager Research, Development and Improvement *Tumuaki Rangahau-whakahiato Whakakoi* Christeen Mackenzie	**Head Office (policy, service and support)** About 300 staff
	General Manager Business Management *Tumuaki Umanga Kaipākihi* Grant Baker	
	General Manager External Relations *Tumuaki Whakawhanaunga ā hāpori* Sue Paterson	
	General Manager Policy Group *Tumuaki Whakahere Kaupapa* Doris Johnston	
	Tumuaki, Kāhui Kura Taiao *General Manager Maori Issues* Tata Lawton	
	General Manager People and Organisation Development *Tumuaki Whakahiato-kaimahi ā Papa Atawhai* Felicity Lawrence	

Everybody benefits

Entrance to Ruapekapeka Pa, Northland.
Photographer: Rob Suisted.

- Economic
- Social
- Cultural
- Environmental

Protection Outcome: Protect, Restore

Ruapekapeka Pa is one of New Zealand's most significant historic sites. The final battle of the Northern Wars was fought here, between northern Maori and British colonial forces.

Photographer: Rob Suisted.

New Zealand's natural and historic heritage is protected and restored.

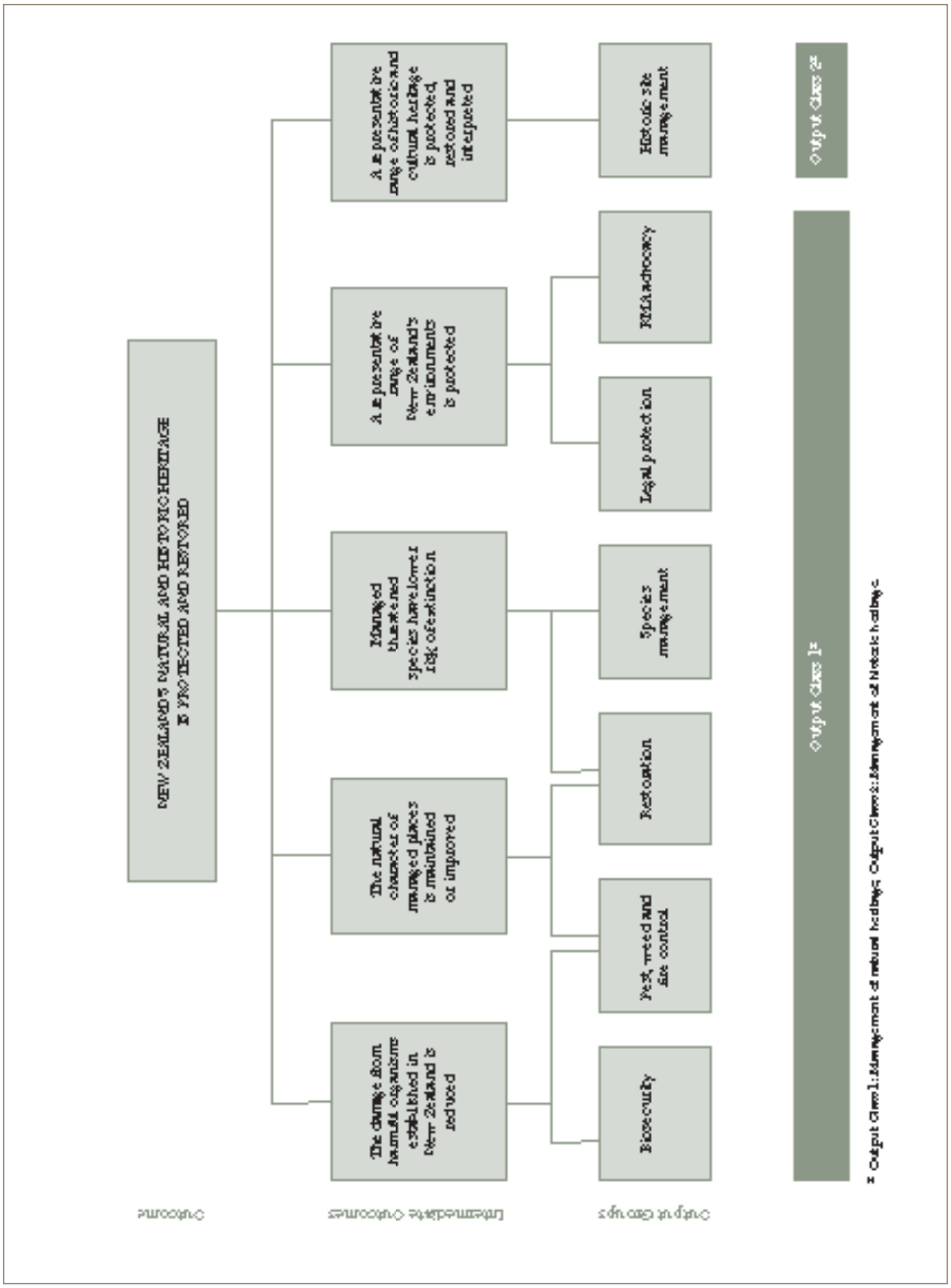
The Department has a principal, but not exclusive, focus on natural and historic resources in areas it administers, and on species specifically protected by law. The Department also seeks to integrate its efforts with those of its associates and neighbours. Working with other land occupiers and the community to protect, maintain and restore terrestrial, freshwater and marine biodiversity is therefore an important component of the Department's work in conserving natural values.

This section of the 2006–2007 Annual Report demonstrates how the Department's work is achieving the high level outcome 'Protection: New Zealand's natural and historic heritage is protected and restored'. It provides information and case studies that track progress on the five intermediate outcomes identified in its Statement of Intent 2006–2009:

1. The natural character of managed places is maintained or improved.
2. The damage from harmful organisms established in New Zealand is reduced.
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.

It also records progress toward the five key Protection initiatives identified for the 2006–2007 year.

FIGURE 4: HOW PROTECTION WORK CONTRIBUTES TO THE DEPARTMENT'S VISION (FROM THE STATEMENT OF INTENT 2006-2009).



The New Zealand archipelago is recognised globally as a hotspot of biological diversity. Many of its organisms, including the exceptionally diverse range of land snails, spiders, lizards and birds, are found nowhere else. Humans and their entourage of exotic plants and animals have greatly affected these islands, and continue to do so – while the modern challenges posed by biosecurity and climate change make the issues all the more complex to manage.

As New Zealanders become more aware of human impacts on their environment, with many choosing to alter their behaviour, the Department's role in fostering a commitment to conservation comes increasingly to the fore, as it works to lead, guide and facilitate the needed changes on the land and marine environments it manages.

Working effectively is critical. To achieve the greatest progress toward its Protection outcomes with the resources available, it is vital that the Department makes wise choices on priorities, uses the most effective management techniques, and works co-operatively with the wider community.

To that end, this year a large effort has gone into developing new information-rich systems to support the conservation activities delivered by conservancies. Known as the Natural Heritage Management System, these will help decision-makers set clearer goals, choose priority actions, plan more consistently and transparently, and monitor the effectiveness of their management.

In its field operations, the Department further consolidated its shift toward integrated site-based management, rather than field programmes driven by a particular function (such as weed work) or species (for example, possum control). It is expected that working to clearer goals for a whole site, and integrating work to deliver those goals, will improve overall conservation outcomes.

This past year, the Department reinforced its work with neighbours (including farmers, local government and agencies such as the Animal Health Board), to make sure efforts are integrated and positive relationships help each party achieve its goals. And it maintained its support for community-led conservation groups. This partnership work harnesses energy to help achieve Departmental priorities, and contributes technical and other support to community groups to help achieve their conservation goals. With so much of New Zealand's most at-risk native plants, animals and ecosystems now found on land not managed by the Department, it recognises that these relationships are a vital part of the journey toward sustaining New Zealand's native biodiversity.

Another outreach opportunity that came to the fore in 2006–2007 was increased interest from commercial organisations wanting to contribute to conservation outcomes. The Department is putting effort into designing programmes, including sponsorship packages, that will meet both parties' objectives – boosting the Department's ability to achieve its outcomes while satisfying commercial organisations' interests.

These two activities – working with communities and capitalising on commercial opportunities – are helping the Department meet its strategic direction of *increasing the value of conservation to New Zealanders by entrenching conservation as an essential part of New Zealand's sustainable social and economic future*. They combine with the year's operational, policy and strategic work, and efforts to build staff capability, in strengthening the Department's ability to support the Government's three priorities, in the following ways:

- National identity – supported by improved natural and historic heritage.
- Economic transformation – contributed to by a healthy environment, which provides 'ecosystem services' (benefits provided for free, such as clean water, flood control and soil retention).
- Families, young and old – who benefit from well-managed natural and heritage sites that provide enjoyable recreation opportunities.

The Department's progress toward the two high level outcome indicators for its protection work (as set out in the Statement of Intent 2006–2009) is reported below as part of this overview, following the discussion of capability. Progress toward the five intermediate protection outcomes, assessed against their indicators, is presented in the remainder of the Protection section, and summarised in Appendix A.

Improving capability

Fundamental to developing the Department's natural heritage management systems, are the collection and collation of nationally consistent information on the state and condition of New Zealand's natural heritage. Significant effort has been placed on developing the Department's capability to spatially define (map) and describe all the Department's natural heritage operational activities.

This annual mapping exercise supports the Department's lead role as an effective manager of the lands, waters and species entrusted to it, by providing systems to support better decisions, manage risk, and optimise the conservation outcomes from its work. The clear representation of robust information (see Figures 5, 6, 7, 8, 9 and 10) also improves internal and external communication about what the Department is doing, and where. Providing information spatially, on maps, will also enable the Department to:

- relate planned work to actual work, and improve how it describes and quantifies any variations.
- support output and outcome performance reporting through transparent and auditable processes.
- deliver core information to support the identification of vital sites, and the rationalisation of work programmes and their distribution across the Department.
- easily access core information to audit planned work by relating resources and effort (dollars and hours) to operational activities.
- provide core information so that it can better understand unit costs, assess cost effectiveness and improve budgeting.
- evaluate progress towards departmental and Conservation Management Strategy goals by linking work activities with other spatial information.

FIGURE 5: MAPS ARE A QUICK AND EFFECTIVE WAY TO REPRESENT PLANNED WEED WORK (LEFT) AND THE ACTUAL AREA WHERE WEEDS ARE CONTROLLED (RIGHT).

Over the past year, the Department has also improved its freshwater staff capability, and has increased its biosecurity staff capability. In the coming year, the Department will seek to appoint a specialist modeller to develop and assess ecological scenarios.

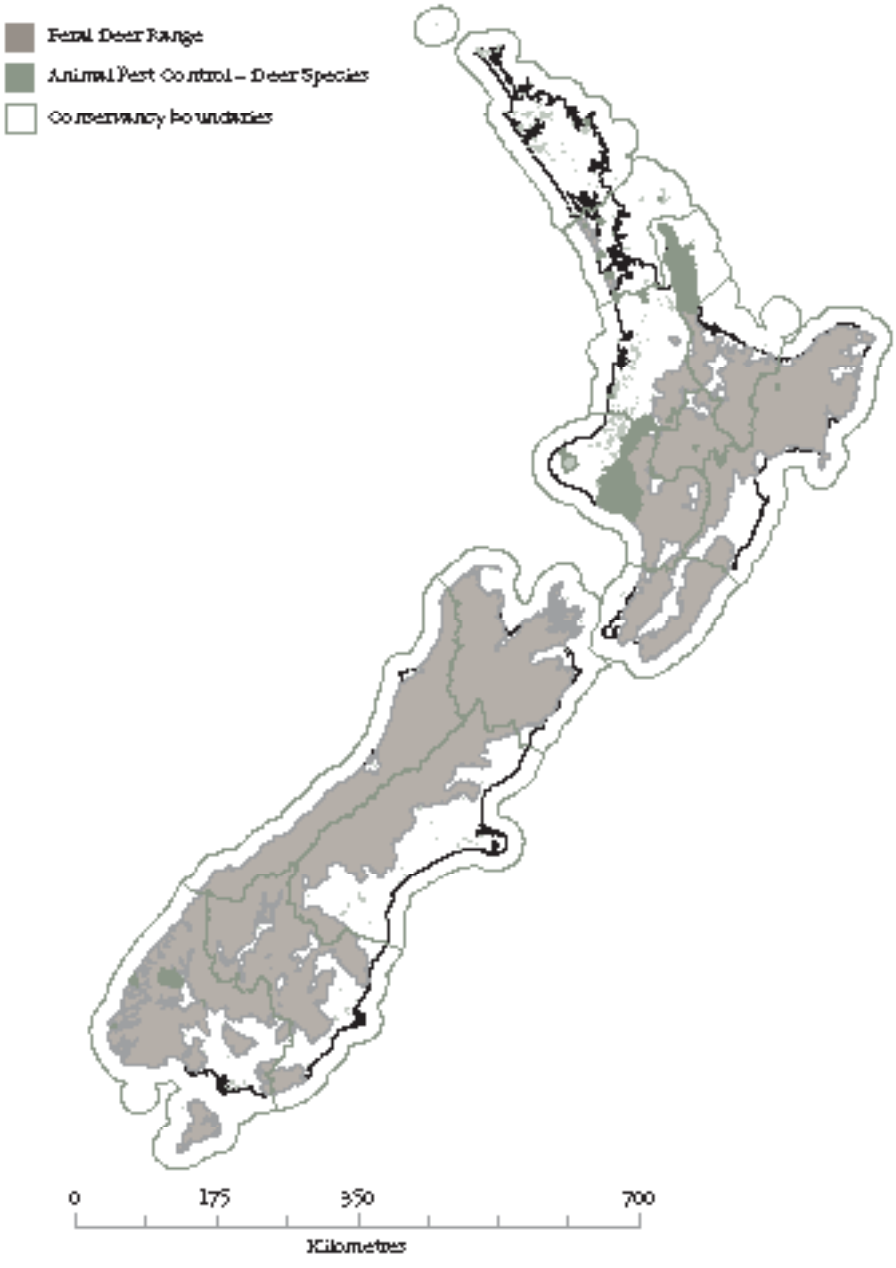

Feral Deer Range
Animal Pest Control – Deer Species
Conservancy boundaries
0
175
350
700
Kilometres

FIGURE 7: MAP SHOWING TYPE OF POSSUM CONTROL PLANNED FOR 2006–2007.

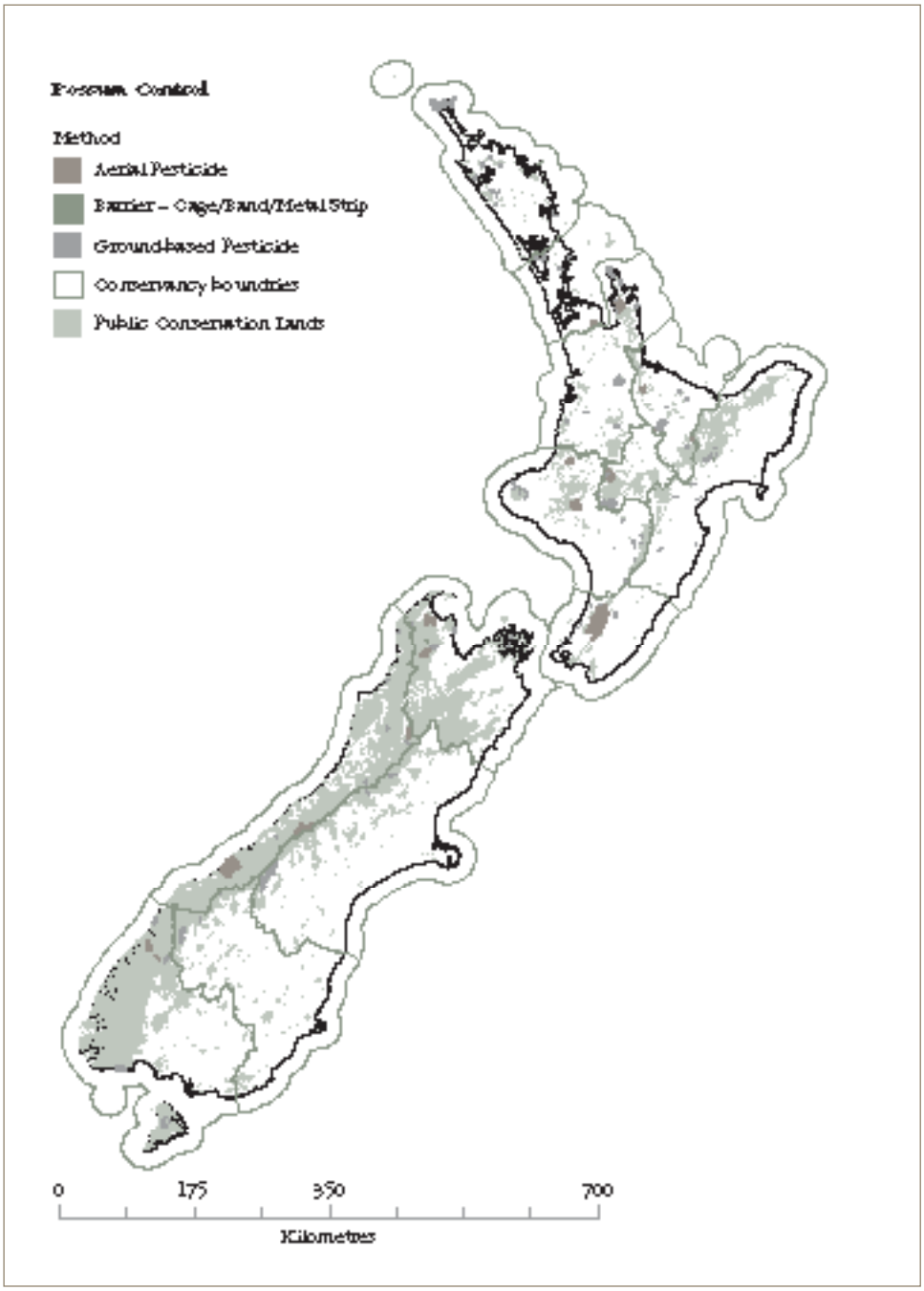


FIGURE 8: MAP SHOWING MUSTELID CONTROL (STOATS, WEASELS AND FERRETS) PLANNED FOR 2006–2007.

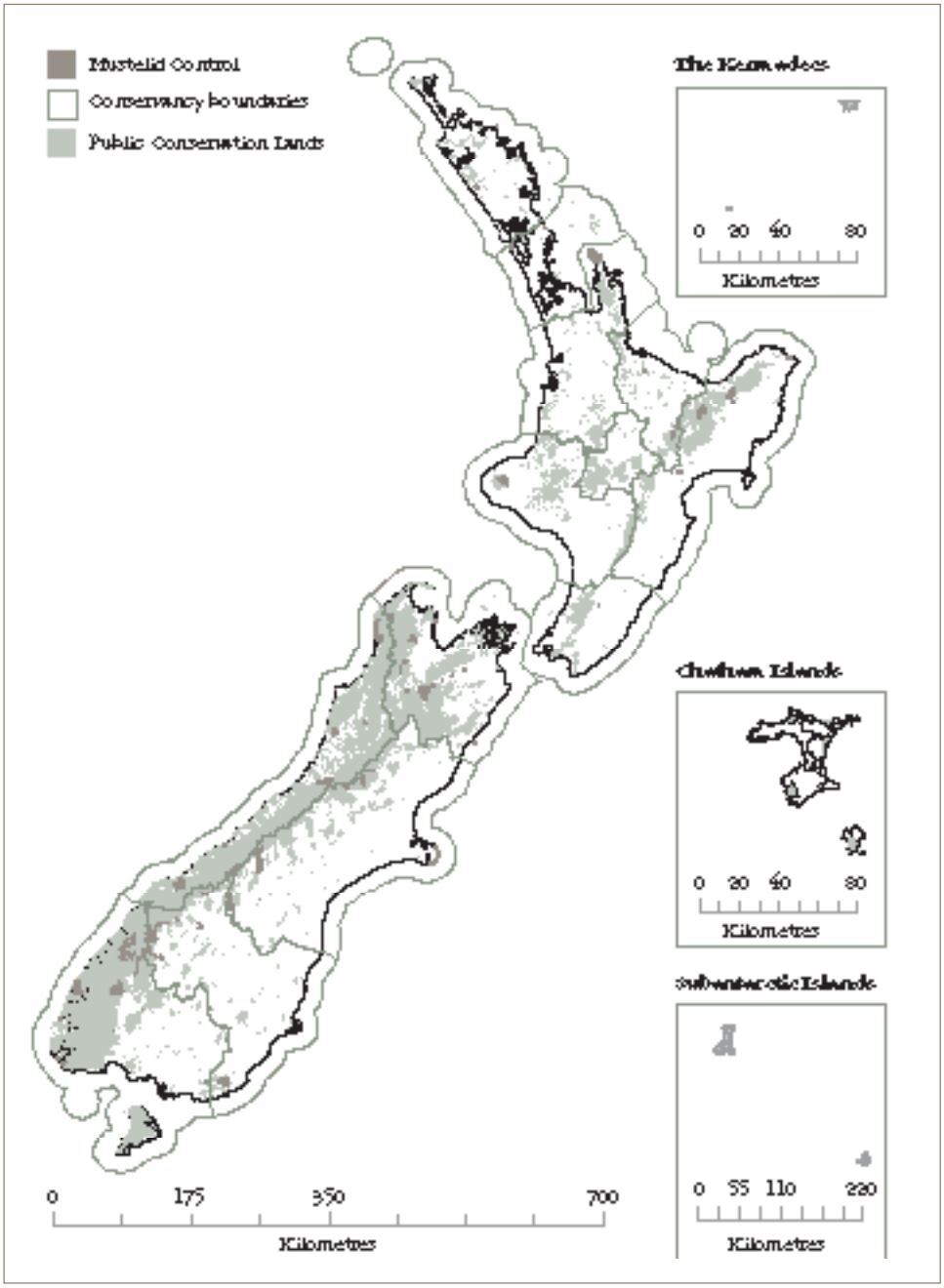


FIGURE 9: MAP SHOWING RAT CONTROL PLANNED FOR 2006–2007.

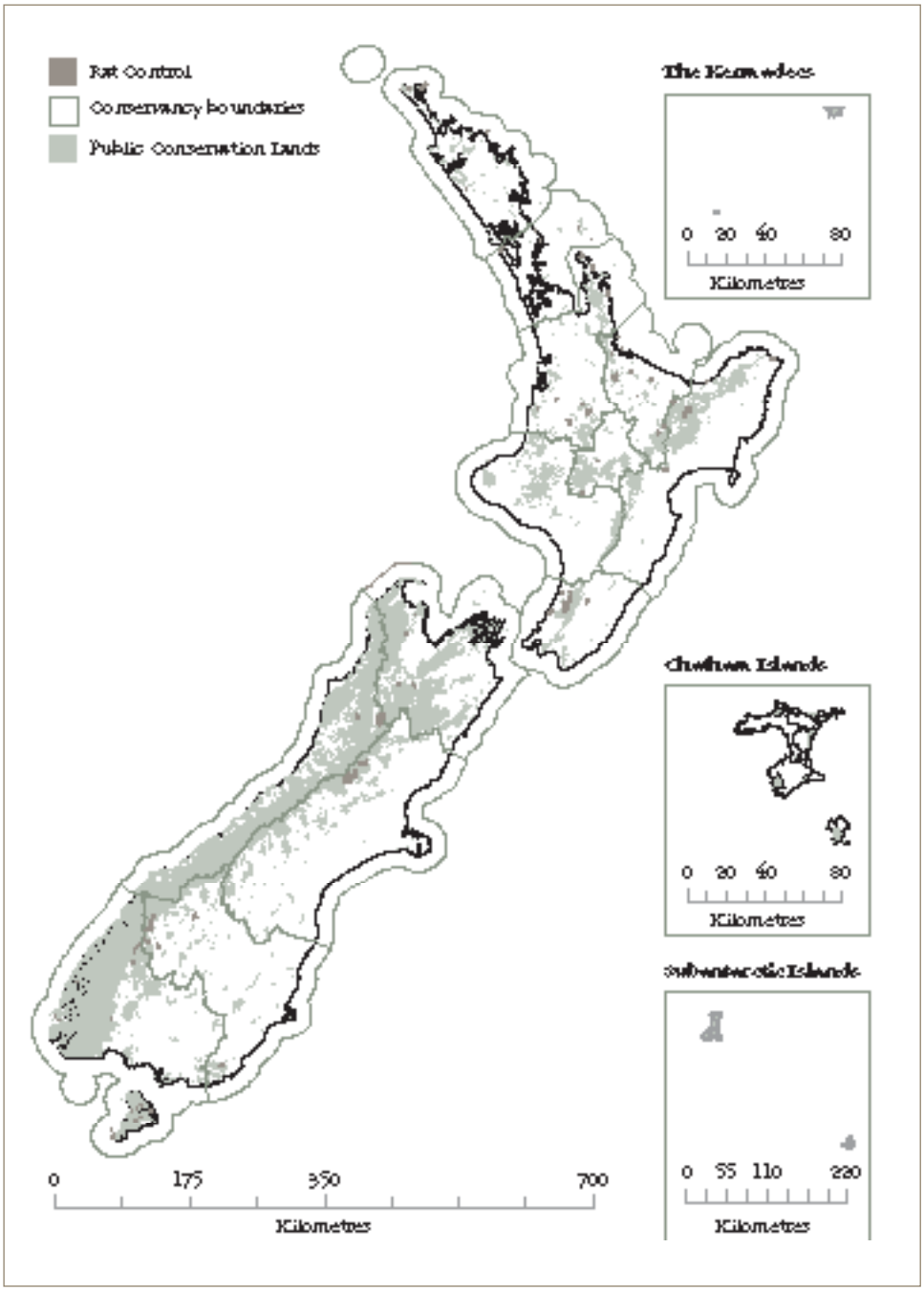
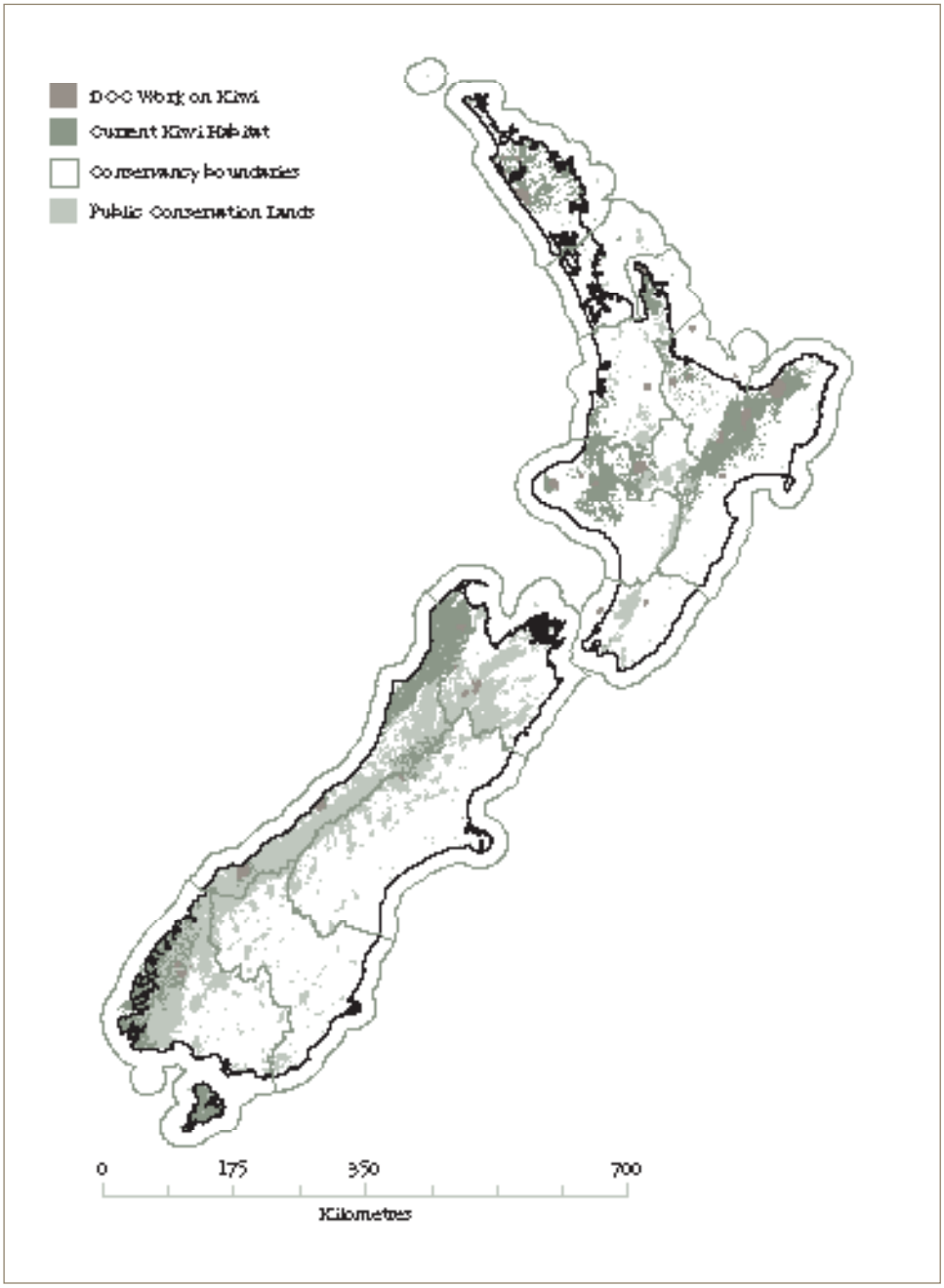


FIGURE 10: MAP SHOWING PLANNED 2006–2007 KIWI OPERATIONS IN RELATION TO KIWI HABITAT.



Key Protection Initiatives in 2006–2007

In its Statement of Intent 2006–2009, the Department of Conservation highlighted five key initiatives it would use to progress toward its Protection outcome. The initiatives, and the Department's main actions in this area for the year, are summarised in the table below.

KEY PROTECTION INITIATIVE	MAIN ACTIONS IN 2006–2007
In support of the Government's Biodiversity Strategy (2000), the Department will give priority to creating more marine protected areas and develop the infrastructure to encourage more appreciation of these areas by New Zealanders.	This year, the Department's actions included: • creating two new fully approved marine reserves. • publishing the 'Marine and Coastal Environment' report by the West Coast Marine Protection Forum. • releasing 'Marine Protection for the New Zealand Subantarctic Islands: a background resource document' for marine protected areas planning. • releasing for public consultation, two technical papers to help with regional planning for marine protected areas: 'Protection Standard' and 'Marine Environment Classification System'. • supporting an infrastructure project sponsored by the Gisborne District Council to establish improved road access to the Te Tapuwae o Rongokako Marine Reserve. • mapping the seabed of Wellington's south coast in a joint project with NIWA and the Victoria University of Wellington. • supporting NIWA-led seabed mapping projects in the inshore areas of Mahia Peninsula and Spirits Bay. • participating in two Oceans 20/20 voyages by the NIWA vessel *Tangaroa* to the Challenger Plateau and Chatham Rise areas, to explore marine biodiversity and habitats to support future marine protection planning.
To maintain or improve the natural character of managed places, the Department will rationalise its threatened species recovery plans by developing frameworks to prioritise species and sites.	The project called 'Optimising Threatened Species Recovery' (reported in the Threatened Species section of this Protection chapter) aims to secure threatened species by establishing smart management strategies to identify how best to allocate resources to secure the greatest possible number of priority threatened species. A prioritisation model has been developed and will be tested in 2007–2008. It is expected that this work will have some effect on the Department's 68 species recovery plans – these are likely to be rationalised and some will be integrated with site-led approaches.

KEY PROTECTION INITIATIVE	MAIN ACTIONS IN 2006–2007
To maintain or improve the natural character of managed places, the Department will set up explicit indicators nationally to help set criteria for reporting on progress towards reporting on ecological integrity.	An indicator of one of the components of ecological integrity has been developed, and work is under way to assemble the data required to pilot its implementation. The measure is a proportion (or percentage) based on the number of native species that are actually present compared with the number that should be present (species occupancy). It can be refined to include information about security and representation, which is the subject of two research programmes now underway and funded through the Cross Departmental Research Pool. This measure will be mapped to indicate the state of biodiversity, and used to identify valued sites where biodiversity is under imminent and serious threat, and therefore most deserving of conservation work (termed 'vital sites'). A prototype process for identifying valued and vital sites, funded as part of the Natural Heritage Management System programme of work, is now under way, with a planned completion date of mid-2008. Criteria for reporting on progress towards achieving outcomes, such as 'maintaining or improving natural character of managed places', depend on the development and implementation of explicit indicators. The selection of indicators for performance assessment is guided by the Inventory and Monitoring Framework outlined in Lee et al 2005. Developing an optimal sampling strategy for selected indicators and measures depends on access to data and statistical analysis. Work is under way to develop a programme for implementing priority indicators and measures. There are a small number of programmes currently under way (such as Operation Ark), where the Department has implemented components of the indicator framework to guide its management and report on progress made. This is further outlined in the case study about Operation Ark. This work helps to contribute to the joint outcome of increased knowledge of the environment and the factors that affect it.
As the tenure review process opens up realistic prospects for new recreational opportunities in the eastern South Island high country, the Department will establish a network of high country parks, as land acquisitions allow, and actively develop some areas as high country outdoor recreation parks.	The Government decided in June 2007 to exclude pastoral lease properties from tenure review if they have highly significant lakeside, landscape, biodiversity or other values that are unlikely to be protected satisfactorily by tenure review. Priority is being given to establishing new high country parks that are currently being progressed through tenure review and/or lease purchase, and to making desirable additions to existing parks. The network of high country parks and reserves currently covers six parks, and a seventh – the proposed Oteake Conservation Park – is taking shape around Michael Peak station, which was purchased by the Government in June 2007.

KEY PROTECTION INITIATIVE	MAIN ACTIONS IN 2006–2007
As invasive pest species of plants and animals are the concern of all New Zealanders, the Department will co-operate with all relevant agencies and integrate its operations with these agencies to ensure prompt responses to biosecurity incursions in order to minimise impacts of foreign pests on indigenous species and habitats.	The Department co-operated with all relevant agencies and integrated its operations to continue its significant role in providing operational support for whole-of-government biosecurity outcomes. For example the Department is joining with Biosecurity New Zealand, regional councils and major stakeholders (such as Fish & Game New Zealand, the tourism industry and other recreational river user groups) to develop a whole-of-government partnership to facilitate effective long-term management of didymo. The Department is also leading two projects in the Biosecurity New Zealand action plan.

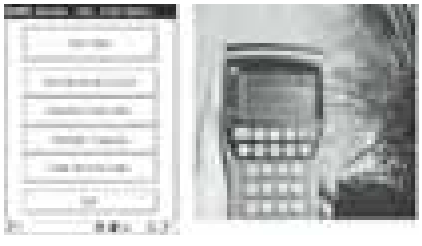
CASE STUDY:

A box of inventory and monitoring tools

Complex, multi-layered management decisions need to be supported by high quality information, collected in standard ways to make sure it is consistent and able to be compared at different scales. To that end, standards for monitoring birds, bats, animal pests and changes to vegetation were set and are now part of an 'inventory and monitoring toolbox' available to staff. Contents include:

- decision trees and summary tables that compare different monitoring and inventory methods.
- a template that summarises and evaluates each method against set criteria.
- data sheets that set the minimum data required for each method.
- case studies that demonstrate how to apply a method.

In time, the tools will be available to other organisations, including regional and local authorities.



A datalogger trialled during 2006–2007 to record four commonly used monitoring methods.

Photograph: DOC.

An important element in collecting consistent high quality data is ensuring staff throughout the country have the required skills, and apply them consistently. In 2006–2007, pilot field training programmes were run at the Department's three training venues (Thames, Nelson and Glenorchy) covering three standard monitoring techniques. An important aspect of the training programme is assessing all staff for their competency on each technique, to provide a benchmark of their current skill level and plan future development. In time, the training programmes will also be open to the community.

Field technology is also being trialled to support the consistent collection of data. Dataloggers, used with great success since 1999 to record visitor asset information, are now being piloted for capturing biodiversity data. These hand-held tools not only allow data to be recorded in the field, they are set up to collect standardised information that is directly related to work programmes, and can be downloaded directly into a national database.

This year, the Department successfully trialled dataloggers (shown left) to record three commonly used monitoring methods – five-minute bird counts, predator trap catch and foliar browse index. It is now working with the Animal Health Board to re-develop the residual trap catch datalogger programme, and provide training to Department staff and contractors. Further refinements, based on staff feedback, are planned for the remaining three applications during 2008.

PRIMARY OUTCOME INDICATOR

Work is currently under way to develop a baseline for this indicator, which will use data from New Zealand Land Cover Database 1 and Land Cover Database 2[1].

Presentation of this data is expected to be in the form of a map of New Zealand showing changes in indigenous vegetation cover by environment type and level of protection, with a simple colour key.

The map will be supported by a table showing New Zealand-wide results and, where significant, bar graphs showing changes in categories (both increases and decreases).

A narrative explaining the changes or causes of the changes will be developed and, over time, this will be expanded into narrative on future trends.

The Department first reported on this primary outcome indicator last year[2], and will track it every five years to show changes in percentage cover of indigenous vegetation over the whole country by different environments (see Appendix B).

To track trends, the Department uses the New Zealand Land Cover Database (LCDB), which looks at the extent of different types of vegetation across New Zealand as a whole. Last year's benchmark data is summarised later in this section, under the intermediate outcome indicator: 'Change in indigenous vegetation cover on conservation land by environment type'.

SECONDARY OUTCOME INDICATOR

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

Last year, the Department reported on this indicator for the first time[3], and presented benchmark data. In summary, the results showed one-quarter of New Zealanders believe the natural environment is declining – as opposed to three-quarters who believe it is stable or improving. People did not perceive a difference between 'conservation' and the 'environment'. While New Zealand's levels of protection were deemed to be good when compared internationally, focus group members reported they had little information to judge whether these levels were appropriate, what contribution the Department made to them, or whether the Department did a good job. However, general perceptions of the Department's performance were positive.

This indicator is tracked every two years, and will next be reported in the 2007–2008 Annual Report.

While this indicator was not tracked by the Department this year, in 2006 Lincoln University completed the fourth of its biennial studies looking at public perceptions of New Zealand's environment. This showed New Zealanders continue to consider the state and management of New Zealand's environment to be good, and better than other developed countries. Of the 11 environmental components studied, native forest and bush were rated to be in the best state, while rivers and lakes, wetlands and marine fisheries continued to be perceived to be in the worst state – but were still rated highly.

Perception of how 8 of the 11 environmental components were managed has improved over the course of the four studies. Rivers and lakes and marine fisheries were among those judged to be the least well managed.

In 2007, the Department completed a study of people's conservation values, and its main findings are reported in the Appreciation section of this Annual Report. That report includes comment on how important the work of the Department is to people personally.

[1] The New Zealand Land Cover Database (LCDB) is a Crown database that translates satellite images of New Zealand into information on the different types of land cover that exist on the ground. This information can be used, over time, to monitor and report on the changes to the state of the environment. LCDB1 used 1996–1997 data, while LCDB2 used 2000 data.

[2] Department of Conservation, Annual Report for the Year Ended 30 June 2006, pages 23–26.

[3] Ibid, pages 27–28.

Maintaining Natural Character

INTERMEDIATE OUTCOME

The natural character of managed places is maintained or improved.

The Department reports on two intermediate indicators for this outcome:

- Change in indigenous vegetation cover on conservation land by environment type.
- Changes in size-class structure of selected indigenous dominants in particular places within forests on conservation land.

HIGHLIGHTS

- Operation Ark successfully protected mohua (yellowheads), kakariki (orange-fronted parakeets) and pekapeka (short-tailed bats) during the rat plague.
- Marine mammal permits were issued for whale watching in Akaroa Harbour.
- Following the transfer of Molesworth Station's ownership from Landcorp to the Department, high standards of management were maintained.
- The tenth anniversary of mainland islands was marked with a celebration at Boundary Stream.
- Lagarosiphon, a weed, was removed from Lake Waikaremoana. While it is too soon to celebrate eradication, early results are promising.
- The Department was involved in removing pest fish from the Lower Whitby Lake in Porirua. The lake is managed by Porirua City Council but the Department has the authority to use the fish toxin cube root powder, approved for use by the Environmental Risk Management Authority in 2004.

Conservation effort towards this intermediate outcome builds on previous years' work. Table 2 shows the hectares receiving treatment[4] and sustained control[5] for animal pests and weeds over the past 10 years. This clearly shows trends which suggest that improvements in on-the-ground operational work, and in setting priorities and targets, have allowed the Department to increase the amount of land under sustained management to control pest species. The figures for the year ending 30 June 2007 are also reported in the Statement of Service Performance for the Protection outcome.

In the marine environment, in 2006–2007 the Department managed natural character in 31 marine reserve sites and 2 marine mammal sanctuaries. Most marine reserves have annual scientific monitoring programmes in place, and these show significant positive trends toward increase in both size and abundance of marine species.

In some cases, changes in natural character are also being observed in marine protected areas – for example, there is a marked decrease in 'urchin barrens' in the Cape Rodney–Okakari Point Marine Reserve near Leigh (protected since 1975), and a resulting increase in kelp-covered areas. The barrens appear to have been caused by the depletion of top predator species, such as snapper, which feed on sea urchins (kina), which graze on kelp. Within the more natural system of the marine reserve, protected snapper are now keeping kina numbers low, allowing kelp regeneration and an accompanying increase in habitat for other species.

[4] 'Treatment' refers to the number of hectares which received control operations for a particular pest species in any one year.

[5] 'Sustained control' refers to the total number of hectares treated to control a particular pest species over time – with operations conducted on a cyclical basis, appropriate to each pest and the management outcomes sought.

TABLE 2: NUMBER OF HECTARES RECEIVING TREATMENT AND SUSTAINED CONTROL FOR PEST SPECIES, OVER THE 10 YEARS FROM 1 JULY 1996.

		YEAR ENDING 30 JUNE										
PEST SPECIES		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Possums	Treatment	414,000	411,318	293,334	227,937	227,948	219,003	285,549	271,899	265,000	301,853	277,161
	Sustained				668,887	772,483	918,248	955,158	1,014,308	987,000	1,068,840	1,098,606
Goats	Treatment	947,198	1,012,181	1,185,670	1,119,742	1,296,179	1,561,286	2,238,865	1,413,612	1,074,000	1,414,044	1,457,938
	Sustained				1,574,200	1,750,995	1,904,397	2,238,865	2,422,804	1,738,000	2,421,757	2,431,533
Deer	Treatment		84,100	134,800	161,678	179,050	467,984	438,250	265,426	194,000	348,369	367,910
	Sustained				148,643	239,000	457,534	438,250	440,180	302,000	650,456	656,090
Weeds – site-led	Treatment	122,991	387,102	155,600[6]	162,841	194,814	220,800	292,920	302,020	400,000	450,180	397,331
	Sustained				306,356	420,637	609,367	682,781	765,553	809,000	1,255,828	1,417,290
Weed-led operations[7]						44	63	77	96	98	98	102
Other animal pest operations[7]		10	33	31	25	24[8]	-	12	-	-	32	36

Part of the Department's management of marine reserves involved significant compliance and law enforcement effort, resulting in several successful prosecutions. The Department is collaborating with the National Maritime Co-ordination Centre, and aims to make use of new government assets that are soon to be made available for maritime patrols. In the coming year, experiments in remote marine monitoring for improved compliance are also planned.

[6] The large drop in hectares from 1998 was due to a change in the method of counting the number of hectares treated.

[7] The total number of operations carried out.

[8] The report on the New Zealand Biodiversity Strategy recorded 21 operations in 2001.

INTERMEDIATE OUTCOME INDICATOR

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

In its Annual Report to June 2006, the Department estimated the extent of change in native vegetation using the New Zealand Land Cover Database (LCDB)[9]. This uses the Land Environments of New Zealand (LENZ) classification system. The Department grouped LENZ environments according to six categories that indicated the level of threat to remaining native vegetation, and found that 17,203 hectares of indigenous shrubland and forest had been cleared between 1996–1997 and 2001–2002, and that 1050 hectares of this loss was on public conservation land. The remainder was on privately-owned and Crown leasehold land. It was not possible to estimate the loss of native grasslands because the update of the LCDB in 2001–2002 did not include this vegetation type.

In 2006–2007, the Ministry for the Environment began the process to buy the satellite imagery needed for the next update of the LCDB (its third update) and expects to complete this in 2008. Interpretation of the imagery will provide a much simpler classification, as used in LCDB1. While this will be reported as soon as possible, it is unlikely to be ready in time for the 2007–2008 Annual Report.

INTERMEDIATE OUTCOME INDICATOR

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

The Department first reported on this primary outcome indicator last year, and will track trends every five years[10].

Last year, the Department reported on its evaluation of two possible ways to assess trends in the structure and composition of forests to show the influence of pests. These indicators were:

- *Size-class structure:* This indicator measures the distribution of tree species in a forest according to their size and age. It assumes that a natural uninterrupted balance between new seedlings germinating and old trees dying will allow normal processes to maintain the forest ecosystem's integrity. Therefore, it follows that if pest species are having a negative impact by browsing on vegetation, this may show up in tree populations having an unnatural size distribution.
- *Representation of specific species or functional groups:* This indicator assumes that species with similar traits and life histories will have a common response to environmental 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.

In 2006–2007, the Department began to develop an optimal sampling strategy for these two indicators and three more[11]. Improved interpretation of these and several other indicators is being supported by a three-year programme of work funded by the Cross Departmental Research Pool.

[9] Department of Conservation, Annual Report for the Year Ended 30 June 2006, pages 29–30.

[10] Ibid, pages 31–33.

[11] The other indicators are: distribution and abundance of exotic weeds considered a threat; distribution and abundance of pests considered a threat; and demography of widespread animal species in addition to deer and possums.

CASE STUDY:

Operation Ark

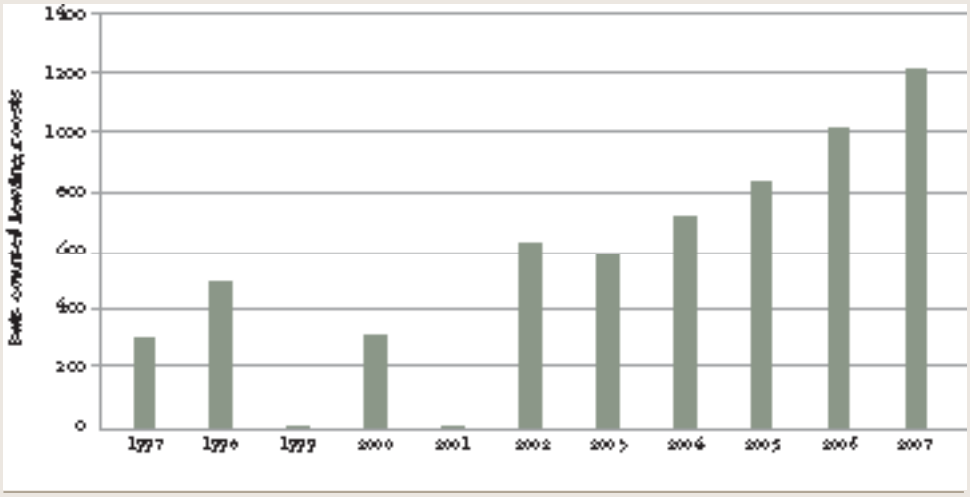
As reported in the 2005–2006 Annual Report[12], Operation Ark began in 2003 to provide a rapid response to sudden increases in stoats and rats in South Island beech forests – particularly during 'mast years' when predator numbers explode because the abundance of beech seed causes a huge increase in the number of species they prey upon, such as mice.

Eleven sites have been identified for possible protection because of the threatened native species they contain. Over the past three years, Operation Ark intervention has successfully protected its target species through intensive predator control. The information gathered during these interventions helps improve the Department's understanding of what is required to maintain or improve the natural character of managed sites. The main arbiter of success is the intensity and range of control at the sites.

Whio (blue duck) have been saved from slow decline by the use of stoat traps in three Operation Ark sites, and their total number in protected sites has increased by 206% over three years – achieved by more successful breeding, removing eggs from wild nests and hatching them in captivity, and extensions to the areas covered by stoat control.

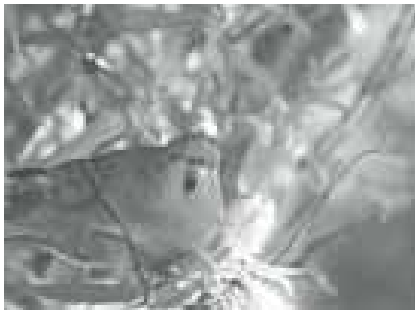
Mohua (yellowhead) and pekapeka (short-tailed bat) numbers were maintained in predator-controlled areas through the 2006–2007 rat plague. Further localised extinctions of bats were prevented by the control programmes used (see Figure 11).

FIGURE 11: COUNTS OF SHORT-TAILED BATS LEAVING ROOST SITES IN THE EGLINTON VALLEY.



[12] Department of Conservation, Annual Report for the Year Ended 30 June 2006, page 58.

Orange-fronted parakeets were also successfully protected throughout the major rat plague, and a self-sustaining population has been established on Chalky Island and expanded to Maud Island.

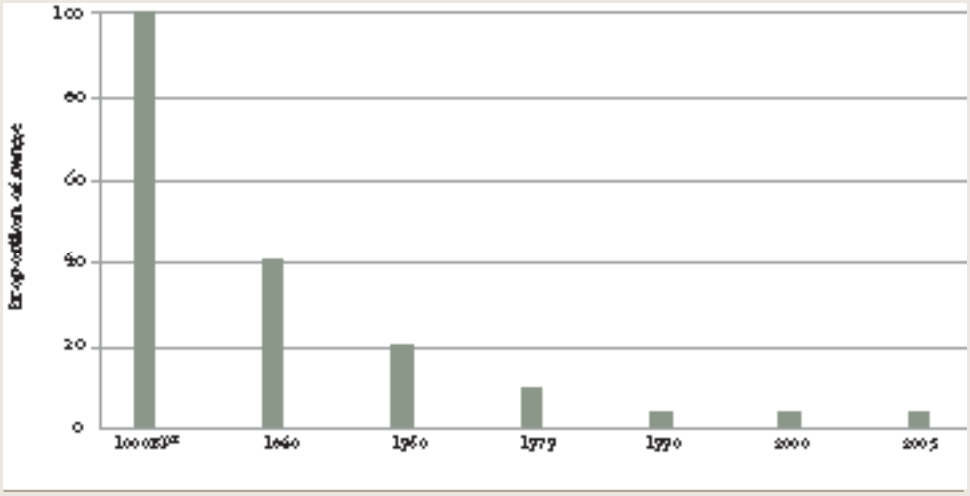


One threatened species successfully protected from rats by the Department's Operation Ark programme is the kakariki (orange-fronted parakeet).

Photographer: Jack van Hal, DOC.

Operation Ark work shows that the decline of threatened species is halted only at intensively managed sites, and is slowed where integrated management is undertaken. The improvements that will arise as the Department continues to develop its Natural Heritage Management System will help ensure resources are applied to best effect. This is vital, as the Department's resources cannot halt or slow the decline of threatened species on all the land it manages. For example, despite mohua's precarious existence (the birds have disappeared from 97% of their range (see Figure 12)), current resources allow the Department to work on less than 11% of their present range (see Figure 13).

FIGURE 12: MOHUA RANGE CONTRACTION.



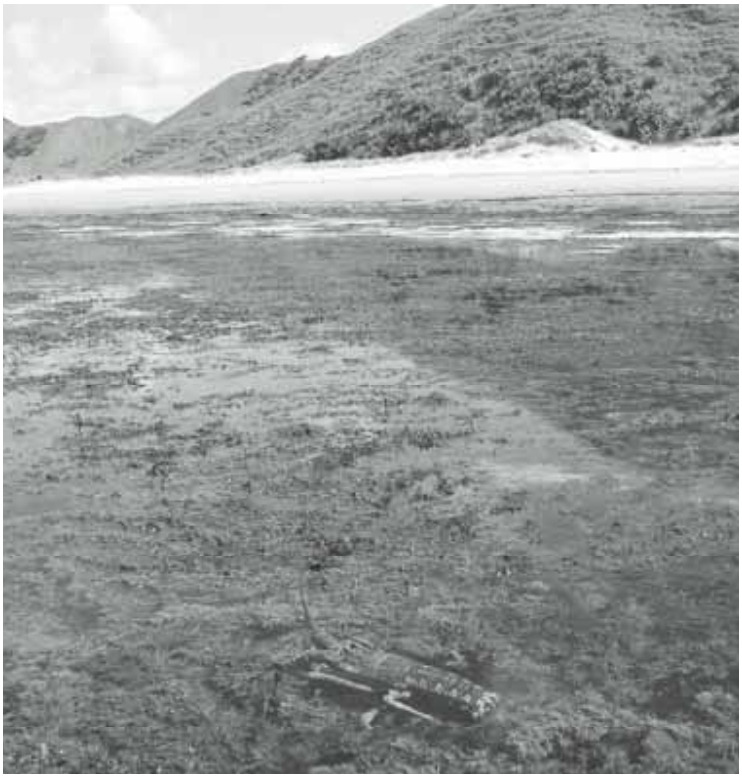
* BP – 'before present' day

FIGURE 13 : AREAS TARGETED FOR MOHUA MANAGEMENT, AS A SUBSET OF THE SPECIES' CURRENT RANGE.

CASE STUDY:

Crayfish shed light on marine reserve dynamics

Over the last four years, the Department has worked with hapu (Ngati Konohi and Ngati Kere), and the Ministry for the Environment, to assess how different types of marine protected areas (including marine reserves) can fulfil both conservation objectives and Maori objectives for the marine environment. The research has involved a range of social and ecological science projects, including interviews with hapu members, species monitoring and habitat mapping.



Crayfish numbers are soaring in Te Tapuwae o Rongokoko marine reserve, on the North Island's east coast, north of Gisborne.

Photograph: DOC.

Part of the project's ecological component was to describe how crayfish were responding to protection within Te Tapuwae o Rongokako Marine Reserve (north of Gisborne), and determine whether there was any movement across the reserve's boundaries. Divers did most monitoring within and surrounding the reserve, but local commercial fishermen also helped, using pots to survey crayfish in the area. The results show crayfish abundance is increasing more quickly than previously recorded for any other New Zealand marine protected area – after just four years of protection, the catch per unit effort (CPUE) inside the reserve is up to 50 times that outside the reserve.

The project also initiated the largest tagging study ever to be conducted in a New Zealand marine reserve – more than 7000 crayfish were tagged. While it revealed some seasonal movement patterns for crayfish within and around the reserve, most movements are within reefs, with little movement across soft sediment habitat. Around 5% of the tagged crayfish moved across the reserve's boundary, mostly where this crossed reef habitat. The findings will inform the design of marine protected areas to improve their ability to fulfil their conservation objectives.

The research project in Te Tapuwae o Rongokako Marine Reserve culminated in the development of an ecosystem model by the National Institute of Water and Atmospheric Research (NIWA). This model provides a basis for predicting how species and communities will respond to protection and management, and may be useful for predicting the outcome of management decisions, such as varying catch limits.

POLICY WORK: MANAGING FRESHWATER

As part of its contribution to joint outcomes with other government agencies, the Department is working with the Ministry for the Environment and other government departments on the Sustainable Water Programme of Action – a staged package of actions to improve the sustainable management of New Zealand's freshwater resources. There are six broad goals for the programme.[13] The key projects the Department is involved in are:

- *A National Policy Statement on the management of freshwater.* The National Policy Statement will provide national direction on two primary issues: to improve the management of the undesirable effects of land use on water quality, and to provide for increasing demands on water resources and efficient water management.
- *A National Environmental Standard on methods for establishing ecological flows and water levels.* The proposed standard will provide a nationally consistent approach for selecting technical methods, to be applied at the regional level, to assess the needs of freshwater ecosystems. The proposal includes a default environmental flow regime that would apply to waterbodies that currently do not have an environmental flow regime in a proposed or operative regional plan.
- Developing criteria to identify *nationally outstanding natural waterbodies.* The Department's Waters of National Importance classification system will be used as a starting point for draft criteria. Once a list of waterbodies has been developed, the range of options for securing a high level of protection will be considered.
- Developing methods to identify and protect freshwater natural character and biodiversity values.

POLICY WORK: IMPROVING REGULATION OF ENVIRONMENTAL EFFECTS IN NEW ZEALAND'S EXCLUSIVE ECONOMIC ZONE

The Department also contributed to joint outcomes that relate to the natural character of the marine environment – via contributions to the Ministry for the Environment-led process to develop regulatory options for improved environmental management of New Zealand's Exclusive Economic Zone (EEZ). This zone covers the ocean from the outside edge of the territorial sea (12 nautical miles) out to 200 nautical miles from the coast.

Policy work is directed at environmental effects in the EEZ which are incompletely or inconsistently regulated. The Department has been closely involved in drafting a discussion paper (soon to be released for public consultation), which proposes a new legislative mechanism aiming for sustainable management of the EEZ. It will fill key gaps in environmental regulation, so that all the environmental effects of current and future activities are covered. The paper also includes proposals to address cumulative effects and promote a consistent approach to environmental regulation across new and existing legislation.

[13] 1) Achieve greater strategic planning for water at national and regional levels; 2) provide clearer direction and guidance from central government; 3) ensure greater consistency in the way increasing demands on water resources are managed across the country; 4) develop a better framework for deciding between conflicting demands for water; 5) enable increased effectiveness of Maori participation in water management; and 6) provide for more effective management of the impacts of diffuse or unintended discharges on water quality.

Eternal Vigilance against Exotic Invaders

INTERMEDIATE OUTCOME

The damage from harmful organisms established in New Zealand is reduced.

The Department reports on one intermediate indicator for this outcome:

- 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.

HIGHLIGHTS

- Policy and technical advice was provided to Biosecurity New Zealand on 9 risk analyses and 11 import health standards.
- Technical advice was provided for didymo, *Styela clava, Phytopthora kernoviae,* southern saltmarsh mosquito, and red imported fire ant, as well as 19 other significant incursions, including spiders, ants and reptiles.
- Advice was provided to the Environmental Risk Management Authority on 18 new organism applications.
- The Department participated as partner in the interagency group that identified nationally-led pest management programmes.
- The first stage of a community-led eradication operation for Argentine ant from Great Barrier Island was completed, in partnership with Auckland Regional Council.

Putting effort into the 'front end' of biosecurity is critical to reducing the number of introduced pests that will establish in New Zealand. That means, wherever practical, risks should be managed offshore, at the border or during the initial response to an incursion.

While not the lead agency for biosecurity, or of any operations in an incursion response, the Department plays a significant role in providing operational support for whole-of-government biosecurity outcomes. The Department is well recognised for the breadth of its operational activities and its expertise. As well, the Department's on-the-ground presence across New Zealand means it is well placed to provide operational support during a biosecurity response on a national scale.

To support its operational activities, one of the Department's priorities is to build internal capability for biosecurity work and embed an awareness of biosecurity as integral to its core business.

The Department's biosecurity work contributes to a joint outcome with the Ministry of Agriculture and Forestry, Ministry of Health and Ministry of Fisheries.

INTERMEDIATE OUTCOME 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.

Technical advice and support

During 2006–2007, the Department provided significant technical advice and policy support to Biosecurity New Zealand for five new major incursions and six ongoing major incursions. Specifically, the Department provided advice on:

- new incursion responses for red seaweed *Grateloupia turuturu*, invasive sea squirt *Eudistoma elongatum*, two termites and the Asian tiger mosquito.
- ongoing incursion responses for didymo (*Didymosphenia geminata*), *Styela clava*, the red vented bulbul, varroa, southern salt marsh mosquito, and red imported fire ants.

In the case of didymo, the Department continued to provide significant operational support to protect highly valued areas (see case study), and is now looking to participate as a major partner in the long-term management programme for this aquatic pest.

Biosecurity New Zealand considered all policy and technical advice provided by the Department on potential risks to conservation and incursion response activities. In a number of cases, this resulted in modified response actions and improved ongoing management of these risks. The Department also supported the Ministry of Agriculture and Forestry in its new biosecurity oversight role, by providing information about pest management activities.

Other information and advice contributed included:

- pre-border and technical advice as part of an interagency advisory group that prioritises which pests will be managed at a national scale by Biosecurity New Zealand.
- input into guidelines and funding initiatives for implementing Regional Pest Management Strategies.
- input as an end user into government-funded biosecurity research programmes.
- significant input into a number of interagency research initiatives, including marine invasive species, value mapping and vector-borne diseases.

CASE STUDY:

Managing rock snot (didymo)

During 2006–2007, the Department continued to provide significant operational support for efforts to manage one of New Zealand's most significant national biosecurity incursions – the exotic alga *Didymosphenia geminata* (didymo or rock snot).

The Department is joining with Biosecurity New Zealand, regional councils and major stakeholders (such as Fish & Game New Zealand, the tourism industry and other recreational river user groups) to develop a partnership to effectively manage this pest in the long term.

Didymo was first identified in the Mararoa River (Southland) more than two-and-a-half years ago. Despite best efforts, infected areas are gradually increasing. Nine catchments (55 rivers and 5 lakes) in the South Island are now known to harbour the alga. The North Island is still free of didymo and every effort is being made to ensure this continues.

Using field days to raise people's awareness of the need to *Check, Clean and Dry* their fishing gear is vital to preventing the spread of the invasive freshwater pest, didymo.

Photograph: DOC.

Operational leadership is coming from the Department's conservancy-based staff. Last year, with Biosecurity New Zealand, the Department secured additional funding to protect high value areas and species, including Fiordland, Te Waikoropupu Springs and a threatened fish species in Otago, a lowland longjaw galaxiid. Ground-breaking work has developed captive holding facilities for some of the most at-risk galaxiid species, providing a safety net in case translocation to a didymo-free area is needed. Possible translocation sites are still being assessed.

An important element of preventing the spread of didymo has been the public awareness message – *Check, Clean and Dry* – promoted by staff at high-profile events (such as boat shows and field days) and on television. Extra rangers have been employed over summer to visit high-use areas (including boat ramps and popular fishing sites) and talk with people about how to avoid spreading didymo.

The Department has appointed lead conservancies for the North and South Islands, and these have proved invaluable in providing operational information, guidance and support to other conservancies and regional agencies. Canterbury Conservancy co-ordinates all the Department's didymo work – its didymo co-ordinator and the multi-conservancy didymo working group helped allocate the funding for didymo work and ensure consistent action is taken across conservancies. In the North Island, the Tongariro/Taupo Conservancy leads the effort to prevent didymo crossing Cook Strait. The conservancy has been very active in building relationships with other stakeholders.

Threatened Species: Reducing the Risk

INTERMEDIATE OUTCOME

Managed threatened species have a lower risk of extinction.

The Department reports on four intermediate indicators for this outcome:

- Change in the number of extinct species or subspecies (both confirmed and assumed extinctions).
- Change in the threat classification status of managed 'acutely threatened' species or subspecies.
- Change in the threat classification status of managed 'chronically threatened' species or subspecies.
- Change in the threat classification status of managed 'at risk' species or subspecies.

HIGHLIGHTS

- Predator fencing at McRaes Flat (Central Otago) was extended to protect Otago giant skinks.
- Hutton's shearwaters from a colony in the Kaikoura mountains have been successfully translocated to establish a new breeding ground on Kaikoura Peninsula.
- Two takahe sightings outside their normal area in the Murchison Mountains back up latest statistics, which show an increase in takahe numbers.
- A small snipe population is flourishing on Putauhinu Island following a successful transfer in 2006.
- The third and final release of teal on to rat-free Campbell Island brought the total number of released birds to 159.
- Kiwi were successfully transferred to the predator-free and Maori-owned Tuhua Island.
- A 1080 drop in Tongariro Forest helped the survival of at least 13 kiwi chicks, out of the 19 being monitored.
- Extra funding for the blue duck stoat-control programme, run jointly by the Department and private landowners and tangata whenua on the Manganui-a-te-ao River, has allowed stoat control to be extended to the Retaruke River.
- Tuatara were released onto Hauturu (Little Barrier Island) after the island was declared pest free following eradication of kiore in 2004.
- Eight Chatham Island taiko chicks were introduced to the predator-proof Sweetwater Conservation Covenant in April 2007, and fledged in May. It is hoped they will return there in about four years time to establish a new population of taiko.
- In May 2007, four Chatham petrel chicks fledged from the Ellen Elizabeth Preece Conservation Covenant, a predator-free enclosure on Pitt Island. Over four years from 2002, 200 chicks had been translocated to this site to establish a second 'insurance' population. Fewer than 1000 Chatham petrels remain.
- The Department's work on the Chatham Islands has resulted in improved conservation status for seven species of threatened plants.
- A particular national focus for the Department in 2006–2007 was on developing a new strategic approach to threatened species recovery, to work smarter and minimise extinctions.

THE NEW ZEALAND THREAT CLASSIFICATION SYSTEM

The New Zealand Threat Classification System is a decision-support tool that identifies the risk of a native species going extinct – making it a vital part of the Department's work toward the intermediate outcome that: 'Managed threatened species have a lower risk of extinction'. The system applies equally to marine, terrestrial and freshwater plants and animals.

Three threat divisions exist to describe the risk of extinction – 'acutely threatened', 'chronically threatened' and 'at risk'. For management purposes, these three divisions are further subdivided into seven threat categories. As well, some species are listed as 'data deficient' – this is not a threat category per se; rather it is used for species that are likely to be threatened, but there is too little known information to assess their status.

It is important to note that the threat classification system provides a threat status for threatened species, but does not determine their priority for management effort. Priorities are developed separately.

In 2006–2007, the threat classification methodology was reviewed for the first time since it was prepared in 2001, and some process changes will be made as a result. The threat classification listings were reassessed in 2004 and the changes in species' threat status between 2001 and 2004 were reported on two years ago[14], and are summarised below. Further analysis of the changes was made during 2006–2007, and is reported under the heading 'Smarter analysis of existing decision-support tools'.

The next re-listing cycle, using the updated threat classification methodology, will begin in July 2007. One taxonomic[15] group will be reviewed at a time (for example, invertebrates, birds or freshwater fish), with all groups covered over a three-year cycle.

[14] Department of Conservation, Annual Report for the Year Ended 30 June 2005, pages 31–32.

[15] The science of organising living things into groups is called taxonomy. The groups (taxa) form a hierarchy and, in most cases, the lowest level taxon are species. The hierarchy is: domain, kingdom, phylum, class, order, family, genus, species.

FIGURE 14: CHANGES IN THE TOTAL NUMBER OF THREATENED SPECIES/SUBSPECIES BY TAXONOMIC GROUP BETWEEN 2001 AND 2004.

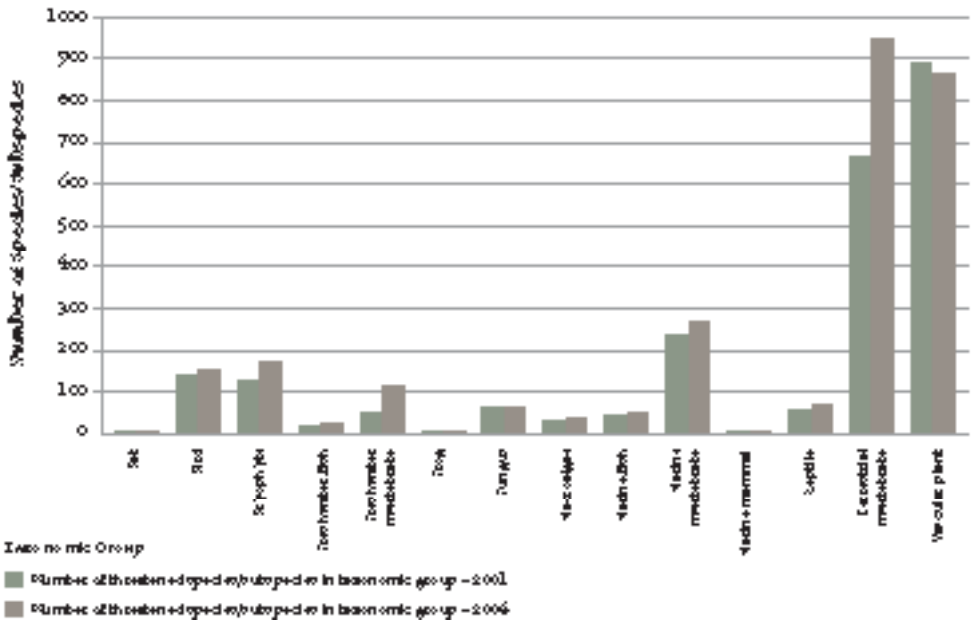


Figure 14 shows net changes in the number of species/subspecies listed as threatened between 2001 and 2004. Some species were added, while others were removed – these changes include movements between threat categories, plus new additions to the list. New additions happen when new information on a 'data deficient' species allows it to be assessed and listed. Similarly, species may be removed from the threat lists because new information arises that shows their threat status should change. Large changes in numbers are more likely to happen for poorly known species that are small, often overlooked and/or have vast numbers – such as terrestrial invertebrates. As the research spotlight falls on them, new information enables insect species to move from the 'data deficient' pile and into the listings.

In 2004, an additional 984 taxa were listed as 'data deficient'. This brought the total number of data deficient species to 3031.

Most newly listed 'threatened' and 'data deficient' taxa were added because of new information coming to hand, rather than a real sudden change in status. However, 44 species of plants and animals did have a real change in threat status – either recovery or decline. The status of 4 species (all birds) is considered to have genuinely improved enough for them to have a changed threat classification. At the same time, 40 species are considered to have genuinely worsened in status.

As the reports on the intermediate outcome indicators below show, there has been very little change between the two listings for managed threatened species in the three threat divisions – 'acutely threatened', 'chronically threatened' and 'at risk'. For extinctions, in most cases the process for assigning the 'extinct' label formally confirmed something that was assumed to have occurred some time ago. While no management work is done on species assumed to be extinct, active searching for living specimens must occur before a taxa can be declared extinct.

INTERMEDIATE OUTCOME INDICATOR

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

In the 2004 listing, 7 species/subspecies were declared extinct, while 2 others were taken off the extinctions list because new specimens were found – this brings to 33 the number of species/subspecies that have become (or are assumed to be) extinct since 1840.

Each of the 7 extinctions probably occurred many years ago – one species had not been seen for 100 years. South Island kokako is the most well known, with no confirmed sightings for 45 years. The other 6 species were invertebrates.

INTERMEDIATE OUTCOME INDICATOR

- Change in the threat classification status of managed[16] 'acutely threatened' species or subspecies.

In the 2004 listing, New Zealand had 2795 'threatened' species. Of these, 671 are classified as 'acutely threatened'.

Between the 2001 and 2004 threat listings, 5 managed species moved into the threat division 'acutely threatened' because their threat status increased – three birds (the black-fronted tern, the stitchbird and the northern New Zealand dotterel), the Dune lake galaxias (a fish) and the *Powelliphanta "*Mt Augustus*"* (a snail). Of these, the black-fronted tern was considered to have a real decline based on real impact, while the others had a status change due to new information.

One plant species (*Hebe rididula* var. *sulcata*) moved out of this threat division because its threat status decreased.

Three species moved out of this threat division; as discussed above, the threat status of black-fronted tern and Dune lake galaxias worsened, while the threat status of shortjaw kokopu (a fish) improved.

There are 258 species or subspecies listed in this division.

INTERMEDIATE OUTCOME INDICATOR

- Change in the threat classification status of managed 'chronically threatened' species or subspecies.

One managed species, the red-billed gull, moved into the threat division 'chronically threatened' because it was considered to have a genuinely worsened status (as opposed to a status change due to new information).

[16] For the three intermediate outcome indicators for 'acutely threatened', 'chronically threatened', and 'at risk' species, the term 'managed' refers to species/subspecies where work is directed at improving the security of at least one population. The Department also carries out survey, monitoring or research work to 'improve understanding', but the numbers of species/subspecies being worked on in this way are not included here.

INTERMEDIATE OUTCOME INDICATOR

- Change in the threat classification status of managed 'at risk' species or subspecies.

Two managed species (*Hebe rididula* var. *sulcata* and the shortjaw kokopu) moved down into the threat division 'at risk' because their threat status decreased.

Two birds (the stitchbird and northern New Zealand dotterel) moved from 'at risk' to 'acutely threatened' because their threat status increased.

There are 1886 species or subspecies listed in this division.

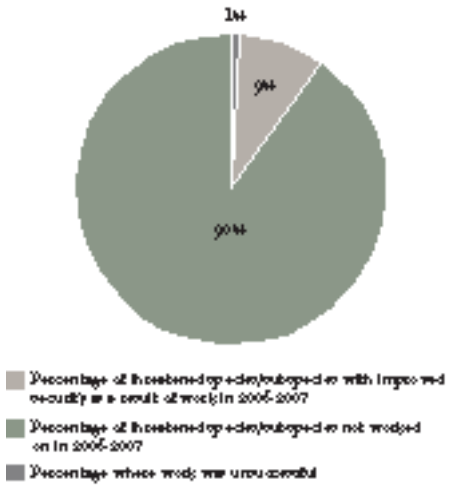
How are we doing relative to the size of the problem?

Most managed populations are responding well. Management is usually experimental, and robust outcome monitoring needs to be in place to determine how species are responding to the interventions. To know whether a management approach (or 'prescription') is successful usually takes at least five years.

It should be noted that not all discrete populations of a managed threatened species will receive attention. The aim is to ensure *security* of any managed populations, to ensure the security of that threatened species as a whole, even though some of its discrete populations may decline. Some threatened species are also managed as part of more widely focused *restoration* of vital sites on offshore islands and on mainland New Zealand.

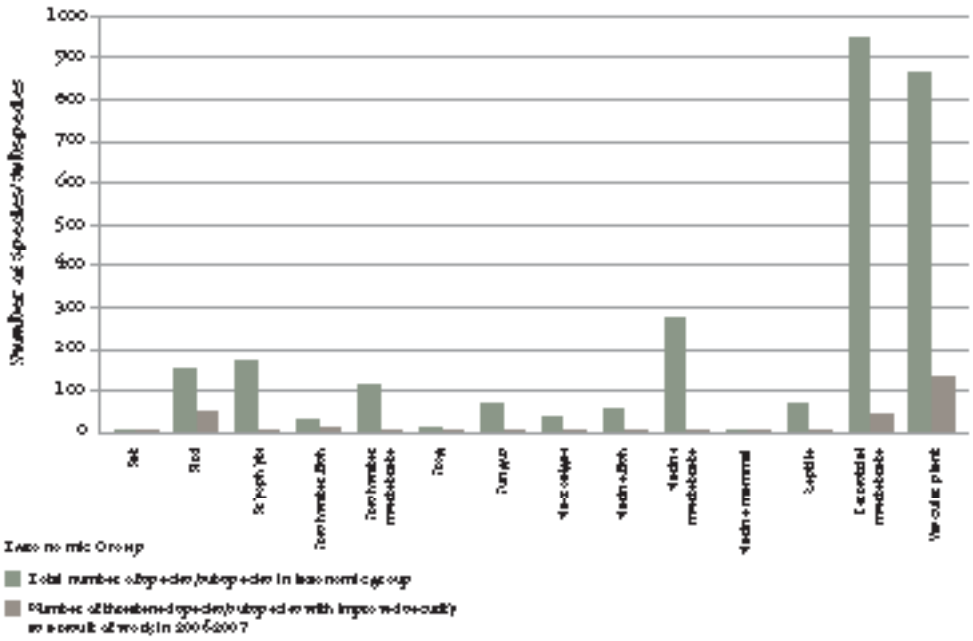
Figures 15 and 16 show the total number of species and subspecies that had active conservation programmes during 2006–2007, and the relative success of that work, where 'success' means improved security for at least one population.

FIGURE 15: TOTAL NUMBER OF THREATENED SPECIES/SUBSPECIES AND THE LEVEL OF SUCCESS FOR THOSE WITH ACTIVE CONSERVATION PROGRAMMES DURING 2006–2007.



The 'pie' in Figure 15 shows the size of the problem. It represents 100% of the threatened species and subspecies in the three threat divisions – 'acutely threatened', 'chronically threatened' and 'at risk'. During 2006–2007, 10% of the total had an active conservation programme. Of those worked on, 90% of that work was successful, while 10% was unsuccessful in improving the security of at least one population.

FIGURE 16: TOTAL NUMBER OF THREATENED SPECIES/SUBSPECIES BY TAXONOMIC GROUP AND SUCCESS OF ACTIVE CONSERVATION PROGRAMMES FOR THREATENED SPECIES/ SUBSPECIES WORKED ON DURING 2006–2007, BY TAXONOMIC GROUP.



The bar graph in Figure 16 represents the data for the three threat divisions according to each of the taxonomic groups[17]. The green bars represent the size of the problem by showing the total known number of threatened species/subspecies in each taxonomic group, while the brown bars show the number with improved security for at least one population as a result of an active conservation programme in 2006–2007.

Unmanaged populations of threatened species on mainland New Zealand are generally declining and the Department expects this trend to worsen. Kiwi, for example, are managed in approximately 5% of their current range, given the resources available. The Department expects kiwi to continue to decline across the remaining 95% of their mainland range and become locally extinct in many areas. Being killed by introduced mammalian predators remains the primary cause of decline, although other threats (such as habitat destruction) also play a part.

Collectively, the Department and its community partners are making a positive difference where:

- there is direct management intervention to secure a threatened species
- management prescriptions are improved based on the species' response
- proven management prescriptions are deployed more broadly.

[17] Note that a similar graph in last year's Annual Report (Department of Conservation, Annual Report for the Year Ended 30 June 2006, page 57) covered only two of the three threat divisions – 'at risk' was not included.

In general, while managed threatened species do have a lower risk of extinction, this will not necessarily stop extinctions from occurring. Where there is no direct management on the mainland, worsening decline for most threatened species can be expected, with eventual local extinction in many unmanaged areas. Resources dictate the scale and intensity of management possible, and the Department is managing to its current limit. The imperative is to get smarter about how to minimise extinctions and, to that end, work in 2006–2007 focused on developing a new strategic approach, as outlined in the following section.

Department of Conservation research projects often involve handling wild animals, such as sharp-toothed cats, rats and stoats. This research helps build understanding of predator behaviour and population ecology, which in turn can be used to improve predator management methods and, ultimately, help prevent extinctions of threatened species. Here, as part of staff training, Department of Conservation vet, Kate McInnes, demonstrates how to safely weigh a stoat.

Photograph: DOC.

GETTING SMARTER ABOUT MINIMISING EXTINCTIONS

Because of the size of the problem – 2795 'threatened' and another 3031 'data deficient' species – the Department is getting smarter on several fronts about minimising extinctions.

Smarter strategy and decision-support tools

Work in 2006–2007 focused on developing a new strategic approach to threatened species recovery nationally. This delivers on one of the key initiatives highlighted in the Statement of Intent 2006–2009: 'To rationalise threatened species recovery plans by developing frameworks to prioritise species and sites'.

The new approach aims to separate out the different motives that drive the Department's work on any particular species – sometimes work is done because a community feels strongly about a species in its area; sometimes it is because of a partnership with iwi; sometimes it is because a species is part of an important ecosystem that is being restored; and sometimes it is because a species has a high risk of extinction. Currently, any or all of these reasons determine which species the Department manages, but decisions are neither consistent nor transparent, and a national approach is needed to ensure resources are directed most effectively.

Keeping predators away from the aviaries protecting the critically endangered kaki/black stilt (*Himantopus novaezelandiae*) is crucial to securing this threatened species from extinction. The braided riverbeds, swamps and tarns of the Upper Waitaki Basin, Canterbury, are its last feeding and breeding grounds.

Photograph: DOC.

A project called 'Optimising Threatened Species Recovery' has focused on achieving this consistency and transparency for the most urgent motive – preventing extinctions. Its goal is to devise a way to bring all threatened species to 'first base', removing them from the path to extinction. (Once this critical first step is achieved, phase two will begin: recovering those species across their former range.) The project will deliver a decision-support tool for managers, and is not a decision-maker in itself.

Making the approach transparent will clarify how priorities are derived, what the real cost of the work is and what resources are needed, and will demonstrate the returns from management actions. A three-step conceptual approach is being applied to develop the tool, and by 30 June 2007 the following had been achieved toward the first two steps:

- A clear goal for threatened species security, which will remain stable over a longer time frame, has been developed: 'To improve security of the greatest possible number of threatened species that are unique to New Zealand and that have the highest risk of loss'.
- A model to prioritise threatened species has been developed and will be ready for testing in 2007–2008. Data has been collected (such as management actions and the probability of success), to run through the prioritisation model.

The third step is to develop smart management strategies that identify how to allocate resources to secure the greatest possible number of priority threatened species in the shortest space of time – achieving the goal in the most optimal way.

In 2007–2008, the Department will:

- test the model using the data, and assess the results
- refine, test and peer review the results with technical experts and managers.

This approach to secure threatened species from extinction will be aligned to threatened species work driven by other motives for the Department's species protection work – ecological restoration, working with communities, and working with iwi. The Department recognises that the effort by community groups, businesses and conservation organisations to help secure priority threatened species (such as kiwi), is both important and welcomed. And in many cases, the goals for species-driven and ecological restoration work will be able to be met at the same sites. The ideal is to optimise resources across all four goals, and achieve the best possible species conservation outcome for New Zealand.

Smarter analysis of existing decision-support tools

While the 'Optimising Threatened Species Recovery' project is developing new decision-support tools, in 2006–2007 the Department also looked to increase the usefulness and application of an existing tool – the New Zealand Threat Classification System. To that end, it analysed common trends for the 40 species considered to have genuinely worsened in status in the 2004 listing (10 birds, 2 mosses, 5 freshwater fish, 7 lizards, 9 invertebrates, 7 vascular plants). This quality check aimed to ensure planning and management effort is focused on key agents of decline.

A strong theme that emerged across all groups of taxa was the need to work alongside landowners, regional councils, and resource users to secure and restore threatened species. This work will be highlighted in the next Statement of Intent.

A second theme for many birds, and some plants and invertebrates, was the negative impact of mammalian predators, especially on the mainland, and the need to reduce habitat destruction and degradation.

For reptiles, a prescription to mitigate the impact of mammalian predators, particularly rats and mice, has yet to be developed, and this is a limiting factor in the recovery of these species on the mainland.

CASE STUDY:

Trained dogs can be a kiwi's best friend

The traditional tools to monitor changes in kiwi populations are repeated call counts and intensive monitoring of individuals wearing radio tags. These techniques are either coarse (calls don't reveal much about the age of a bird) or very expensive.

In 2006–2007, the Department investigated whether the specially trained dogs used to locate threatened species could also be used to help researchers make an unbiased estimate of a kiwi population's age structure.

The test plot was the Whangarei Kiwi Sanctuary, Northland, where many brown kiwi (*Apteryx mantelli*) had been individually marked during a 12-year experimental management project that compared the success of kiwi populations in managed and unmanaged areas. Over the course of the study, which used traditional tools, the percentage of subadult birds found increased from 15% in the unmanaged population at the beginning of the study, to 47% after 12 years of pest control. These figures were in line with predictions from population models of how the age structure of the managed population would change.

The dog's sensitive nose is proving an effective (and cost effective) tool to survey kiwi populations and will help the Department optimise the resources available to kiwi conservation.

Photographer: Natasha Coad, DOC.

In 2006–2007, systematic searches using dogs were made in four forest patches in the sanctuary. Because the life history of the kiwi was known, and the conservation status of the study population had already been accurately determined, the results from the dogs' work were able to be verified. They found radio-tagged adults and subadults in close proportion to their known abundance, showing that systematic dog surveys are an excellent and, sometimes, very cheap tool to determine the age structure and conservation status of a kiwi population. This tool will help the Department optimise the resources available to kiwi conservation.

CASE STUDY:

Smarter techniques – bat loggers

New technology and techniques developed by the Department are revolutionising management of the lesser short-tailed bat (threat status: 'acutely threatened'). Transponders and automatic data readers are saving days of staff time and providing valuable information about populations and survival rates.

This native New Zealand mammal is tiny – the size of a mouse and weighing just 12–15 grams. Being so small, it can't be marked or banded like other animals, which makes it difficult to monitor. That poses problems when the Department wants to work out if predator control is making a positive difference.

In 2006, techniques were trialled to insert passive integrated transponder tags (called PIT tags) under the skin of short-tailed bats. The tags allow researchers to quickly identify any animals re-caught, which makes monitoring the bats much easier.

Inserting the PIT tags is skilled and careful work. Staff practise their technique on frozen mice.

Photograph: DOC.

Lesser short-tailed bats are tiny, and one of only two surviving species of land mammal native to New Zealand.

Photograph: DOC.

Next, an automatic data reader was developed. The electronic triggering system installed near roost holes trips automatically to record and count the bats' comings and goings.

Trials have been extremely successful. During January and February 2007, 43 tagged bats were recaptured using the traditional, labour-intensive trapping and netting techniques. By comparison, an automatic reader attached to a wild roost site in the Eglinton Valley recorded 184 passes by 120 individuals in just three nights. This represented a three-fold increase in effectiveness with significantly reduced labour cost – saving the equivalent of more than 40 person-days' effort. While this is a great saving on its own, the biggest gain is the information collected – the data will greatly improve the accuracy of population estimates and conservation work.

Given the huge potential of the new techniques, work in 2007–2008 will focus on refining the technical design, putting more in place, developing sampling procedures and training area staff.

CASE STUDY:

Reducing the risk for threatened marine species

Key threatened marine species include the white shark and marine mammals – Hector's dolphins and the subspecies Maui's dolphin, New Zealand sea lions and the southern right whale.

A New Zealand sea lion at its breeding ground on the Auckland Islands in the Southern Ocean. This species is 'at risk'. Since 2003, the seas around the Auckland Islands have been a marine reserve, protecting ecosystems up to 3000 metres deep.

Photograph: DOC.

With an estimated population of 110 animals, the Maui's dolphin is listed as 'acutely threatened'. The Department is working with the Ministry of Fisheries to develop a Threat Management Plan for Hector's and Maui's dolphins. A comprehensive series of regional stakeholder group meetings was held to gather information about the species' movements, the impacts of human activities, and possible options for management. The Department contributed to interim measures established by the Ministry in late 2006 to restrict the type of fishing methods allowed in sites known to be Hector's and Maui's dolphin hotspots. The work on threat management is expected to conclude in 2007–2008, with the adoption of further legal measures.

The Department continued its scientific programmes to understand population levels and gather information about New Zealand sea lions ('at risk') and also about the southern right whale ('acutely threatened').

During 2006–2007, the white shark (or white pointer *Carcharodon carcharias*) became a protected species in New Zealand under the Wildlife Act 1953 and the Fisheries Act 1996. This listing arose from international concern about the depletion of this long-lived, slow to reproduce animal. The white shark is found throughout New Zealand waters, and travels between New Zealand and South Pacific Island waters. The Department is working with NIWA and other scientists, using a satellite-tagging programme to learn more about these animals.

The third season of a five-year albatross population and welfare project took place on subantarctic Campbell Island this year. In the 1990s, it was found that 2.5% of the 35,000 leg bands applied since the 1960s had injured southern royal albatrosses – in part because of the way they were applied by untrained volunteers, and also because of the type of band used. Of 2501 banded birds found over the first three seasons, 64 had major injuries and these were treated. New bands and transponders are now being used on birds within a study area on Campbell Island, but old bands are being removed from birds on the rest of the island. A bonus of the welfare project has been the first GIS-based census of nests. Since the island's farm closed in 1930, the albatross population has increased – from 2300 nests in 1957, to peak at 8200-8600 in the 1990s. At present, there are about 8000 nests each year.

Photographer: Peter Moore, DOC.

CASE STUDY:

Helping seabirds soar

Several New Zealand seabird species are classified as threatened. In recent years, significant gains have been made in reducing the impacts of commercial fishing operations on seabirds (and other marine protected species) that interact with fishing vessels.

Research conducted under the Department's Conservation Services Programme highlighted the important role of fish offal and other commercial fishing discards in attracting seabirds to vessels. Depending on fishing and processing methods, material discarded as part of onboard fish processing can include whole fish, used baits, fish heads and guts. Managing the discharge of fish waste and other mitigation measures together form an important step toward reducing seabird injury or mortality. In 2006–2007, a pilot project was developed with the fishing industry and the Ministry of Fisheries to investigate how seabirds respond to discharged minced fish, compared to non-minced waste. The results are being analysed and will be available in 2007–2008.

As part of its international work to protect seabirds, the Department hosted the second session of the Meeting of the Parties to the Agreement on the Conservation of Albatross and Petrels (ACAP) in Christchurch, bringing together representatives of many countries in which albatross and petrel species occur. An international conservation response is required because albatross species, including some that breed only in New Zealand, range around the southern hemisphere, risking injury and death in global fisheries.

Photograph: DOC.

Mitigation devices to reduce the incidental injury or capture of seabirds are now in use on larger trawlers, and new fisheries measures (such as night setting and bird-scaring tori lines) have been applied to vessels that deploy surface long-lines as a result of information gathered by the Department. The Department values its involvement in the Southern Seabirds Solutions Trust, a partnership between government agencies, the commercial fishing industry and environmental non-government organisations. Challenges remain, and the Department welcomes industry-led steps to respond to the problem of incidental mortality for seabirds.

POLICY WORK: WILDLIFE PROTECTION REVIEW

Since 2004, the Department has been examining the level of protection provided to some New Zealand wildlife. The review is in response to public concerns that some exotic species were thought to have too much protection, while some native species were thought to have inadequate protection.

While the status of endangered native species needs to remain as 'absolutely protected', and recognised pest species need to be 'not protected' (and the review is not considering any changes to such species), the appropriate protection status for other wildlife is less obvious.

The review is therefore looking into the appropriate level of protection for:

- native wildlife that is relatively common but causing problems – such as spur-winged plovers, which pose a major safety hazard to aircraft.
- Canada geese – currently a game species.
- exotic wildlife that has the potential to become a new pest species.
- a number of rare marine species.
- native invertebrates – such as snails, weta, beetles and other insects.

The review is also looking into problems that can arise where a native species becomes artificially abundant owing to human-induced changes to the environment, to the point where it begins to impact on endangered endemic species.

The public consultation phase of the Wildlife Protection Review was carried out during 2006–2007 and the policy review is expected to finish in late 2007. It contributes to the high level Protection outcome and three intermediate outcomes in the Statement of Intent 2006–2009, including: 'The damage from harmful organisms established in New Zealand is reduced'.

Protecting a Range of Natural Heritage

INTERMEDIATE OUTCOME

A representative range of New Zealand's environments is protected.

HIGHLIGHTS

- In 2006–2007, Ruataniwha Conservation Park, near Lake Pukaki and the Ahuriri River, was opened.
- Michael Peak Station, in Central Otago, was purchased by the Nature Heritage Fund and Land Information New Zealand for $8 million, adding 6900 hectares to the core of the proposed Oteake Conservation Park.
- The Conservation and Fisheries Ministers announced the full approval of a new Tapuae Marine Reserve off the coast of New Plymouth, adjacent to the existing Sugar Loaf Islands Marine Protected Area.
- The Conservation and Fisheries Ministers announced the full approval of a new Kupe/Kevin Smith Marine Reserve off the Wellington south coast.
- The Kaimanawa Wild Horse muster was again undertaken successfully in the central North Island, with 157 horses mustered, and homes found for the majority.

The Department reports on two intermediate indicators for this outcome:

- 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 (freshwater, marine and lowland forest) under legal protection from year to year (using underlying LENZ data), with the least represented types clearly identified:
  - percentage of lowland forest areas in protection
  - percentage of marine areas in protection[18].

The Department also tries to track the impact of its efforts to encourage or require others to protect places and species by influencing the conservation content of district and regional plans. This is not a formalised indicator of progress towards the Department's stated outcomes.

[18] In 2007–2008, a third environment type (wetland areas) will also be measured.

New Zealand's network of protected lands does not have the full range of terrestrial habitats and landscapes that need protection, and is dominated by mountains and a few other landscapes. Getting the balance right is an ongoing task, and important players are the independent funds – the Nature Heritage Fund, the Nga Whenua Rahui Fund (protecting conservation values on Maori land), the Queen Elizabeth II National Trust, and the Biodiversity Advice and Biodiversity Condition funds. Appendix B provides the area of natural heritage under legal protection – by Land Environment New Zealand (LENZ) Level I (20 Group) classification. It presents a summarised quantitative comparison between the beginning of July 2006 and the end of June 2007.

INTERMEDIATE OUTCOME INDICATOR

- 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 (freshwater, marine and lowland forest) under legal protection from year to year (using underlying LENZ data), with the least represented types clearly identified:
  - percentage of lowland forest areas in protection.
  - percentage of marine areas in protection.

Percentage of lowland forest areas in protection

In the 2005–2006 Annual Report, the Department presented baseline data for the extent of lowland forest in threatened environments[19]. This was based on a Landcare Research database that included regional parks and local government reserves, as well as lowland areas managed by the Department for natural heritage conservation purposes.

During 2006–2007, there has been little improvement in the percentage of lowland forest legally protected by private landowners or by the Department whose focus is environments where land use intensification most seriously threatens biodiversity. However, there were some increases in other lowland habitat brought under legal protection.

Percentage of marine areas in protection

During 2006–2007, two further marine reserve sites were fully approved[20] and these will be surveyed and gazetted in 2007–2008 (at Taranaki (Tapuae) and Wellington south coast (Kupe/Kevin Smith)).This contributes to the New Zealand Biodiversity Strategy (2000) goal of establishing a network of areas that protect marine biodiversity, including marine reserves and areas closed to fishing methods.

This past year the Department also supported the establishment, under fisheries legislation, of new Benthic Protected Areas. These will close a 100-metre area above large areas of deep seabed from bottom trawling and dredging. Other fishing methods will be permitted (such as mid-water trawling and long lining). The new Benthic Protected Areas complement the series of seamounts previously closed to bottom and mid-water trawling.

[19] Department of Conservation, Annual Report for the Year Ended 30 June 2006, page 63, table 4,

[20] These outputs are reported in the Statements of Service Performance presented at the end of the Protection section.

The Biodiversity Strategy also established a target for 2010: to protect 10% of New Zealand's marine environment via a network of representative protected marine areas. With this year's additions, progress toward this goal is:

- some 7% of the territorial sea (out to 12 nautical miles) is fully protected in marine reserves (although 99% of this lies around the remote Kermadec and Auckland Islands).
- seamount closures cover more than 2.5% of the Exclusive Economic Zone (EEZ) – the area between 12 and 200 nautical miles from the New Zealand coast.

Benthic Protected Areas are a step toward the strategy's goal – once established, they will close more than 30% of the EEZ seabed to bottom trawling and dredging.

However, the EEZ sites covered by the seamount closures and Benthic Protected Areas are not fully representative of marine habitats and ecosystems, and further work is required to establish a network that protects the full range of habitats and ecosystems representative of New Zealand's marine biodiversity.

Other efforts to protect a representative range of New Zealand's threatened natural heritage during 2006–2007 included the completion of two papers supporting implementation of the Marine Protected Areas Policy 2006 – the Protection Standard and Classification papers. Both have been released for public consultation. Meanwhile, marine protected area planning is under way on the South Island's West Coast and for the seas around the subantarctic islands (see case study). The West Coast Marine Protection Forum released a major report, 'The West Coast Marine and Coastal Environment', which assembles, for the first time, information about the physical, biological and social features of the marine and coastal environment of the West Coast Tai Poutini. Processes for Otago/Southland and the Hauraki Gulf are currently being planned.

Tracking influence

> 'To get a sense of the impact of the Department's efforts to encourage or require others to protect places and species, a way to track the Department's influence on conservation elements of district and regional plans will be developed.'

As stated in the introduction to this section, this measure is not a formalised indicator of the Department's progress toward its stated outcomes, but is included as a measure of the effectiveness of the Department's advocacy under the Resource Management Act 1991 (RMA) to protect places and species that are not currently represented in the formal protected area network.

In this role, the Department advocates the protection of public resources (such as air, land water, coastal marine area, habitats of indigenous wildlife and ecosystems), through local government planning and consent processes.

As reported last year, work is under way to develop a database prototype that will enable the Department to better track the progress of its RMA work, including input into regional and district plans. The aim is to make a database available to conservancies and area offices that they can use to record their work and share information on similar activities.

The standard operating procedure for appeals under the RMA is being implemented and, at a broad level, the information is now available on appeals the conservancies are involved in.

During 2006–2007, the Department made submissions on plan changes, contributing information while draft plans were prepared and through submissions on notified plans. This ensures that planning documents contain appropriate provisions to allow the effects on natural resources to be assessed when development proposals are put forward. This work is demonstrated in the case study on the use of the RMA to improve protection of geothermal ecosystems. Where appeals are made, the majority of these are resolved by mediation, avoiding the need for parties to present cases before the Environment Court.

An example of major strategic RMA projects that involve conservancies is work in Southland on two processes – the Fiordland Integrated Coastal Management Programme (FICoMP) and the Rakiura Integrated Management Project (RIMP). These ongoing programmes involve working with the regional council to achieve an integrated approach for long-term management of the interface between the respective national parks and their coastal marine environments.

CASE STUDY:

Using the RMA to improve protection of geothermal ecosystems

The features of Te Kopia geothermal system are now classified as a 'protected system', recognising its international botanical significance and rare geological surface features.

Photograph: DOC.

The Department works with private landowners and local government to secure protection for places and species with important values that are not represented in the formal protected areas network. Keeping good relationships to achieve 'win-win' solutions is vital.

The Bay of Plenty, Waikato and Tongariro Taupo conservancies contain most of New Zealand's geothermal systems – including many areas of high ecological value. Significant geothermal features and their associated rare ecosystems occur across the Taupo Volcanic Zone, with many of the remaining outstanding geothermal features in the Bay of Plenty Conservancy. While the ecological values of these areas are high, they are also sought after for energy development.

Some geothermal systems have known boundaries and suspected links that cross both local government and conservancy boundaries. Reviews by Waikato and Bay of Plenty regional councils of the geothermal provisions of their Regional Policy Statements (RPS) and their Regional Plans overlapped, providing the Department with the opportunity to work with both councils in a consistent way as it fulfilled its statutory advocacy obligations under the Resource Management Act. Bay of Plenty Conservancy took the co-ordinating role.

The Environment Waikato Regional Plan proposed four categories of protection: 'development', 'limited development', 'research' and 'protected geothermal systems'.

The Department supported the categories and how most fields were placed within them, but raised concerns over a number of significant pristine geothermal features and ecosystems that were not provided with adequate protection. In addition, a number of appeals from power companies sought to challenge the protection given to some features and systems. As a result, the Department lodged appeals to these provisions and joined a number of appeals by other parties.

The Department's appeal sought that the relatively pristine Te Kopia system be held as a 'protected system', as it is of international botanical significance and contains rare geological surface features. This appeal point was opposed by Trust Power Ltd, which sought 'development' status.

The Department negotiated directly with both Trust Power Ltd and the regional council. These negotiations saw the company withdraw its appeal and Environment Waikato agree to protected status for Te Kopia. Negotiations with Environment Waikato also improved the category definitions to assure 'research' and 'limited development' did not become a proxy for the development or exploitation of systems.

Good working relationships were maintained throughout, and the parties all generally support the outcomes.

CASE STUDY:

Being strategic about islands

The Department has been working on preparing an 'Offshore and Outlying Island Strategy', which is now nearing completion.

The strategy classifies islands with similar legal status and management goals into six categories, and provides a nationally consistent approach to how each category is managed. The Department can then be confident that its time, skills and money are directed at island programmes that achieve the best national outcomes for conservation. Classifying each island will also highlight whether a representative range of islands are under protection and, if gaps exist, help the Department prioritise its future effort to fill those gaps.

The strategy also provides guidelines for working with owners of private islands, so that the Department can build on opportunities to improve conservation outcomes for those sites.

Once finalised, the island strategy will be initiated during 2007–2008. Some conservancies that have begun work to review their Conservation Management Strategies are already using the island classification framework to guide this work. Conservancy-based workshops planned for late 2007 should result in most Department-managed islands being classified by December 2007, and changes to management plans and activities will then begin.

The Island Strategy classifies islands with similar legal status and management goals into six categories, and provides a nationally consistent approach to how each category is managed. The Department can then be confident that its time, skills and money are directed at island programmes that achieve the best national outcomes for conservation.

Photographer: Raewyn Hutchings, DOC.

POLICY WORK: PROTECTING BIODIVERSITY VALUES ON PRIVATE LAND

The Department contributed, along with the Ministry for the Environment, to the joint outcome to protect indigenous biodiversity on private land. The 'statement of national priorities for protecting rare and threatened native biodiversity on private land' was released by the Ministers of Conservation and for the Environment in April 2007. The statement identifies four national priorities for ecosystems and habitats most in need of protection based on current scientific knowledge:

- Protect indigenous vegetation associated with land environments (defined by Land Environments of New Zealand classifications, Level IV), that have 20% or less remaining in indigenous vegetation.
- Protect indigenous vegetation associated with sand dunes and wetlands – ecosystem types that have become uncommon due to human activity.
- Protect indigenous vegetation associated with 'originally rare' terrestrial ecosystem types not already covered by the above.
- Protect habitats of acutely and chronically threatened indigenous species.

The statement is intended to support and inform councils' responsibilities for biodiversity under the Resource Management Act, as well as to provide information for other key stakeholders involved in biodiversity protection on private land – including landowners, biodiversity funding initiatives and community groups. The information is available through the New Zealand Biodiversity Strategy website (www.biodiversity.govt.nz), and the Department and Ministry will also visit local authorities to discuss the national priorities over the coming months.

Sand dunes at Opoutere Beach, Coromandel.

Photographer: Herb Christophers.

POLICY WORK: MANAGING CROWN PASTORAL LAND IN THE SOUTH ISLAND HIGH COUNTRY

Concerns about the outcomes of the Crown's management of its high country pastoral lands, particularly arising from the tenure review process, led the Government to direct officials to assess the issues and provide advice about how to resolve them.

A joint Cabinet paper was prepared by the Department and Land Information New Zealand and, in June 2007, Cabinet agreed that:

- From now on, pastoral lease properties will be excluded from tenure review if they have highly significant lakeside, landscape, biodiversity or other values that are unlikely to be protected satisfactorily by tenure review. If such properties are already in tenure review, the Crown will withdraw from the process. Among other things, doing this will help protect iconic lakeside landscapes from potential subdivision and inappropriate development.
- Priority will be given to establishing new high country parks that are currently being progressed through tenure review and/or lease purchase, and to making desirable additions to existing parks. (This decision provided direction for one of the key Protection initiatives (and one of the joint outcomes with other agencies) in the Department's Statement of Intent 2006–2009: To establish a network of high country parks, as land acquisitions allow, and actively develop some areas as high country outdoor recreation parks.)
- The Crown will review the management of existing leases, and especially the granting of discretionary consents for non-pastoral activities, to ensure that the inherent values of the land are being appropriately managed.

The 180,476-hectare Molesworth Station is one of six high country conservation parks in the South Island. The others are, from north to south: Korowai-Torlesse, Ruataniwha, Ahuriri, Te Papanui and Eyre Mountains/Taka Ra Haka.

Photographer: Herb Christophers, DOC.

The Department and conservation groups are the main actors in wilding pine control in the South Island high country.

Photograph: DOC.

CASE STUDY:

Subantarctic marine protected area planning

In late 2006, the Minister of Conservation released a report and interactive CD Rom showcasing never-before-seen marine habitats around the rugged Campbell/Motu Ihupuku, Antipodes and Bounty islands. It describes the New Zealand subantarctic bioregion, outlines the islands' geological, climatic, oceanographic and biological characteristics, summarises their human history, and highlights pressures and risks facing the subantarctic marine environment.

The report is part of the Subantarctic Marine Protection Project planning process, led by the Department of Conservation and undertaken jointly with the Ministry of Fisheries (see also the report about the establishment of Benthic Protected Areas for the Intermediate Outcome Indicator 'Percentage of marine areas in protection'). Its purpose is to preserve the marine ecosystems of this area in their natural state to protect and maintain biological diversity and ecosystem functioning. A marine protection forum involving stakeholders and interest groups will be convened during 2007 to provide input on the selection of marine protected area sites.

New Zealand's subantarctic bioregion is under the spotlight as part of a planning process to preserve the area in its natural state, and protect and maintain biological diversity and ecosystem functioning.

Photograph: DOC.

Protecting Historic and Cultural Heritage

INTERMEDIATE OUTCOME

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

The Department reports on three intermediate indicators for this outcome:

- Change in the percentage of historic assets in 'improving', 'stable' and 'degrading' categories.
- Change in the number of historic sites that meet ICOMOS standards.
- Change in the number of sites for which key history has been safeguarded.

The Minister of Conservation, Chris Carter, was in Ship Cove in November 2006 to inspect the new visitor facilities and interpretation installed at this historic site.

Photograph: DOC.

HIGHLIGHTS

- The Department manages 12 prime heritage sites (ICON sites), chosen in part for their ability to tell stories about the 'Kiwi identity'.
- Over the past five years, thanks to developments and improvements to the Karangahake Mines in the Bay of Plenty, numbers visiting the historic site have jumped from negligible to 70,000.
- Visitor facilities and interpretation at Ship Cove, in the Queen Charlotte Sound, have been fully renewed. Each year 40,000 people visit the site, which is the eastern entry to the Queen Charlotte track.
- The Waiorongomai and Waitawheta tramways in the northern Kaimai Ranges were restored.
- The Department participated in the first Te Unga Mai celebration, a community festival to acknowledge the achievements of navigators and explorers who landed on the East Coast of the North Island. It will become an annual event.
- A development plan was completed for Kerikeri Basin, a potential World Heritage site.

The new interpretation panels by the Captain Cook memorial in Ship Cove, Queen Charlotte Sound.

Photographer: Luke Wearing.

Overall, the condition of historic heritage managed by the Department continues to deteriorate, except at the most important sites, known as ICON sites. Because of the size of the job, the Department has adopted three priority levels for historic site management. These range from the full development of a limited number of ICON sites, to the basic protection of all sites from avoidable harm.

The Department has maintained regular contact with the Ministry for Culture and Heritage and worked jointly on projects such as the sites of national significance and archaeological site protection.

Of the 12,000 known heritage sites on land managed by the Department, it is accepted that natural processes continue to operate at 11,344 of them, and may cause deterioration. This deterioration is not monitored or measured. These sites are protected from avoidable harm according to departmental criteria and standards, which are especially effective in protecting archaeological sites under development pressure in New Zealand.

The Department is giving greater emphasis to activities that raise the profile of heritage sites, so that stakeholders are better connected with their historic heritage. The ICON sites initiative is built on key heritage sites and stories that help illustrate the 'Kiwi identity'. Over time, the Department will identify additional ICON sites that illustrate a more representative range of stories. The case study shows some of the ICON sites and stories that are currently being protected, restored and interpreted by this method.

To support its management of historic and cultural resources in the future, the Department is working with the New Zealand Archaeological Association and the Historic Places Trust on a significant national upgrade of an inventory of the 12,000 sites. Records for these sites are currently held within a national database – the New Zealand Archaeological Association site recording scheme. Once completed, the inventory will be shared between the three organisations. This major project will be completed in 2009.

INTERMEDIATE OUTCOME INDICATOR

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

Of the 12,000 sites, a group of 656 sites of high cultural heritage value are actively managed, including the 12 ICON sites. This year a benchmark was set for measuring the change in the condition of those 656 sites – 22 are classified as 'improving', 86 are considered to be 'stable' and the condition of 548 is 'degrading'. This benchmark will be used to track changes in condition over time.

Heritage work on non-ICON sites is assigned principally on the basis of urgency and, during 2006–2007, essential repairs were undertaken at:

- Mangonui School, 1883, Northland
- Glory Cottage, 1854, Chatham Island
- Big River poppet head, 1907, West Coast
- St Bathans Hall, 1884, Otago goldfields
- Needhams Cottage, 1882, Otago goldfields.

Other sources of funding helped progress at some sites, including:

- Rangikapiti pa site, Northland
- Tauranga bridge, 1913, Bay of Plenty
- Old Coach Road, 1905, Tongariro.

Volunteers also helped with key maintenance and restoration at another 11 sites.

INTERMEDIATE OUTCOME INDICATOR

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

ICOMOS is the international organisation that sets best practice standards for historic heritage management. The minimum ICOMOS management standard is 'stabilisation', which means that natural processes of deterioration have been minimised. This standard, or better, is sought for the 656 heritage sites that are actively managed.

In 2006–2007, a benchmark was set showing the number of actively managed sites that meet ICOMOS management standards – it is 108 of 656 sites.

INTERMEDIATE OUTCOME INDICATOR

- Change in the 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 656 sites that are actively managed. A heritage assessment is a key ICOMOS management step. It collects and safeguards the core history of a site, and also evaluates its heritage significance. In 2006–2007, the number of sites with key history safeguarded in this manner was 222. The intention is to safeguard key history at all 656 sites by 2010.

CASE STUDY:

Iconic heritage sites

ICON sites are prime heritage sites that can tell a strong 'Kiwi identity' story and wow visitors. During the year, the Department worked with the Ministry for Culture and Heritage and the Historic Places Trust to improve selection criteria for these sites, and 12 have been identified. Over the course of time, the Department will identify further ICON sites to cover a representative range of key themes. This approach has already been a great success with the visiting public, and encourages wider awareness of, and support for, historic heritage.

This year, progress focused on five sites:

Cape Brett Lighthouse, 1909, Bay of Islands. This is the only place in New Zealand offering accommodation in a lighthouse keeper's house right beside an authentic lighthouse. The major achievement was painting the lighthouse to a highly protective specification, redressing 34 years of rust and deterioration. This site now offers an outstanding heritage adventure experience.

Karangahake Mines, 1882, Bay of Plenty. This is the only place in New Zealand where visitors can go underground in a big gold mine. Located in a dramatic gorge beside State Highway 2, the site is accessible to all ages. The project has been developed in partnership with the Hauraki District Council. This year a celebration was held to open the 'windows' underground section of the mine. It also saw the 'powerhouse' underground section restored and opened to visitors, after 90 years of abandonment. Over the past five years, annual visitor numbers have grown from negligible to 70,000. The next development phase is an underground audiovisual display.

Sixty layers of paint were removed during the renovation of the 98-year-old Cape Brett Lighthouse.

Photographer: Andrew Blansbard, DOC.

Waitawheta Bush Tramway, 1898, Bay of Plenty. This historic route runs through gorge scenery and regenerating kauri forest. After 80 years of neglect, two-thirds of the tramway restoration work is now completed, removing slips, repairing slumps and reinstating drains. Once three bridges are completed, the site will offer a family-friendly overnight experience close to Auckland, Hamilton and Tauranga.

Ship Cove, 1769, Marlborough Sounds. The cove was Captain Cook's favourite site in the Pacific. Iwi participation was an essential element in this project's success. A very moving on-site celebration marked its completion. Work here included a full renewal of the wharf, visitor facilities, interpretation and landscaping, and restoration of the 1907 monument. This site is the eastern entrance to the Queen Charlotte track and attracts 40,000 visitors annually.

Denniston, 1873, West Coast. This coal mining site strongly reflects pioneering enterprise and lifestyles in remote harsh locations. The site will be developed in partnership with the Westport District Council and community partners. In the first year key rail heritage relics were restored and a feasibility investigation of the underground mine experience was carried out. The project will span four years.

Statement of Service Performance – 2006–2007: Managing Natural Heritage

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY[21]
BIOSECURITY – SPECIFIC PEST AND DISEASE RESPONSES	
Technical and policy advice and support will be delivered in accordance with the programme agreed with the Minister for Biosecurity and the Ministry of Agriculture and Forestry.	Technical and policy advice and support was delivered in accordance with the programme agreed with the Minister for Biosecurity and the Ministry of Agriculture and Forestry.
FIRE CONTROL	
11 Conservancies will operate within a fire response/action plan published in accordance with National Departmental Fire Plan.	11 conservancies operated within a fire response/action plan published in accordance with 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.
POSSUM CONTROL	
271,000 hectares of land[22] will receive treatment this year for possums.	277,161 hectares of land received treatment this year for possums.
1,089,000 hectares of land will be under sustained control for possums.	1,098,606 hectares of land was under sustained control for possums
129 possum control operations will be undertaken (with 90% of operations meeting their targets for operational success).	116 possum control operations were undertaken this year. 112 of the 116 operations run met their targets for operational success (97% of operations undertaken).
DEER CONTROL	
359,000 hectares of land will receive treatment this year for deer.	367,910 hectares of land received treatment this year for deer.
655,000 hectares of land will be under sustained control for deer.	656,090 hectares of land was under sustained control for deer.
GOAT CONTROL	
1,457,000 hectares of land will receive treatment this year for goats.	1,457,938 hectares of land received treatment this year for goats.
2,405,000 hectares of land will be under sustained control for goats.	2,431,533 hectares of land was under sustained control for goats.
CONTROL OF 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.

[21] 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.

[22] The phrase 'land receiving treatment' includes any land where pest or weed control is being undertaken by the Department. This includes conservation land managed by the Department, buffer areas and areas of private land that contain key threats that the Department is managing with the agreement of the landowner.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
AQUATIC ANIMAL PEST CONTROL	
15 aquatic animal pest eradication operations will be undertaken in treatable sites.[23]	16 aquatic animal pests eradication operations were undertaken in treatable sites.
WEED CONTROL (INCLUDING AQUATIC WEEDS)	
98 weed control work plans will be completed using a weed-led approach.	102 weed control work plans were completed using a weed-led approach.
345,000 hectares of land will receive treatment this year for weeds using a site-led approach.	397,331 hectares of land received treatment this year for weeds using a site-led approach.
1,191,000 hectares of land will be under sustained weed control using a site-led approach.	1,417,290 hectares of land was under sustained weed control using a site-led approach. Ongoing mapping of areas has increased accuracy of some area estimations and increased the area under sustained management. In addition weed control work on land added to public conservation lands as a result of tenure review has added to the area under sustained management.
NATURAL HERITAGE RESTORATION	
60 restoration programmes will be undertaken.	54 restoration programmes were undertaken. An additional 2 sites did not require physical work.
90% of restoration programmes undertaken will meet the criteria for success set out in the programme plan.	53 of 54 (98%) restoration programmes physically undertaken met their targets for success. An additional 2 sites where planned work was not physically undertaken during the year also met the criteria for restoration success.
85 island biodiversity programmes will be in place for pest-free islands.	86 island biodiversity programmes were in place for pest-free islands.
85 island biodiversity programmes will maintain a pest-free status.	84 island biodiversity programmes maintained a pest-free status.

[23] Operational success is defined as: none of the targeted aquatic pest species detectable within the treated site two years after the operation. The success of these operations will therefore be calculated on a rolling two-yearly basis.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
SPECIES MANAGEMENT	
149 'acutely threatened' species or subspecies will have improved security for one or more populations as a result of active species conservation programmes.	163 'acutely threatened' species or subspecies had improved security for one or more populations as a result of active species conservation programmes.
47 'chronically threatened' species or subspecies will have improved security for one or more populations as a result of active species conservation programmes.	54 'chronically threatened' species or subspecies had improved security for one or more populations as a result of active species conservation programmes.
13 'at risk' species or subspecies will have improved security for one or more populations as a result of active species conservation programmes.	22 'at risk' species or subspecies had improved security for one or more populations as a result of active species conservation programmes.
The Department will have achieved improved understanding of status and threats for 199 'acutely threatened' species or subspecies through survey monitoring and research.	The Department achieved improved understanding of status and threats for 203 'acutely threatened' species or subspecies through survey monitoring and research.
The Department will have achieved improved understanding of status and threats for 70 'chronically threatened' species or subspecies through survey monitoring and research.	The Department achieved improved understanding of status and threats for 67 'chronically threatened' species or subspecies through survey monitoring and research.
The Department will have achieved improved understanding of status and threats for 31 'at risk' species or subspecies through survey monitoring and research.	The Department achieved improved understanding of status and threats for 28 'at risk' species or subspecies through survey monitoring and research.
The Department works with the commercial fishing industry and other stakeholders to develop and report on an annual programme of scientific investigation into the effects, and mitigation of the effects, of commercial fishing activity on protected marine species. Activities within this agreed Conservation Services Programme will be reported on against the agreed milestones and criteria within the programme at year end.	The annual programme of scientific investigation into the effects, and mitigation of the effects, of commercial fishing activity on protected marine species has been completed. As a result of the programme there were reduced seabird interactions in some fisheries together with increased use by the industry of mitigation devices.

LEGAL PROTECTION OF AREAS AND SITES -- MARINE

The total marine area managed by the Department is 1,278,894 hectares.

MARINE RESERVES MANAGED BY DEPARTMENT AT 30 JUNE 2007	AREA (HA)
Kermadec Islands	748,000
Poor Knights Islands	1,890
Whangarei Harbour sites	231
Cape Rodney-Okakari Point	518
Long Bay-Okura	980
Motu Manawa (Pollen Island)	500
Te Matuku	689
Te Wanganui-a-Hei (Cathedral Cove)	840
Mayor Island (Tuhua)	1,060
Te Paepae Aotea	1,444
Te Tapuwae o Rongokako	2,452
Te Angiangi	446
Parininihi	1,759
Tapuae (gazettal initiated)	1,547
Kapiti Island	2,167
Kupe/Kevin Smith (gazettal initiated)	840
Long Island-Kokomohua	619
Tonga Island	1,835
Westhaven (Te Tai Tapu)	536
Horoirangi	948
Pohatu (Flea Bay)	215
Piopiotahi (Milford Sound)	690
Te Hapua (Sutherland Sound)	454
Hawea (Clio Rocks)	411
Kahukura (Gold Arm)	464
Kutu Parera (Gaer Arm)	433
Te Awaatu Channel (The Gut)	93
Taipari Roa (Elizabeth Island)	613
Moana Uta (Wet Jacket Arm)	2,007
Taumoana (Five Finger Peninsula)	1,466
Te Tapuwae o Hua (Long Sound)	3,672
Ulva Island / Te Wharawhara	1,075
Auckland Islands / Motu Maha	498,000
Total Marine Reserves managed by Department at 30 June 2007	1,278,894

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
Concurrence sought: **Taputeranga** (Wellington South Coast) 969 ha **Aotea** (Great Barrier Island) 50,100 ha And complete processing and decision-making in respect of these applications.	The **Kupe/Kevin Smith** marine reserve (previously referred to as Taputeranga) received full Ministerial approvals. A boundary change to better provide for recreational fishing and enforcement has been made. The final area is 840 hectares. **Aotea** (Great Barrier Island) - 49,500 ha awaits concurrence consideration by Minister of Fisheries. The Minister of Conservation considered the marine reserve application, and approved a reduction in its size to address the views of local marine users and interested parties.
Considered and decided by Minister of Conservation: **Tapuae**[24] (Taranaki) 1,547 ha **Akaroa Harbour** 530 ha And complete processing and decision-making in respect of these applications.	**Tapuae** (Taranaki) marine reserve (1,547ha) has been fully approved and will be gazetted in 2007. **Akaroa Harbour** 530ha – Further Crown Law advice has been sought in relation to this application and a decision has not yet been made.
Participate in regional planning processes for MPAs relating to: **Subantarctic Islands** **Hauraki Gulf** **Coastal area near Otago** **South Island West Coast**	Preparations with the Ministry of Fisheries and stakeholders are progressing towards establishing a subantarctic marine protection forum. Preparation for establishing Hauraki Regional Forum under way including start of scientific data collection, geographic information and preparation of project plan. Governance issues have been clarified and a Department of Conservation – Ministry of Fisheries Memorandum of Understanding prepared for the Otago Coast area. A marine information report has been prepared and public consultation is underway for the West Coast area.
LEGAL PROTECTION OF AREAS AND SITES – TERRESTRIAL	
54,425 hectares of terrestrial area legally protected during the year.	21,048 hectares of terrestrial area was legally protected during the year. Target setting in this area is difficult due to the long-term nature of the tenure review process and negotiations.
LEGAL PROTECTION OF AREAS AND SITES – HISTORIC	
8 historic sites where legal protection will be achieved.	Legal protection was achieved at 7 historic sites.
RESOURCE MANAGEMENT ACT 1991 ADVOCACY AND COASTAL PLANNING SERVICES	
1,515 consultative processes, including formal and pre-hearing meetings.	The Department was involved in 1,691 consultative processes, including formal and pre-hearing meetings. The Department's approach to advocacy for conservation outcomes in issues such as wind farms and coastal subdivision involves negotiation through pre-hearing meetings rather than more formal legal processes. This is reflected in the higher than anticipated performance.

[24] Tapuae (Taranaki) marine reserve was incorrectly referred to as 'Tapuwae' in the Statement of Intent 2006-2009. It is corrected in this Annual Report.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
70 submissions on draft policy statements and plans.	The Department was involved in 65 submissions on draft policy statements and plans.
194 submissions on applications for resource consent.	The Department was involved in 172 submissions on applications for resource consent. Achievement in this area is driven by external processes and timelines, which make it difficult to predict and achieve accurate targets.
1,075 applications for resource consent agreed without public notice (section 94).	The Department was involved in 780 applications for resource consent agreed without public notice (section 94). Achievement in this area is driven by external processes and timelines which make it difficult to predict and achieve accurate targets. Some Conservancies are looking at negotiated settlements and a change in practice in order to reduce the number of consents requiring section 94 approval.
31 court or legal actions where other processes have failed.	The Department was involved in 25 court or legal actions where other processes have failed. Achievement in this area is driven by external processes and timelines which make it difficult to predict and achieve accurate targets.

OUTPUT CLASS OPERATING STATEMENT, 2006–2007: MANAGEMENT OF NATURAL HERITAGE

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUALS $000
Revenue				
– Crown	129,596	122,916	129,596	116,525
– Other	7,912	6,130	8,130	4,981
Total Revenue	137,508	129,046	137,726	121,506
Expenses	135,635	129,046	137,726	121,459
Surplus/ (deficit)	**1,873**	**0**	**0**	**47**

Statement of Service Performance – 2006–2007: Historic Heritage Restoration

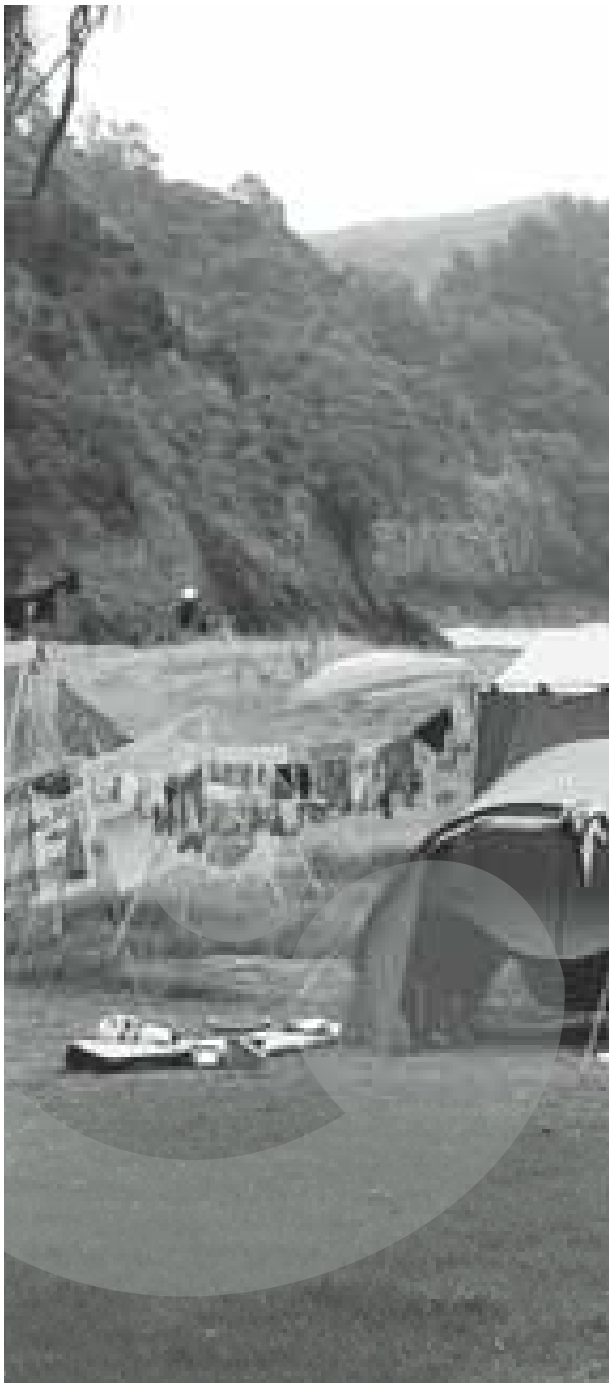
2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
HISTORIC HERITAGE RESTORATION	
23 historic heritage assets for which remedial work is completed to standard.	40 historic assets received remedial work to standard during the year. Refinement of the definition of remedial work was completed and implemented after Conservancies had set targets in the Statement of Intent. As a result initial targets were conservative.
342 historic heritage assets for which regular maintenance work is on track to standard.	587 historic heritage assets received regular maintenance work to standard during the year. As for the remedial work programme, refinement of the definition of regular maintenance work was completed and implemented after Conservancies had set targets in the Statement of Intent. As a result initial targets were conservative.
95 heritage inventories completed to standard.	93 heritage inventories were completed to standard.

OUTPUT CLASS OPERATING STATEMENT, 2006–2007: MANAGEMENT OF HISTORIC HERITAGE

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUALS $000
Revenue				
– Crown	5,407	5,157	5,407	5,207
– Other	210	273	273	171
Total Revenue	5,617	5,430	5,680	5,378
Expenses	5,546	5,430	5,680	5,142
Surplus/ (deficit)	**71**	**0**	**0**	**236**

Everybody benefits

A New Zealand fern.
Photographer: Jeff McEwan.



- Economic
- Social
- Cultural
- Environmental

Appreciation Outcome: Enjoy, Benefit, Connect

Camping and boating are popular activities at Mimiwhangata Coastal Park, near Whangarei, Northland.
Photographer: Mike Edginton, DOC.

People enjoy and benefit from New Zealand's natural and historic heritage and are connected with conservation.

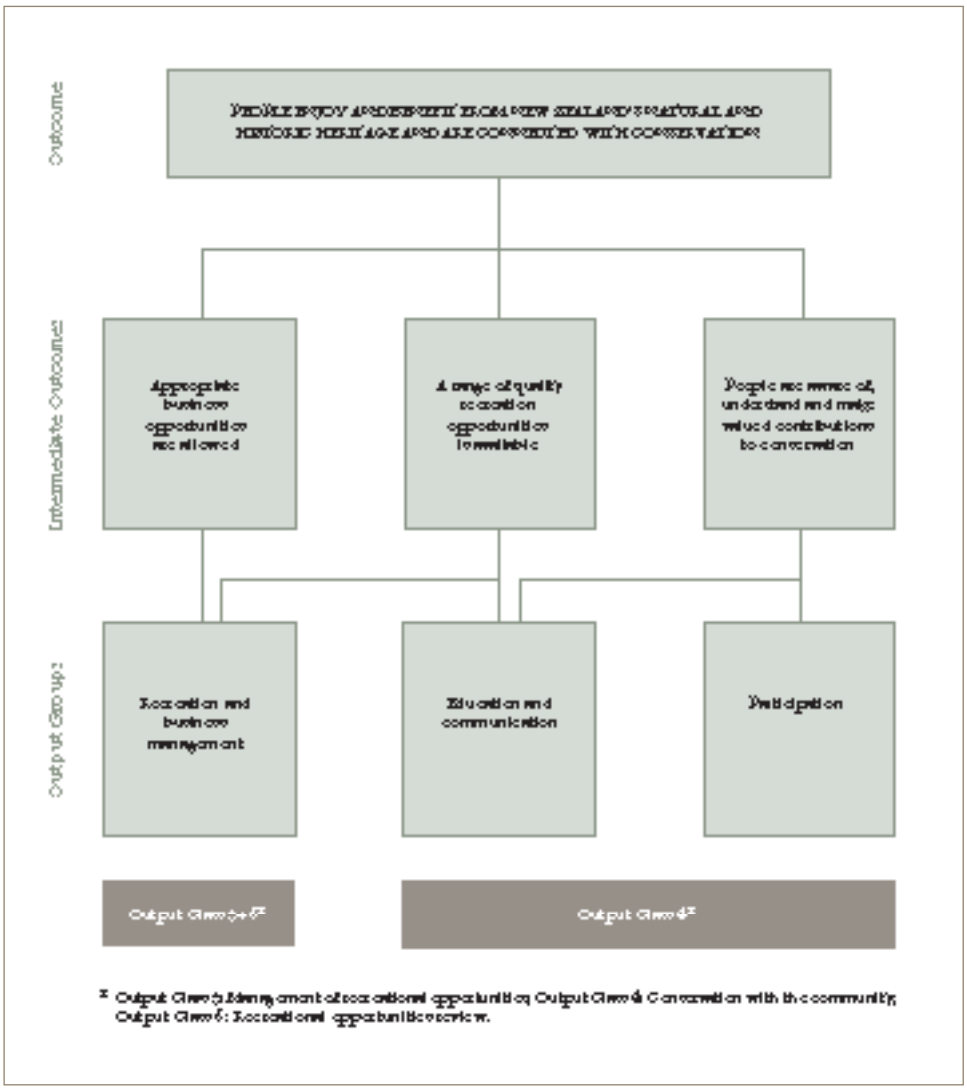
This outcome draws together the work being done to fulfil several of the Department's key functions under the Conservation Act 1987. These functions promote the benefits of conservation and build a shared sense of stewardship with the community and commercial organisations by providing information, education, recreation and leisure experiences, and opportunities to participate in protecting and restoring the country's natural and historic heritage.

This section of the 2006–2007 Annual Report demonstrates how the Department's work is achieving the high level outcome 'Appreciation: People enjoy and benefit from New Zealand's natural and historic heritage and are connected with conservation'. It provides information and case studies to track progress on the three intermediate outcomes identified in its Statement of Intent 2006–2009:

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

It also records progress toward the three key Appreciation initiatives identified in the Statement of Intent for the 2006–2007 year.

FIGURE 17: HOW APPRECIATION WORK CONTRIBUTES TO THE DEPARTMENT'S VISION (FROM THE STATEMENT OF INTENT 2006-2009).



New Zealanders want their natural and historic heritage conserved. And, increasingly, they want to be involved.

During 2006–2007, core elements of the Department's work toward this outcome focused on the following areas, and clearly support the Government's three priorities:

- National identity – by promoting people's understanding, awareness and enjoyment of their heritage – including promoting the multi-faceted benefits that conservation provides for New Zealand's sustainable social and economic future.
- Economic transformation – by providing access to a range of quality recreation opportunities, including those provided by private enterprise. Allowing commercial organisations to operate in conservation areas not only expands the opportunities and choices people have to use and enjoy public conservation land, but also reinforces conservation's economic and social value.
- Families, young and old – by providing opportunities for people to become active in conservation, both on public and private land.

The Department maintained its drive to improve the quality of New Zealand's network of outdoor recreation facilities and the opportunities they offer to a wide range of people. The high level of satisfaction with people's recreation experience, reported in 2005–2006, was sustained.

Karamea year 8 students, Shaelen Taha (left) and Alexandra Robinson, measure the diameter of a *Powelliphanta annectens* snail. Local students have been involved in monitoring native species in the Heaphy area for the past four years.

Photograph: DOC.

A recreation summit (September 2006) saw the Department working with other agencies and groups to scope the challenges, opportunities and trends for outdoor recreation. One outcome was a partnership between the Department and Sport and Recreation New Zealand (SPARC) to review existing outdoor recreation opportunities, to see whether they are able to respond to and absorb future changes and trends.

In its work with communities, the Department continued to improve how it engages on a broad range of innovative and creative projects, and worked alongside communities to grow their conservation skills.

The Department's work with its concession partners added value to the services these businesses provide to their customers – including helping concessionaires improve the content and delivery of conservation information they provide to visitors.

The Department's progress toward the two high-level outcome indicators for its appreciation work is reported below as part of this overview. Progress toward the three intermediate appreciation outcomes and their indicators is presented in the remainder of the Appreciation section, and summarised in Appendix A.

Improving Capability

In 2006–2007 the Department committed to replacing its asset management system. This was necessary to build in more robust financial treatment of assets, particularly for the large number of visitor assets it manages (including structures, huts and tracks). Achieving this outcome will mean the Department is better placed to monitor, control, report on and plan its asset management. It is a substantial piece of work. Implementation in mid-2008 will include enhanced skills training for staff.

Key Appreciation Initiatives in 2006–2007

In its Statement of Intent 2006–2009, the Department of Conservation highlighted three 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	MAIN ACTIONS IN 2006–2007
New Zealand's tourism industry acknowledges the importance of public conservation land to its marketing and operations. The Department will work very closely with tourism industry leaders, other government agencies and private enterprises to facilitate industry needs in a manner, and to an extent, that the integrity of conservation values is not compromised.	This year these include: • a more substantial profile for conservation in the updated tourism industry strategy which runs to 2015. • increased recognition by partner agencies (the Ministry of Tourism, Tourism New Zealand and the Tourism Industry Association New Zealand) of the value of conservation to tourism earnings. • increased involvement of tourism operators in conservation projects. • streamlined concession processes to reduce industry compliance costs. • working with the Ministry of Tourism to develop consistent monitoring methodologies and decision-making guidelines. • working with the Ministry and the Tourism Industry Association to develop mechanisms to allocate resources where demand continues to exceed supply.
The Department has signalled changes to allow people to be connected with, and benefit from, their natural, historic and cultural heritage through access to a range of quality recreation opportunities. The Department will improve infrastructure, including building new huts and carrying out substantial capital works on sewerage and toilet facilities, major track upgrades and, as funding allows, new and upgraded visitor centres.	This year, main actions include: • work to bring tracks up to standard. • implementing the 'Recreation Opportunities Review' (2004) by removing huts and tracks that are not well located or used, and planning new facilities, particularly for the northern North Island where population pressures are the greatest. • upgrading tracks, building larger huts and improving sewerage systems where increasing visitor numbers are increasing demands. • using booking systems to help people better plan and enjoy their recreation experience. • maintaining the backcountry experience by providing facilities at the appropriate standard – that is, not going over-standard. • creating a new high-profile visitor centre for Wellington City, co-located with Head Office at Conservation House.

KEY APPRECIATION INITIATIVES	MAIN ACTIONS IN 2006–2007
As part of the signalled changes to recreation opportunities, the Department will work with other agencies and groups to create initiatives that establish it as the leader in outdoor nature-based recreation.	This year these include: • sponsoring a tourism award that recognises operators who actively contribute to conservation as part of their normal business activity. • providing an interpretation resource kit for tourism concessionaires, backed up by training, to help them provide accurate and authentic conservation-based information to their customers.

OUTCOME INDICATOR

A programme to develop a tool to track trends in the benefits New Zealanders seek and receive from their heritage is being scoped. This will examine changes in New Zealanders' views on a broad range of benefits, for example, health, enjoyment, education, inspiration, cultural, recreation and economic benefits.

A method to track trends in how people perceive the benefits and value of conservation was developed, applied and reported on in 2005–2006[25]. This will happen again in 2007–2008 and will be informed by the findings of the recent research into the relative value of conservation, outlined below.

OUTCOME INDICATOR

A programme to track the relative value of conservation as an indicator of support for conservation is being scoped.

A 2007 Department of Conservation social science research project developed and applied an indicator that would provide a snapshot of the value and benefits New Zealanders derive from conservation. Results from a survey of 1501 New Zealanders demonstrated a high level of public support for conservation and a common belief that more conservation is needed.

The survey incorporated questions on the meaning of conservation to the public, their level of conservation awareness, the importance of conservation relative to other areas of public investment, their environmental attitudes, the benefits they associated with conservation, and their awareness and perception of the Department's activities.

Most of those surveyed placed high value on conservation and the environment. They also valued the positive outcomes of conservation quite highly, particularly those relating to preserving natural land and water habitats (94% of the sample), protecting national parks (94%), and protecting native plants and animals (93%). More than 80% of the sample thought that conservation was important to them personally.

The majority of the sample (77%) said that the Department's work was 'very important' or of 'above average' importance to them personally. However, awareness of the Department's activities was less than optimal – on average, respondents named fewer than two activities it undertakes. Without being prompted, people mostly knew about protecting national parks and nature reserves (35% of the sample), and protecting native plants and animals (34%).

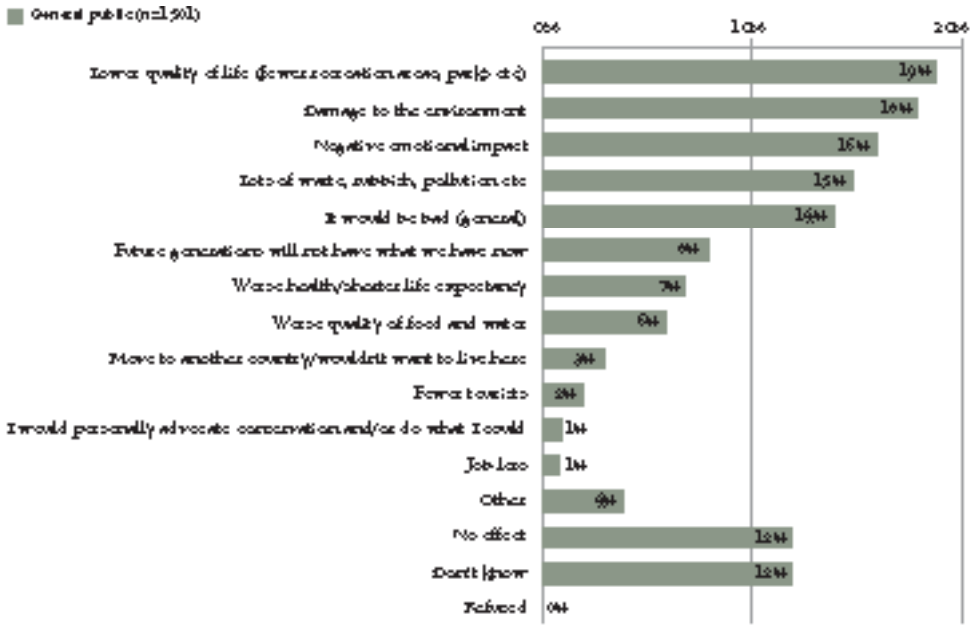
[25] Department of Conservation, Annual Report for the Year Ending 30 June 2006, pages 112-113.

The perceived value of conservation relative to the provision of other government services was also measured. Most people (78%) said more money should be spent on conservation activities than the current level of less than 1% of the national budget.

Most people (75%) also felt that not having conservation activities in New Zealand would have a negative effect on them personally (see Figure 18). These were most frequently couched in terms of lower quality of life (19%), more damage to the environment (18%), and negative impact upon their emotional wellbeing (18%). Looked at in the reverse, this highlights the benefits people believe conservation brings.

The Department has two new streams of research to build on this baseline study to measure how it can increase the value of conservation to New Zealanders – a trial of a conservation values monitor, and a pilot for a social marketing approach.

FIGURE 18: PEOPLE'S RESPONSES TO *NOT* HAVING CONSERVATION IN NEW ZEALAND.



Connecting People with Conservation

INTERMEDIATE OUTCOME

People are aware of, understand and make valued contributions to conservation.

The Department reports on seven indicators for this intermediate outcome:

- Change in people's satisfaction with their involvement in conservation.
- Change in the percentage of people involved in conservation projects in general and on conservation land.
- Change in the quality of the Department's engagement with key associates.
- Change in tangata whenua's satisfaction with the Department's activities to assist them to maintain their cultural relationships with taonga.
- Change in New Zealanders' understanding of important conservation issues.
- Change in percentage of departmental information sources New Zealanders use to learn about conservation.
- Change in recognition of the role of Crown pastoral leases in providing ecosystem services.

This intermediate outcome measures the impact of the Department's efforts to support people being connected to and involved with conservation. The Department developed a baseline set of information last year, and is now tracking year-to-year trends using the following intermediate outcome indicators to present data from 2006 and 2007 and discuss the changes and trends.

HIGHLIGHTS

- Surveys show that most New Zealanders who are aware of the Department's work, rate its achievements as 'good' or 'very good'.
- The Department topped the list in a quantitative survey testing public perceptions of the performance of government departments – 68% of those surveyed said it does an 'excellent' or 'good' job.
- More New Zealanders said they have been involved in conservation activities in the past year.
- Matiu/Somes Island celebrated the 25-year volunteer effort to plant the island.

Caroline Heta-Birch is both connected and involved, planting native plants as part of 'Project Waimarie' at the Waipao River, Whangarei, in September 2006.

Photographer: Meryl Carter

PARTICIPATION

INTERMEDIATE OUTCOME INDICATOR

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

There has been a statistically significant drop in people's satisfaction with their personal involvement in conservation activities between 2006 and 2007. Fourteen per cent fewer people were 'satisfied' or 'very satisfied' with their level of participation in 2007 – down to 48%.

A further 45.1% are now 'neither satisfied nor dissatisfied' with their participation – a statistically significant increase of 16.6% over the last year.

Researchers suggest the decline in people's satisfaction with their involvement in conservation may be caused by a heightened awareness of climate change and environmental issues, due to events such as the popular documentary, 'An Inconvenient Truth', in 2006.

Pupils of Twizel School build predator boxes to help protect kaki/black stilt, a threatened species. As part of the Department's kaki management programme, several wetlands have been created or enhanced and protected by predator-proof fences in an attempt to provide safe feeding and breeding grounds.

Photograph: DOC.

INTERMEDIATE OUTCOME INDICATOR

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

The Department continues its support for community involvement and volunteering, and its commitment to implementing the *Statement of Government Intentions for an Improved Community–Government Relationship & Government Policy on Volunteering.*

Since the 2000–2001 Budget, which provided funding for 'new work with communities', the Department has been able to develop and consolidate a broad programme of innovative and creative projects that involve New Zealanders in conservation. This ranges from partnerships, to supporting others who contribute to shared conservation outcomes, to leading projects that offer opportunities for volunteers to participate.

Case study research by the Department shows that initiatives with communities are dynamic in nature and can take several years to establish and show results. The Department has focused on maximising and sustaining this work over the longer term, and improving participatory processes (such as by ensuring staff have the skills to engage and work in partnership with local communities and tangata whenua). The Department has also worked to strengthen community capacity and capability by providing a variety of hands-on training opportunities, and is extending its conservation partnerships to include other groups with different cultural perspectives, such as Auckland's Chinese and Pacific Island communities.

A key focus for the Department is to build its knowledge of how the community wants to be involved in conservation, and the myriad of environmental, social and economic benefits that accrue. Already it knows that:

- Community-led projects, such as for kiwi conservation, mean more conservation on the ground (see case study).
- The public gains understanding and skills by being involved in conservation.
- By engaging face-to-face with communities, the Department is learning what New Zealanders want, and is responding.
- National and international research shows that involving people is the most effective way to change behaviour, as well as provide benefits to individuals and society through gains in health and wellbeing.

Specific findings for 2006–2007 are that more New Zealanders considered they have been involved in one or more conservation activities in 2007. The most significant increase in participation was in recycling activities – an increase of 11.6% to 79.6%. There were also fewer reporting no involvement in conservation activities in the previous year (24.4%).

However, other than recycling, there was no statistically significant change in participation levels in other conservation activities between the two years. Of people involved in activities outside the home, 35% participated in activities on land managed by the Department.

The Department is building on its general knowledge in the coming year, with research to provide greater understanding of the value community partnerships bring to conservation. Around 380 groups have been surveyed to collect information on the resources they contribute, including financial resources, volunteer time and other in-kind resources (such as from donated equipment and travel costs).

The survey is also assessing the contribution groups make to achieving conservation outcomes, and whether their work with the Department has led to wider benefits. Factors that contribute to, or inhibit the success of, their work will also be collected.

Results will help inform policy and strategic planning around the Department's work with communities and improve on-the-ground practices, and will be shared with community groups to support their planning and conservation work.

The study also takes account of external work to estimate the social and economic significance of New Zealand's non-profit sector. This work, led by the Office of the Community and Voluntary Sector, and Statistics New Zealand, is part of an international comparative study of the non-profit sector led by John Hopkins University (Baltimore). The Department of Conservation study uses similar measures of financial and non-financial contribution, which will allow the results to be compared with results for non-profit groups in other sectors.

The Department expects to complete its study in August 2007 and will report on this in next year's Annual Report.

CASE STUDY:

Community-led kiwi conservation

In March 2007, Conservation Minister Chris Carter launched a new report on the status of the kiwi that highlighted a huge increase in private kiwi conservation efforts around New Zealand.

The report showed more than 60 private, individual, iwi and community-led kiwi conservation projects are now under way in New Zealand, most of which have formed in the last five years.

These non-government initiatives have lifted the area of kiwi habitat under conservation management by about 50,000 hectares, complementing the 70,000 hectares under active management by the Department.

Assisting this growth in community involvement has been the Bank of New Zealand Save the Kiwi Trust, a partnership that today contributes 15% of the total funding for kiwi conservation in New Zealand.

INTERMEDIATE OUTCOME INDICATOR

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

A June 2007 telephone survey found 68% of key associates rated the overall performance of the Department as 'very favourable' (21%) or 'somewhat favourable' (47%) - an increase of 15% between 2006 and 2007. The percentage of associates who gave the Department a 'neutral' performance score fell by 5% to 30% in 2007.

Most associates (86.7%) rated their inter-personal working relationship with the Department as 'excellent' or 'very good' – an increase of nearly 11% on 2006. While associates were less satisfied about the inter-organisational relationship between the Department and their organisations, 65% felt that this had improved between 2006 and 2007 (although many noted that it had room for further improvement). The remainder felt it was neither better nor worse between the two years.

CASE STUDY:

World Heritage Committee meeting in Christchurch

As New Zealand's state party representative to the World Heritage Committee, the Department was the lead agency to organise and host the 2007 annual World Heritage Committee meeting. The Department's role also involved representing New Zealand and the Pacific sub-region on the committee during its four-year tenure (2003–2007), providing full support to Tumu te Heuheu, Paramount Chief of Ngati Tuwharetoa during his one-year term as the Chairperson of the committee (July 2006 – July 2007), and fulfilling its ongoing domestic commitments as a signatory to the World Heritage Convention.

The meeting, held in Christchurch from 23 June to 2 July 2007, was instrumental in continuing to build a positive relationship between New Zealand (and more specifically, the Department) and the United Nations Educational, Scientific and Cultural Organisation (UNESCO). It was an opportunity to demonstrate the Department's commitment to the World Heritage Convention, both in New Zealand and in the wider Pacific region.

Two significant achievements were the submission, and acceptance, of a tentative list of World Heritage sites for future nomination for New Zealand; and gaining the support of the committee for the 'Fifth C' paper. This proposes the addition of 'Community' to the committee's strategic objectives, referring specifically to community participation in heritage protection and conservation. The other four 'C's are: Credibility, Conservation, Capacity-building and Communication.

INTERMEDIATE OUTCOME INDICATOR

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

In a 2007 telephone survey of Maori associates, when asked: "How satisfied are the tangata whenua with the Department of Conservation's activities to assist them to maintain cultural relationships with taonga?", 88% stated that they were 'very satisfied', 'more than satisfied' or 'satisfied'. This represents a small increase of 4% between 2006 and 2007.

CASE STUDY:

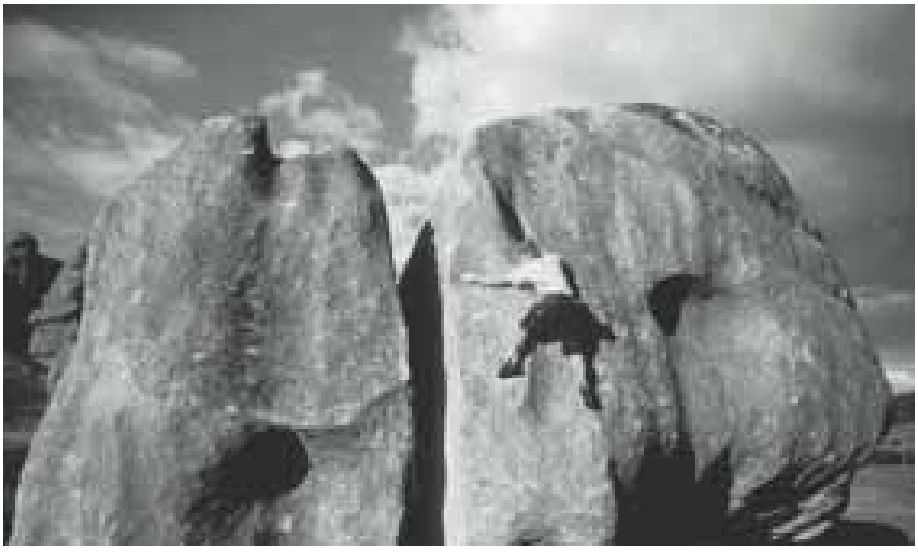
Majestic Castle Hill – Kura Tawhiti

Travellers between the South Island's east and west coasts, who take the route via Arthur's Pass, can't miss the landscape of Kura Tawhiti (Castle Hill) Conservation Area, where limestone outcrops dominate the landscape of this 50-hectare reserve.

Botanically, the area has a number of rare species, including four plants endemic to the limestone of Castle Hill Basin. Nearby is the extremely rare native broom *Carmichaelia juncea*, a plant believed extinct in the 1950s.

Kura Tawhiti holds particular relevance for Ngai Tahu as an ancient resting and mahinga kai (resource-gathering) place for their ancestors. Kura Tawhiti was designated a Topuni site in 1998, under the Ngai Tahu Deed of Settlement with the Crown. Ngai Tahu work in active partnership with the Department in its long-term management, including a planting programme to recreate the podocarp hardwood forests that covered the area before settlement.

Recreation and tourism values of Kura Tawhiti are also high, with more than 50,000 people visiting each year for its scenery and the rock-climbing – the area is classed as one of the top four bouldering sites in the world. However, this intensive use can be in direct conflict with the natural and cultural values of this site as, for Ngai Tahu, rock climbing and bouldering denigrates the outcrops' tapu status. A code of conduct for visitors has been jointly developed by the iwi and the Department.



Kura Tawhiti is one of the top four sites in the world for bouldering.

Photographer: Mark Watson.

EDUCATION AND COMMUNICATION

INTERMEDIATE OUTCOME INDICATOR

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

This intermediate outcome indicator aims to identify the effect the Department's efforts to increase public awareness of conservation is having. Baseline data was established in 2006 and the Department now tracks trends in New Zealanders' understanding from year–to-year. The report below comes from the 2007 values survey referred to for the high-level Appreciation outcome indicators.

For more than half of the 1501 respondents, the term 'conservation' meant preservation and protection of things in general (unprompted). Also frequently mentioned were looking after natural resources (23% of the sample), and preserving species to avoid extinction (13%). About one-fifth were either not aware of a conservation issue facing New Zealand, or could not remember or identify any. Issues important to the Department's role, such as controlling pests and managing land erosion, were mentioned by only 7% of people surveyed. Few think about conservation in terms of resolving specific conservation issues, sustainability or conserving culture and heritage. And no one spoke of conservation in terms of ecosystems or creating commercial opportunities for New Zealand.

Awareness about conservation and conservation issues is less than optimal among those aged 15 to 24 years. There were also trends in people's awareness of conservation issues based on ethnicity – Maori, Pacific peoples and Asian peoples appeared to be less likely to be aware unless prompted. Of note, the research showed that those living in rural communities of fewer than 1000 people are significantly more likely to be aware of at least one conservation issue than the general public as a whole.

Based on their attitudes to the environment and levels of awareness of conservation issues, the New Zealand public can be grouped into six distinct segments: 'actively concerned', 'concerned', 'idealists', 'unaware', 'conservatives' and 'pragmatists'. The segments range from those with high levels of awareness of conservation issues and a strong pro-ecological orientation (the 'actively concerned' and 'concerned'), to those with lower levels of awareness of conservation issues who, while environmentally concerned, have stronger social humanist orientations, to those who have no awareness of environmental issues at all.

It is likely that raising awareness amongst those in the 'unaware' and 'idealist' segments, and promoting conservation and the personal importance of positive environmental outcomes, could move some people into the 'actively concerned' or 'concerned' segments. It is likely to be more difficult to change conservation awareness among 'conservatives' and 'pragmatists'.

The research results identify the challenges facing the Department. It needs to do more to raise awareness of conservation issues and how these link to New Zealand's social and economic wellbeing – that is, that conservation delivers benefits beyond protecting and preserving the natural environment and native plants and animals for their own sake. The challenge will be to target programmes to specific population segments, while recognising that measurable changes in people's perceptions may take significant time to achieve.

The Department is developing different strategies to raise awareness of key conservation issues and these will be described in the next Statement of Intent.

CASE STUDY:

Conservation education – a tool for a sustainable future

Department of Conservation biodiversity manager, Phil Brown, explains weed control on Rangitoto Island to a group of 'school ambassadors' sent in from Auckland, Christchurch and Northland schools during the virtual LEARNZ volcanoes field trip in May 2007. More that 3500 students were involved.

Photographer: Heurisko.

The values survey commissioned by the Department this year found that people aged 15–24 were less likely to know what conservation meant, or to be aware of issues such as water conservation or endangered species. Working with young people is therefore vital to achieving the Department's strategic purpose of increasing the value of conservation to New Zealanders, and sustaining natural and historic heritage for future generations.

To that end, the Department is developing new and innovative approaches, building on achievements over the past six years. Key initiatives include:

- Curriculum-linked resources to support priority conservation themes and places have been developed for more than 80 Department of Conservation sites. The resources are available on the Department's website, and include activities, loan kits and advice on follow-up activities.
- Being a partner in the online education programme, LEARNZ, run by Heurisko, with support from the Ministry of Education and others. LEARNZ uses virtual field trips to bring the Department's work into classrooms throughout New Zealand. More than 11,000 students joined six virtual field trips supported by the Department during 2006 – a 40% increase in participation over a three-year period.
- Helping schools carry out conservation projects to support educational, social and conservation outcomes. For example, over the past four years, Year 7 and 8 students from Karamea Area School have monitored giant land snails, counted kiwi and carried out coastal restoration on their annual tramp to Heaphy Hut, accompanied by Department of Conservation rangers, teachers and parents. They also learn about landforms, forest ecology, species identification and the area's cultural history. Social outcomes include enhanced relationships with the community and increased support for the Department's work.
- Working in partnership with the Enviroschools Foundation, building on a three-year pilot project in the Waikato. Enviroschools is a long-term whole school approach to sustainability. In place since June 2006, the partnership will help enviroschools incorporate conservation into their programmes. Last year, two pilot projects began in Southland and South Canterbury, and core materials are being adapted and developed. With almost 18% of New Zealand schools now enviroschools, the partnership will help to align conservation as a core component of sustainability education.

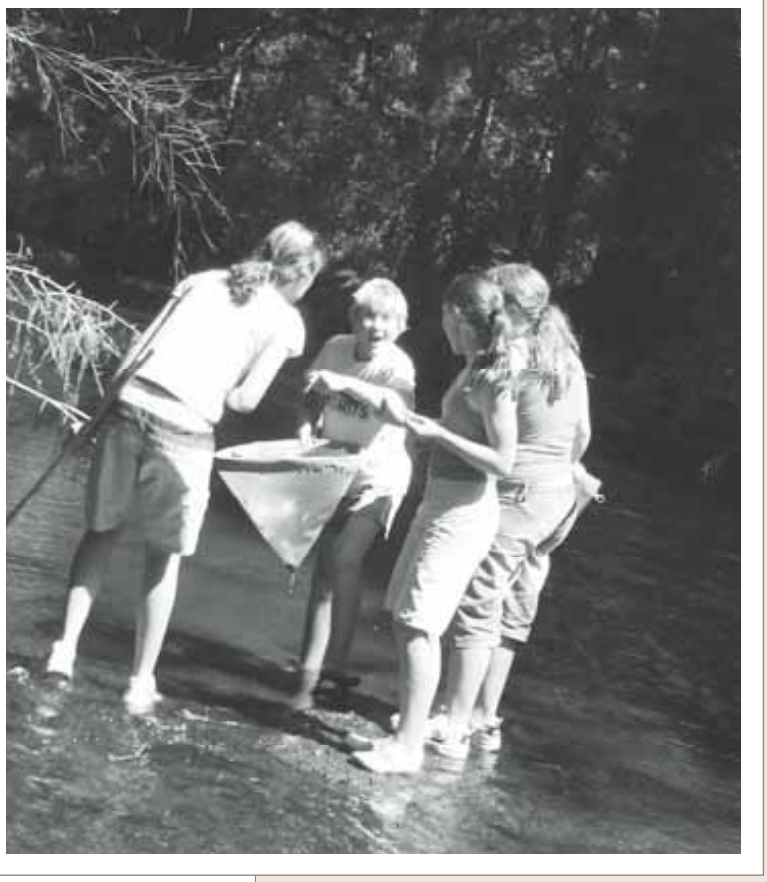
CASE STUDY:

The whitebait connection

The Whitebait Connection Programme is a partnership between the Department and the Northland-based The Mountains to Sea Conservation Trust (formerly known as Nga Maunga ki te Moana Conservation Trust). With its sister programme, Experiencing Marine Reserves, the Whitebait Connection developed out of the trust's work to engage schools and communities in conserving local marine and freshwater environments.

This year the Department supported Whitebait Connection programmes in Kaitaia, Whangarei, Gisborne, Marlborough, Nelson, Buller and Kaikoura, which involved a range of activities, from monitoring and evaluating the health of local waterways, to riparian plantings and catchment studies.

The Whitebait Connection programme is achieving value for money and some impressive results for conservation. A calculation of last year's achievements shows that a financial investment by the Department of $26,000 provided an estimated return to conservation of $102,100, including a tangible return of $80,500, in terms of plants, riparian fencing and volunteer hours. The estimated intangible return of $21,600 includes education, advocacy, awareness, and capacity building among the 2500 participants from 30 schools.



The Whitebait Connection engages schools and communities in conserving local marine and freshwater environments. Here, in a session organised by Auckland Regional Council, Anthony McLeod and other Year 8 students from Mahurangi College, Warkworth, check the contents of their catch net.

Photographer: Ira Seitzer, Whitebait Connection Programme.

INTERMEDIATE OUTCOME INDICATOR

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

A quantitative survey conducted by the Department in 2007 showed the main places people get information about conservation issues and activities, and the Department and its work, has not changed much between 2006 and 2007. These continue to be television news and programmes (73%), newspapers (84%), radio, and magazine items. Other sources of information are education through schools, the Department's website, conservation groups and events, and contact with a place managed by the Department, visitor centres, signs or a staff member.

Most people consider the Department to be the organisation most involved in conservation (75%), followed by councils and Greenpeace (25%).

The Department's website remains important, with approximately 2.2 million visits to www.doc.govt.nz in the past 12 months. A visit is a series of consecutive views of the site by the same visitor in the same session. The most popular pages are those related to parks and recreation.

The Department's website was redeveloped and the new site launched in December 2006. Website visits decreased 10% from the previous 12 months. This decline occurs because a large number of visitors to the site come through links from other sites and these are often not immediately updated to reflect the new structure and addresses. Visits are increasing again as these links on external websites are being updated.

Feedback from users about the website changes is mostly positive, with people saying that information is now easier to find and that the increased use of imagery and contemporary design have improved their experience.

INTERMEDIATE OUTCOME INDICATOR

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

Last year, the Department attempted to report on this indicator for the first time, but found that recognition of the link between Crown pastoral leases and ecosystem services would be impossible to measure given the perceptions of conservation and people's limited understanding of environmental issues. For example, in 2006 there was, and probably is still, a low level of awareness of the ecosystem services provided by conservation land, such as the provision of freshwater from high country catchments. Researchers advised that recognition of this link in any public survey would be immeasurably low and that the Department should assume there was essentially no recognition of the role of Crown pastoral leases in providing ecosystem services. The Department has made a commitment to explore this indicator again in 2008, and continues to promote the economic and social benefits of conservation to build people's understanding of concepts such as ecosystem services.

Statement of Service Performance, 2006–2007: Working with Communities

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY[26]
EDUCATION AND COMMUNICATION	
126 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.)	156 education initiatives were provided during the year with 96% (261 of 272) of educators surveyed rating the education initiatives as effective or partly effective at meeting their objectives. Departmental staff took advantage of additional opportunities for education initiatives as they arose during the year.
The number of website users is expected to increase by at least 20% during the year, while satisfaction levels will be maintained.	Website visits decreased 10% from the previous 12 months level. The new website was redeveloped and launched in December 2006 and this has affected use figures as the structure, web addresses, and bookmarks set up by users no longer work on the new site and need to be reset by users. Feedback from users has been mostly positive with people indicating that information is easier to find and their experience has been improved through the increased use of imagery and the contemporary design.

[26] 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.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
INTERNATIONAL OBLIGATIONS	
The Department's responsibilities as state party representative or advisor under international conventions and agreements are met in accordance with Government policy and priorities.	The Department, as administering body for the following international conventions, has met its state party representative or advisor responsibilities in accordance with Government policy and priorities: • World Heritage Convention. • Convention on Biological Diversity. • Ramsar convention on wetlands. • Convention on Trade in Endangered Species (CITES). • Convention on Migratory Species. • Agreement for the Conservation of Albatross and Petrels. The Department also provided scientific and technical support to the Ministry of Foreign Affairs and Trade as the administering agent or participant for a number of other conventions, committees and working parties, such as: • International Convention for the Regulation of Whaling (IWC). • Antarctic Treaty System and Committee on Environmental Protection. • Convention for the Conservation of Antarctic Marine Living Resources. • Pacific Regional Environment Programme (SPREP).
PARTICIPATION	
4,250 volunteers will participate in departmental volunteer programmes.	7,935 volunteers participated in departmental volunteer programmes. The number of volunteers continues to increase significantly with volunteer opportunities being more popular than initially anticipated. In addition, community support for some programmes was much greater than initially anticipated, for example, combating Argentine ants in Auckland.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
15,270 workday equivalents will be contributed by people volunteering.	19,393 workday equivalents were contributed by people volunteering. This increase is in keeping with the rise in overall volunteer numbers and also reflects an increase in involvement of regular volunteers in long-term conservation projects.
404 partnerships will be run during the year with greater than 80% of partners surveyed rating their contribution to conservation as moderate or significant.	436 partnerships were run during the year with 90% (148 of 164) of partners surveyed rating their contribution to conservation as moderate or significant. There has been an increased emphasis on partnerships as a result of implementing the Department's Strategic Direction.
30% of the 404 partnerships will involve tangata whenua.	29% (126 of 436) of the 436 partnerships involved tangata whenua.
302 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.	340 events and initiatives to build conservation skills and knowledge were run during the year with 90% (1,247 of 1,393) of participants surveyed rating the event/initiative as effective. During the year a number of additional opportunities arose that allowed the Department to run more events and initiatives than originally planned.

OUTPUT CLASS OPERATING STATEMENT, 2006–2007: WORKING WITH COMMUNITIES

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUALS $000
Revenue				
– Crown	13,038	13,449	13,038	11,404
– Other	1,059	1,457	1,457	928
Total Revenue	14,097	14,906	14,495	12,332
Expenses	13,487	14,906	14,495	12,891
Surplus/ (deficit)	**610**	**0**	**0**	**(559)**

The Great Outdoors

INTERMEDIATE OUTCOME

People have access to and use a range of quality recreation opportunities on public conservation land.

The Department reports on one indicator for this intermediate outcome:

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

HIGHLIGHTS

- Since 2002, the Department has built 42 new huts, all of them replacing existing ones.
- Iwi values underpin a major upgrade of the Kaikoura Peninsula walkway – interpretation themes reflect cultural heritage and wahi tapu sites are treated with respect.
- The 16-kilometre Whirinaki Mountain Bike Track was opened.
- A new Wellington Visitor Centre opened in downtown Wellington as part of the street frontage of Conservation House.
- Further upgrade of the Mavora Lakes campsite near Te Anau.
- New loop track on the northern end of Kapiti Island.
- New suspension bridge over the Waiohine Gorge, a popular entrance to the eastern Tararua Forest Park.

IMPROVING VISITORS' EXPERIENCES

To enable people to have access to and enjoy recreation opportunities, the Department manages facilities, including tracks, structures, huts, campsites, toilets, roads and car parks. It lets people know about these facilities, and the recreation opportunities they support, through brochures, signs, a comprehensive and high quality website and at visitor centres.

All facilities provided by the Department have to be maintained to standards that seek to ensure visitors are safe. To achieve this, the Department has in place ongoing inspection regimes for structures, tracks and huts, and this will be extended in 2008 to also include campsites.

In 2002, the Government funded a 10-year $349 million programme of work to replace, upgrade and maintain recreation facilities. In the first four years, the additional funds accelerated capital asset replacement, particularly of huts, structures, toilets and roadside facilities for day visitors. Highlights include 42 new backcountry huts since 2002.

This year, work began on bringing tracks up to standard, and this will expand in 2007–2008, along with work to bring campsites up to the Department's new campsite service standards.

The 10-year funding allocation made in 2002 enables the Department to maintain most, but not all, of the current network of facilities. Choices about what is retained or retired have had to be made and in 2004 the Department extensively consulted the public on these issues. Implementing the decisions from this 'Recreation Opportunities Review' is well under way – both to remove a number of old huts and tracks that were not well located or used, and to plan new huts, tracks and campsites over the next three years, particularly in the northern North Island where population pressures are the greatest. This planning is on track for building to begin in 2008–2009.

In places where the number of visitors is increasing, demand has continued to be managed by upgrading tracks, building larger huts, and increasing and improving sewerage systems. In some places, to make it easier for people to plan their recreation experience and to protect that experience from overcrowding, the Department has used booking systems. In the coming year, the internet-based visitor booking system for five of the nine Great Walks will be extended to Kapiti Island permits, cabins in the Orongorongo Valley and on Tiritiri Matangi Island and a sixth Great Walk.

The evolving requirements of the Building Act 1991 and Building Code, and fire safety regulations, plus the rising cost of timber and fuel, mean maintenance and construction costs are significantly higher today than two or three years ago. This has affected the Department's ability to meet the targets for bringing huts and tracks up to standard (as commented on in the following section).

INTERMEDIATE OUTCOME INDICATOR

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

In 2004–2005, the Department first carried out a national on-site visitor survey of people using tracks and huts. This was repeated in 2005–2006, and extended to also cover campsite users. The survey involved more than 4200 visitor interviews, and questionnaires at 135 randomly selected sites.

The results in 2005–2006 were very similar to the previous year. They show that visitors are overall very satisfied with their time in public conservation areas – 95% say they are either 'very' or 'moderately' satisfied with their visit. Only 2% of visitors had any level of overall dissatisfaction with their visit.

Although the on-site surveys show a high level of satisfaction with all facilities, of those who were not satisfied, most concern came from walkers and trampers and related to the poor state of some tracks. In particular, the lack of maintenance in response to windfalls and slips, overgrown vegetation and erosion were highlighted.

The survey was not completed this year because the results from the previous two years showed no significant change in levels of satisfaction, and the findings in 2006–2007 were unlikely to be different. This outcome indicator is broadened in the Statement of Intent for 2007–2010, to include changes over time in New Zealanders' participation in recreation (that is, total use numbers), as well as changes in satisfaction levels.

In 2006–2007, the Department did not meet its performance measures and targets for the standards of tracks, structures or huts. A summary of the results reported in the Statement of Service Performance at the end of this section shows:

- Tracks – the target was that 50% of 12,750 kilometres of tracks would meet the required service standard, in 2006–2007. The actual figure was 4452 of 12,860 kilometres (35%). The Department adopted a revised service standard for tracks in 2004 (the Standards New Zealand Handbook: Tracks and Outdoor Visitor Structures), and accelerated its inspection of tracks against that standard over the last year. These inspections have found that a lot of work is required, particularly around track marking, bridging watercourses and dealing with excessively wet or muddy sections. The Department expects this work to take several years. While the target was not reached, only 94 kilometres of the 12,860 km track network was closed at the end of the 2006–2007 year. The remainder was open and available for use.
- Structures – the target was that 100% of 13,486 structures would meet the required service standard. However, the actual figure for 2006–2007 was that 12,891 (95%) of 13,628 structures managed met the standard. The target of 100% will always be difficult to achieve, as at any one time structures will be closed pending critical repairs, or because the standard requires structural work (which is often deemed to be a low safety risk).

- Huts – the target was that 80% of 950 huts would meet the required hut service standard. The actual figure for 2006–2007 was 571 of 949 huts (60%). The Department adopted revised hut service standards in 2004 and began inspections against that standard in 2006. These found work is required to bring the remaining huts up to the revised standard. Good progress has been made on this during the year. Any significant safety issues at huts have been addressed and at year end only seven huts were closed.

CASE STUDY:

Happy campers in the south

Each year more than 12,000 visitors pitch their tent or park their caravan at the Department's 10 campsites along the Te Anau–Milford Sound Highway, or the campsite at Mavora Lakes Conservation Park. Because of their popularity, these campsites' old and inadequate facilities needed to be brought up to the new service standard – and this work took place during 2006–2007.

Old toilets were upgraded or new facilities built, with wheelchair access to toilet facilities provided in some campsites for the first time. Each toilet now also has a containment tank so that waste can be removed and managed off-site, minimising the environmental impacts from pit toilets.

Information kiosks have been installed at each campground to promote best camping practices and let people know about nearby recreation opportunities. Extra picnic tables and barbecues are in place and road access has been improved. As well, landscaping has been used to help manage environmental impacts.

During summer months, rangers are assigned to look after the campsites. A large part of their role is public relations, providing a valuable link between the Department and campers. For many people, the stories and information passed on by rangers are a highlight of their visit.

The Department has noticed improved payment of camp fees as a result of the upgrades and the ranger presence.

Facilities at 10 of the Department's southern campsites were brought up to the new service standard during 2006–2007.

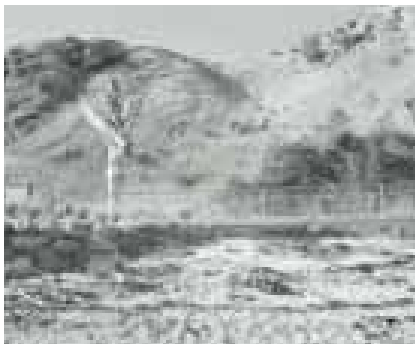
Photograph: DOC.

CASE STUDY:

Tracking the Kaikoura coast

After five years' anticipation and planning, a beautifully designed and constructed walkway is taking shape along Kaikoura's coastline, providing a much improved scenic walk across the peninsula.

It is the work of a multi-stakeholder group initiated by the Department of Conservation and involving Te Runanga o Kaikoura, Te Runanga o Ngai Tahu, Whale Watch Kaikoura and the Kaikoura District Council.



One of two pouwhenua commissioned from Te Runanga o Kaikoura are a feature for growing number of visitors.

Photograph: DOC.

An interpretation shelter in South Bay is a key part of improvements to the iconic walkway along Kaikoura Peninsula.

Photograph: DOC.

The walkway follows a long-established well-known track across the end of the peninsula. When complete, the upgrade will provide a quality recreation and educational experience for visitors of all ages and fitness levels.

Pressure to improve this walk has been building. Estimates based on car park counters put visitor numbers at the seal colony car park (Point Kean), at around 240,000 people a year. With Kaikoura's economy continuing to grow, and an expanding national tourism market, it is expected that the number of visitors will increase dramatically.

The walkway upgrade is a work in progress. During 2006–2007, the Department funded physical upgrade work on the sections leading from Point Kean and from South Bay, including comprehensive interpretation, cobblestone tracks, a timber lookout platform and a 200-metre-long raised walkway that provides all-tide wheelchair access around from South Bay. The Kaikoura District Council and the Department jointly funded the construction of new toilets at South Bay.

Iwi values have been respected during planning and while work is under way. Interpretation themes reflect cultural heritage, and wahi tapu sites are treated with respect. The plan has also been developed to integrate with any Kaikoura Whale Watch development proposals and the Coastal Management Strategy.

Conservation Adds Value

INTERMEDIATE OUTCOME

Appropriate business (concession) opportunities are allowed and operate in conservation areas.

The Department reports on one indicator for this intermediate outcome:

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

HIGHLIGHTS

- A combined project with the Ministry of Tourism produced standard methodologies to monitor the biophysical and social effects of tourism activities.
- Improved concession processes have freed departmental resources to allow increased monitoring and help ensure any adverse effects are identified and effectively managed.
- Workshops to launch a new interpretation resource kit for tourism concessionaires attracted more than 150 operators. The kit was developed with the tourism industry, to support concessionaires in providing accurate and authentic conservation-based information.
- Successful completion of the Milford aircraft monitoring survey, with good results and a positive response from key stakeholders.

WORKING WITH PARTNERS IN TOURISM

The needs and expectations of New Zealanders and overseas visitors are increasing, and increasingly diverse. One way they are being met is through partnerships between the Department and private enterprise – enabling a greater range of recreation opportunities to be offered to people, and attracting a wider diversity of people to conservation areas.

These concession arrangements with the private sector provide added-value experiences and opportunities that would not otherwise be available to this increasingly diverse group – such as guided walks and transport connections to and from track entrances. Further, some concession activities (such as ski fields), attract people who may not otherwise visit public conservation land.

While concession arrangements present opportunities of significant benefit both to conservation and New Zealand in general, these are not free of potential cost. The effects of these activities must be adequately managed so that conservation values are protected.

INTERMEDIATE OUTCOME INDICATOR

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

A recently released report showed Fiordland National Park received 560,000 day visitors and 33,000 overnight visitors in 2005, provided 1600 jobs, and added an estimated $228 million to the national economy.

Photograph: DOC.

Following two years of significant changes and improvements to how the Department processes and applies concessions, 2006–2007 provided a period of consolidation. Faster simpler processes for low-impact concessions applications, and for re-issuing concessions to existing operators who met their concession requirements, have reduced compliance costs for the private sector and allowed the Department to:

- better target its resources to concession applications that have the greatest potential to generate significant adverse effects.
- improve its planning.
- improve how it monitors and manages concessions throughout their life.

This directly (and positively) influences the Department's ability to reduce the number of significant adverse effects arising from private business activities on public conservation land.

Another positive influence is the continued co-operation between the Department, the Ministry of Tourism, Tourism New Zealand and the Tourism Industry Association New Zealand.

One example is the completion of a two-year programme of work (in association with the Ministry of Tourism), to improve monitoring of the effects of tourism activities on conservation values. Monitoring is essential to provide assurance that any controls imposed through concessions are being adhered to, and do in fact avoid significant impacts on important conservation values. In 2004, a review of the Department's concession function highlighted the urgent need for its monitoring performance to improve.

The co-operative programme with the Ministry of Tourism is helping make this happen. Eight standard monitoring methodologies have been developed, covering the range of potential biophysical and social effects of concession activities. The methodologies are designed to be applied by Department of Conservation field staff, concessionaires or other stakeholders. The challenge for the coming year is to develop guidance to ensure the tools are applied appropriately and consistently throughout the country.

As reported in the 2005–2006 Annual Report, the number of concessions being monitored over recent years has almost doubled, with more than 20% of recreation and/or tourism concessions now monitored annually. The Department is currently reviewing its approach to the monitoring of significant adverse affects arising from concessions. The review recognises that previous indicators had been applied inconsistently. Improved measures and approach will be confirmed in 2007–2008.

Another co-operative initiative between the Department and the tourism industry in 2006–2007 has developed an interpretation resource kit for tourism concessionaires. This key project for the Department supports and encourages concessionaires to provide accurate and authentic conservation-based information that will improve the quality of their customers' experiences. The kit recognises that knowledgeable concessionaires will provide visitors with a more rewarding experience, which has the potential to build their connection to the environment and, hopefully, increase their care for it.

The kit's launch was accompanied by workshops, which received widespread tourism industry support, with more than 150 operators attending. Several hundred fact sheet kits have also been sold to operators over the past six months.

Building on this success, further training will be provided each year and the kit's contents regularly updated.

MANAGING DEMAND

The Ministry of Tourism and the Tourism Industry Association New Zealand are working with the Department to develop more sophisticated mechanisms to allocate rights to resources where potential demand continues to exceed supply.

As visitor numbers increase, tensions between conservation, recreation and tourism interests also increase. The Department is proactively responding to issues where a link can be established between a tourism activity and significant adverse effects that put conservation and recreation values at risk. An example of this is control of the total number of commercial kayak groups implemented through the review of the Abel Tasman National Park Management Plan. It follows growing concerns about the numbers of people in parts of the park and the impact this has on visitor experience.

Resolving these issues not only places considerable demands on resources (staff, planning and concession processes), it also tests the Department's relationships with its local communities and tourism operators. While good progress has been made over the past year, many challenges remain for the Department and the tourism industry to ensure the natural environment is not adversely affected, and that the quality of the visitor experience remains high for New Zealanders and overseas visitors alike.

REWARDING CONSERVATION IN ACTION

Many tourism operators have moved beyond simply looking to manage the effects their activity may generate, to a more proactive and co-operative approach where they actively contribute to conservation as part of their normal business activity. It is pleasing to report that examples of such commitments are now too numerous to list, and the resulting conservation benefits are substantial. The Department's sponsorship of an annual New Zealand Tourism Award for 'conservation in action' offers very visible recognition of operators who make this commitment. This award is open to any operator who demonstrates an active commitment to conservation and/or displays excellence in interpretation. Initiatives can be on-the-ground conservation work (such as weed or pest control, tree planting and species protection) or advocacy, monetary support or sponsorship for Department of Conservation activities. Congratulations to *Dive! Tutukaka*, which won the inaugural award in 2006.

Inaugural winner of the Department's 'conservation in action' award was Northland's Dive! Tutukaka.

Photograph: Dive! Tutukaka.

CASE STUDY:

Tourism operators contribute to conservation.

The trend for tourism operators to become more involved in conservation activity has gathered momentum over recent years, and the Department is keen to foster and support their efforts.

To find out why some operators are motivated to contribute to nature conservation, and what conservation work they actually deliver, the Department analysed in 2006 the conservation work done by tourism concessionaires. The analysis shows their actions are driven by a mix of business, visitor-related and ethical reasons.

Throughout New Zealand, conservation work by tourism operators includes:

- animal pest control, such as stoat trapping, hare shooting and possum control.
- hatching, raising and re-introducing threatened native species – such as kiwi – back into their natural habitat.
- weed control – including wilding pine removal.
- re-propagating native plant species.
- contributing financially to conservation management and research, and encouraging visitors to contribute.
- demonstrating to fellow operators how to implement eco-tourism best practice and care for the environment.
- advocating conservation with clients, and being involved in local conservation campaigns.

This work contributes to the trend toward greater community engagement and involvement in hands-on conservation work.

The Department supports this work by providing technical advice and encouragement to tourism operators, and, in many instances, working with operators to deliver greater benefits for conservation.

Statement of Service Performance, 2006–2007: Recreation

People enjoy and benefit from New Zealand's natural and historic heritage and are connected with conservation.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY[27]
MANAGING RECREATION OPPORTUNITIES	
Satisfaction of visitors with the recreation opportunities provided will be reported at year end.	The recreation opportunities visitor satisfaction survey was not completed this year. In reviewing the results from the previous two years, the Department noted there was no significant change in levels of satisfaction. It therefore decided not to run the survey for a third consecutive year. The 2005–2006 survey of 4,222 visitors showed that overall 95% said they were either 'very' or 'moderately' satisfied. The 2004–2005 survey of 2,474 visitors showed that 95% were either 'very' or 'moderately' satisfied with their time in public conservation areas.
90% of all visitor recreation and interpretation publications will meet publication standard.	30% (99 of 334) visitor recreation and interpretation publications met the publication standard. The complex and detailed nature of the standard covering the full range of publications, from simple brochures to externally-produced corporate documents and web-based publications, has meant it has not been possible for all publications to meet the standard immediately. The capability and capacity of staff involved in publications has not been increased quickly enough to support the requirements of the standard. At the time of its introduction, full implementation of the revised and updated Visitor and Recreation Publication standard (introduced in December 2004) was expected within two years. It is now apparent that this timeframe has not been met. Recommendations arising out of reviews focused on publications will address a range of capability and performance issues and form the basis of work programmes to ensure publications meet the standard in the next financial year.

[27] 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.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
90% of all visitor recreation and interpretation publications will be available for the public on the Department's website.	29% (97 of 334) visitor recreation and interpretation publications were available for the public on the Department's website. The introduction of the Department's new website, which resulted in a freeze on lodging new publications, has had some impact on the number of publications available on the website since the revised and updated Visitor and Recreation Publication standard was introduced in December 2004.
ASSET MANAGEMENT	
80% of 950 huts will meet the required service standard.	949 huts were managed during the year. At year-end 571, (60%) met the standard. Five huts had serious or critical work outstanding. Seven huts were closed. This year the Department began to inspect its huts against the revised hut service standards adopted in 2004. While a small increase in required work was likely as a result of the new standards, particularly with regard to ensuring huts met fire safety and health requirements, the work identified against the standards is greater than can be managed in one year. Good progress was made but the remainder of this work will flow into the next financial year and form part of the 2007–2008 work programme.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
50% of 12,750 km of tracks will meet the required service standard.	12,860 kilometres of track were being managed at year-end, with 4,452 kilometres (35%) meeting the standard. Inspections against the revised track service standard adopted in 2004 were stepped up during the year. These inspections are designed to establish the length of track that does not meet the standard and therefore what work is required to ensure it does. The inspections have established that the common reasons for failing to meet the standard mainly involve poor marking of the track, insufficient bridging of watercourses, and excessively wet or muddy sections. This work is extensive and will need to be programmed in over several years. **Kilometres of critical work** – of the 12,860 km of track in the 7 track classes there is 50km (0.5%) of track that needs to be upgraded because it is in a critical state. **Closed track** – of the 12,860 km of track, 94 km (1%) of track was closed pending completion of critical work at year end. All the remainder was open and available for use.
100% of 13,486 structures will meet the required service standard.	The Department managed 13,628 structures at year-end. 12, 891 (95%) met the standard. Of the 737 structures not up to standard, 83 were closed pending repairs. The remainder are open as the safety risk is deemed to be low.
MANAGING BUSINESS OPPORTUNITIES – RECREATION CONCESSIONS	
15% of active recreation concessions will be monitored.	The department monitored 22% (216 of 997) of active recreation concessions. The concession revenue incentive scheme has provided the mechanism to increase monitoring to ensure compliance with concession conditions.
515 active recreation concessions for one-off concessions will be managed.	522 active recreation concessions for one-off concessions were managed.
529 one-off recreation concession applications processed with a target 75% to standard.	587 applications for concessions for one-off activities were processed with 98% (576 of 587) processed to standard.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
921 active recreation concessions for longer term concession permits, licences, leases and easements will be managed.	997 active recreation concessions for longer-term activities were managed. This reflects continued growth in the traditional tourism destinations – performance is demand-driven.
202 active recreation concessions for longer term concession permits, licences, leases and easements will be processed with a target of 75% processed to standards of time and cost.	220 applications for concessions for longer term activities were processed with 77% (169 of 220) processed to standard.
OTHER RESOURCE USE CONCESSIONS	
15% of active other resource use concessions will be monitored annually.	The Department monitored 19% (530 of 2,812) of active other resource use concessions. The concession revenue incentive scheme has provided the mechanism to increase monitoring to ensure compliance with concession conditions.
130 active other resource use concessions for one-off concessions will be managed.	86 active other resource use concessions for one-off activities were managed. The number managed depends on the applications received and is demand-driven.
145 one-off other resource use concession applications will be processed with a target of 75% processed to standards of time and cost.	125 applications for other resource use concessions for one-off activities were processed with 96% (120 of 125) processed to standard. The number processed depends on the applications received and is demand-driven.
2,808 active other resource use concessions for longer term concession permits, licences, leases and easements will be managed.	2,812 active other resource use concessions for longer term activities were managed.
309 active other resource use concessions for longer term concession, permits, licences, leases and easements will be processed with 75% to standards of time and cost.	267 other resource use concessions for longer term activities were processed with 56% (152 of 267) processed to standard. Processing changes during the year in two Conservancies has impacted on achievement of national targets.

OUTPUT CLASS OPERATING STATEMENT, 2006–2007:
MANAGEMENT OF RECREATIONAL OPPORTUNITIES

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUALS $000
Revenue				
- Crown	95,493	97,890	95,493	95,923
- Other	19,737	19,019	19,769	25,567
Total Revenue	115,230	116,909	115,262	121,490
Expenses	111,014	116,909	115,262	109,087
Surplus/ (deficit)	**4,216**	**0**	**0**	**12,403**

OUTPUT CLASS OPERATING STATEMENT, 2006–2007: RECREATIONAL OPPORTUNITY REVIEW

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUALS $000
Revenue				
- Crown	0	0	0	0
- Other	0	0	0	0
Total Revenue	0	0	0	0
Expenses	808	2,000	3,778	1,222
Surplus/ (deficit)	**(808)**	**(2,000)**	**(3,778)**	**(1,222)**

Everybody benefits

Invertebrates are a vital yet often hidden part of New Zealand's natural web of life.
Photographer: Rob Suisted.

+ Economic
+ Social
+ Cultural
+ Environmental

Supporting Conservation: Advising, Servicing – Capable, Sustainable

Inside a lush New Zealand forest, tall giants emerge through the dense undergrowth.
Photographer: Rob Suisted.

Supporting the Department's activities through quality advice and services, by building capability and by acting sustainably.

Some of the Department's activities contribute to both its high level outcomes, Protection and Appreciation – providing effective policy advice and servicing to Ministers and to a range of statutory bodies. This work is covered by the Output Class: Policy Advice, Servicing the Minister and Statutory Bodies and Statutory Planning, and is reported on in this third section of the 2006–2007 Annual Report.

The Department must also ensure it has the people, financial, information and technological capability now, and in the future, to deliver its two high level outcomes. As well, as a member of the state services, it aspires to achieving the six Development Goals set by the State Services Commission (2005). In the context of building the Department's capability, Development Goals 1 and 2 are particularly pertinent:

Goal 1: Employer of choice

Goal 2: Excellent state servants.

The Department's work to develop its capability, with particular regard to the Development Goals, is reported in this section.

Finally, the Department has signed up to Govt[3], a programme that encourages central government agencies to make their operations more environmentally sustainable. The Environmental Report, which shows how the Department is doing this, is also provided in this section.

Key Capability Initiative in 2006–2007

In its Statement of Intent 2006–2009, the Department of Conservation highlighted one key initiative toward developing its capability and progress on this is summarised below.

KEY CAPABILITY INITIATIVE	MAIN ACTION IN 2006–2007
The Department recognises that building a workforce with the skills and competencies required to perform in a complex environment, adapt to change and engage with others is a significant challenge. The Department will improve its organisational capability by implementing the Workforce Capability Strategy through a specific focus on strategic planning and management.	Implementation of the Workforce Capability Strategy resulted in the 'People Plan', released in August 2006. This plan is guiding the Department's culture building work and provides an overview of the capability building that can be expected over the shorter term.

Policy, Planning, and Ministerial and Statutory Body Servicing

Khan Coleman, 12, of Dannevirke, with the Minister of Conservation, Chris Carter. Khan won first equal place in the 2006 YHA Young Conservationist Award for his work to protect the extremely rare peripatus. The catepillar-like creature is thought to be the evolutionary link between anthropods and worms.

Photographer: Dave Hansford.

POLICY ADVICE

The Department's key policy and planning work for 2006–2007 is described in the Protection section of this Annual Report, alongside the relevant activities.

MINISTERIAL SERVICING

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), and has not been previously reported. The numbers of email and mail transactions processed in this way are reported in Table 3 below.

TABLE 3: MINISTERIAL SERVICING

	ANNUAL AVERAGE FOR 1995–2003	2004–2005	2005–2006	2006–2007
Ministerial correspondence[28]	1700	1366	1682	1203
Briefings requested by the Minister	282	317	394	456
Departmental submissions	461	455	365	338
Official Information Act requests to the Minister	59	78	81	72
Official Information Act requests to the Department	87	100	111	71
Parliamentary Questions for written answer	–	220	271	261
Email correspondence	–	–	10,056	11,435
Mail correspondence	–	–	490	550

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

STATUTORY BODIES

The Department services the following statutory bodies: the New Zealand Conservation Authority, conservation boards, the Nature Heritage Fund, and the Nga Whenua Rahui Komiti.

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

The Nature Heritage Fund is administered by an independent committee and receives an annual government funding allocation. Some of the Nature Heritage Fund's more significant purchases completed this year are reported in the case study.

The Department also provides services to the independent Nga Whenua Rahui Komiti (committee), which administers the Nga Whenua Rahui Fund for protecting conservation values on Maori land. During the reporting period the Minister formally signed 11 kawenata (covenants) over 2400 hectares of native ecosystems on privately owned Maori land, and approved 20 recommendations for protection involving 5023 hectares.

The Nga Whenua Rahui Komiti also administers the Matauranga Kura Taiao Fund, a contestable fund designed to increase iwi and hapu participation in managing biodiversity in ways consistent with matauranga Maori (customary knowledge). In the year ending 30 June 2007, 21 projects were supported.

CASE STUDY:

The Nature Heritage Fund

Five significant Nature Heritage Fund purchases in 2006–2007 were:

Michael Peak Station: Close co-operation between the Nature Heritage Fund and Land Information New Zealand resulted in the joint purchase of 8479 hectares of pastoral lease and 686 hectares freehold land, of which 6900 hectares will become part of the proposed Oteake Conservation Park. It includes the Otago side of the direct access from the Manuherikia in the Maniototo, to Omarama in the upper Waitaki. The remainder of the property will be exchanged for nearby areas with high conservation values that may also be added to the park. Oteake Conservation Park will be managed by the Department.

Hadfields Awaroa: The fund purchased the last major enclave of undeveloped land in Abel Tasman National Park, including 793 hectares rising from sea level to around 700 metres, which both the Awaroa and Awapoto rivers flow through. Wetlands include 10 hectares of regenerating swamp kahikatea forest, now rare in the Nelson region. The property contains a significant population of fernbirds and the largest known population of weeping inaka, a plant species found only in Nelson and Marlborough and classified as nationally vulnerable.

Coates Barrytown: The fund purchased 15 hectares of wetland and associated forest on Barrytown Flats, 5 kilometres south of Punakaiki, on the South Island's West Coast. It is located next to Maher Swamp, a significant wetland on the Barrytown Flats, and the only large wetland of its type within the ecological district. The purchase extends the Maher Swamp by 9 hectares to the east, and protects 6 hectares of associated forest on dune ridges.

Waipapakauri Wetland, Kaitaia: The fund bought 16.6 hectares containing a wetland and gumland, located 12 kilometres north of Kaitaia, adjacent to State Highway 1. The area was identified as needing protection in the Aupouri Ecological District Protected Natural Area Survey Report.

Opouahi Scenic Reserve Addition: Thirty-six hectares were bought from Landcorp Farming Limited to add to the Opouahi Scenic Reserve, north of Napier and inland from Lake Tutira. The Environment, Conservation and Outdoor Education Trust (ECOED) is working on a long-term community conservation programme in the reserve – 'Save Our Kiwi Hawke's Bay' – supported by Bank of New Zealand Save the Kiwi. The purchase provides a valuable addition to collective conservation values of nearby sites, such as Thomas's Bush Scenic Reserve, Bellbird Bush Scenic Reserve, Waikoau Conservation Area, and Boundary Stream Scenic Reserve.

Organisational Capability

In its Statement of Intent 2006–2009, the Department identified the capability challenges it faces in delivering on its strategic direction: 'To increase the value of conservation to New Zealanders'.

In particular the Department identified it needs a long-term financial strategy, and 'People with the capability to perform in a complex environment, to adapt to change and engage with others'.

The Statement of Intent described the Department's required future work environment. It will have:

- technical experts across the range of activities it carries out.
- capable leaders at all levels, who are effective people managers and inspire their staff to higher levels of performance.
- organisational systems to allow staff to acquire and apply new knowledge and ways of doing things.
- the ability to respond to New Zealand's changing demographics, and contribute to global environmental initiatives.

To deliver this workforce in the medium term, the Department listed three key objectives for its People Plan 2012. These were the focus for its capability work in 2006–2007 and are reported on in this section of the Annual Report:

1. Leadership development.
2. Improving organisational systems.
3. Developing the required culture.

These objectives are aligned to the six State Sector Development Goals, and particularly to:

Goal 1: Employer of choice.

Goal 2: Excellent state servants.

OBJECTIVE 1: GROWING LEADERS

In 2005–2006, the Department integrated its managers' role descriptions, performance review system and monthly operating reviews. This work clearly articulates the role of leaders, and holds managers to account for building productive teams and driving the achievement of strategic goals. During 2006–2007, the Department continued this work for staff roles, and operational and performance reviews.

Leadership capacity and capability is a core area for internal development in the Department's immediate and mid-term future. In December 2006, a specialist in leadership development was hired to support the creation and implementation of a multi-generational leadership development strategy. The Department is currently building the infrastructure to:

- implement its national leadership development strategy across the organisation
- provide more support to current managers to fulfil the expectations of their roles – this includes ensuring they have the capability needed to help deliver the strategic direction
- develop and nurture the next generation of leaders in the organisation – through succession opportunities and secondments in the wider state sector, private sector and internationally
- engage people within different age cohorts (especially younger) to ensure that the Department is paying attention to the right messages and practices around recruitment, retention, management, leadership, development, and recognition.

CASE STUDY:

Development Goals for the State Services

The six Development Goals set by the State Services Commission outline the future direction for New Zealand's state services. The overall goal is 'A system of world class professional state services serving the government of the day and meeting the needs of New Zealanders'. The six Development Goals are:

1. Employer of choice
2. Excellent state servants
3. Networked state services
4. Accessible state services
5. Trusted state services
6. Co-ordinated state agencies.

The Department's work to grow its leaders, and to develop organisational systems and the required culture contribute to the first two goals.

The Department has a number of initiatives to improve its performance toward the other Development Goals. For example, the recent upgrade of its website, expansion of its booking systems for recreation experiences, and improved processes for concessionaires, supports the fourth goal of accessible state services.

Initiatives in the field, as conservancies and area offices work with other government agencies and their local communities, are also delivering on the Department's Strategic Direction and the state service Development Goals – in particular, the goals relating to improved co-ordination, more accessible state services and greater trust.

CASE STUDY:

Whirinaki Conservation Park – helping rebuild the local community

The Bay of Plenty Conservancy's development plan for the Whirinaki Conservation Park is focused on increasing visitors to the park and, through this, helping to rebuild the community (who are mainly Ngati Whare) and its economic base. This work demonstrates how the Department embodies the state service Development Goals as part of its daily operations; in particular, co-ordinated, accessible and trusted state services.

A staged upgrade of all visitor facilities for Whirinaki began five years ago and will be completed in another five years. It includes a five-day, four-night circuit trail, four-wheel-drive track, horse track and a mountain bike track.

Minginui village is to be the gateway and focal point for the park. The village was formerly the base for the native forestry and milling operations now known as Whirinaki, and suffered a downturn when forestry operations closed in the mid-to-late 1980s.

Planning and implementation of this programme has been in co-operation and consultation with the community and iwi, and with support from the Ministry of Social Development and Te Puni Kokiri, who each has its own programmes for Minginui. Steps are now in place to dovetail the Te Puni Kokiri and Ministry of Social Development plans with the Department's work.

CASE STUDY:

Abel Tasman National Park – balancing tourism and conservation

The Department has worked closely with national and regional tourism agencies to develop a new approach to managing commercial operations (concessions) in Abel Tasman National Park. This work also demonstrates the state service Development Goals highlighted in the case study opposite.

Close collaboration has been maintained with the Ministry of Tourism, the Tourism Industry Association New Zealand and Latitude Nelson (a regional tourism organisation funded by Nelson and Tasman district councils) throughout the process to develop a zoning framework in the national park's management plan. The zones identify and manage recreational experiences, including a limited opportunity for guided kayak concessions.

Representatives of the tourism agencies have accompanied Department of Conservation staff to meetings with local concessionaires and have played a key role in helping operators understand why sustainable tourism needs to be balanced with conservation outcomes.

OBJECTIVE 2: BUILDING APPROPRIATE ORGANISATIONAL SYSTEMS

Organisational improvements

During 2006–2007, a series of business unit reviews were conducted to help make sure the Department's structure supports delivery of its Strategic Direction, with the required capabilities, roles and priorities clearly defined.

Developing the strategy system

In the past year, the Department has focused on identifying how existing systems can be better used to implement the Strategic Direction. The Statement of Intent was identified as the main vehicle for turning strategic thinking into strategic planning, and on into business planning.

In 2006–2007, the Department began developing its next Statement of Intent, for 2008–2011. This involved revisiting the Department's outcomes and intermediate outcomes to make sure they remained relevant in the context of an evolving external environment and its own Strategic Direction, developed in 2006. The result was new outcome statements.

In the coming year, the Department will review the outcome indicators, outputs and measures against these new outcome statements. This continuous improvement work will help make sure the Department remains aligned with the state services' Managing for Outcomes framework, and is better able to measure its progress and use that information to demonstrate the difference it is making, and drive ongoing performance improvements.

At the same time, the Department has been reviewing its approach to developing statutory Conservation Management Strategies in conservancies. This has provided the opportunity to develop closer links and greater consistency between the Department's two main planning systems.

Monitoring kakariki (orange-fronted parakeet) nests as part of the Operation Ark programme requires abseiling skills and a good head for heights.

Photograph: DOC.

New remuneration system introduced into new PSA/DOC collective agreement for staff

A team of union and management representatives worked in partnership for two years to develop a new remuneration system. The objective was to fairly reward staff to reflect their competence, skills and performance. It was also to build a pay structure that supports career pathways and provides mechanisms to assist managers and staff to have constructive conversations about how to progress in their job.

The 'partnership for quality' relationship between the Public Service Association and the Department, and the communication networks established through the partnership, assisted the team to develop a system which both parties are comfortable with.

The new remuneration system was part of the settlement for the new collective agreement which was voted in with a very strong majority. The Public Service Association–Department of Conservation Collective Agreement is effective from 1 June 2007.

Asset management

As reported under the Appreciation section of this report, during 2006–2007, the Department invested in improving its asset management systems to help ensure its historic, visitor and infrastructural assets are well managed, with defined standards and approaches. The new asset management system, covering all assets within one framework, will be delivered in 2007–2008.

Information technology

The Department's five-year strategic Information and Technology Programme guides its information technology initiatives and planning. Robust security controls and reliable networks are in place. Significant projects completed during the past year include a $1.75m replacement of networks and servers, a major upgrade of its document management system, and implementation of a new website.

As reported under the Protection Outcome of this report, 2006–2007 has also seen increasing use of video conferencing, and joint work with the Animal Health Board on using dataloggers for field collection of pest management data.

A number of projects will be delivered in 2007–2008, including implementation of a new digital image store, replacement of land information systems, improvements to public and internal GIS system interfaces, and major work preparing to implement the Natural Heritage Management System and an upgraded Intranet the following year.

Risk management

The Department implemented a new health and safety management system, called Risk Manager, in July 2006. This comprehensive and integrated system allows comprehensive reporting and analysis across a range of data, to record actions and to inform health and safety system improvements. Further modules will be added in the 2007–2008 year.

OBJECTIVE 3: DEVELOPING THE REQUIRED CULTURE

Equity review

In 2007, the Department reviewed employment equity to investigate how gender affects employees' work experience. The project is part of a state sector-wide plan of action to address gender pay and employment equity issues. The project focused on collecting a mixture of qualitative and quantitative data to create a picture of the Department in 2007. The main findings were:

- there appears to be a gender pay-gap, which varies across groups
- women are under-represented in management across the Department
- the turnover rate for women is higher than the turnover rate for men.

A response plan has been developed to address the three key findings.

DOC rangers, Ricky Croft (left) and Cameron Jones tie new nylon safety netting onto the bridge over the Harman River, 22 metres above the water.

Photographer: Willie Leaf, DOC.

Statistics for permanent staff as at 30 June 2007

An important part of developing its desired culture of 'people who value different perspectives, work together well and engage others to create desired outcomes', is to create a diverse workforce that represents the New Zealand communities it serves.

At 30 June 2007, the Department employed 1764 permanent full-time equivalent (FTE) staff. Temporary FTE staff at the same date numbered 254. The distribution of permanent staff is displayed in Table 4.

One of the key mechanisms for building diversity in the Department is through recruitment. The recruitment policy and tools have been reviewed to ensure that they support managers to recruit from a diverse pool of applicants. These improved tools will be in place in 2007–2008. An understanding of why people leave the Department, particularly women and Maori, is also crucial to improving the representation of these groups in the Department. The way the Department collects and analyses this information has been reviewed, and improvements will be implemented in 2007–2008.

A cadet programme is planned; this will be community-based and located in an area that would meet the needs of Maori.

Long-term financial strategy

During the year, the Department completed a significant project – an activity-based costing analysis of all its outputs and support services. This analysis allowed the Department to compare the relative costs of delivering outputs (such as pest control) across its 13 conservancies, and to identify opportunities where further detailed studies could yield efficiency improvements.

Also completed was the Department's long-term financial plan, which enables it to predict the impact of inflation and capital expenditure on the delivery of outputs. As the work of the Department is very capital intensive and requires significant investment in structures (such as tracks and huts) to meet its stakeholder expectations, it is important to understand its future staff and capital needs.

During the year, the Department was successful in bidding for a modest capability budget injection, designed to make better use of its existing funding and provide additional funding to meet inflationary pressures, in particular growing salary expectations.

TABLE 4: PERMANENT STAFF, AS AT 30 JUNE 2007.

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

Environmental report

The Department continued to work toward improved leadership in the areas of environmental performance and sustainable management.

Of particular significance in 2006–2007 was moving the Department's Head Office from three separate buildings into Conservation House in December 2006 – Conservation House is the first five-star sustainable building refurbishment in New Zealand (see case study).

CASE STUDY:

Conservation House

Conservation House is the first office accommodation constructed in New Zealand against a Green Building specification. After two years of structural, technical and innovative planning, Conservation House in Manners Street, Wellington, was completed, and all 330 Head Office staff relocated there in December 2006.

Conservation House.
Photographer: Jenn McEwan.

The key features of the building include natural light which is optimised via two large atria and the large perimeter windows; natural ventilation providing clean fresh air throughout the floors, and a high efficiency lighting system which incorporates daylight dimming and occupancy detectors to produce a comfortable and energy efficient environment at all times.

Water is collected from the sides of the tower block and the roof and is stored and recycled for toilet and other non-drinking requirements. A small wind turbine provides energy for landscape lighting for the outdoors area.

The open plan workspace has provided an excellent environment with improved communication, co-operation and collaboration enhancing relationships between groups and the community aspect of life in Head Office. At the same time it provides increased flexibility with layout changes.

Recycled materials used in the building's interior include flooring made of tractor tyres, eco-panelling for sound proofing made from plastic milk bottles, and café chairs made from 100% recycled plastic.

Conservation House has set a new standard for energy efficient building in New Zealand and has become an attraction for visitors and members of the public interested in seeing a sustainable work environment in action.

GOVT[3]

The Department continued to develop Govt[3] measurement systems as part of the Government's programme to encourage central agencies to become more sustainable through initiatives such as waste minimisation, sustainable purchasing and energy efficiency. The following information reports on changes against the baseline created in 2005–2006 and demonstrates a reduction in consumption across the range of energy uses[29].

Helicopters are an important tool for the Department's remote backcountry work. A helicopter flies a new ladder to Tararua Peaks in Tararua Forest Park.

Photographer: Wayne Boness, DOC

Fuel consumption

The Department relies heavily on vehicles (and boats) to undertake its business activities throughout New Zealand, often in remote locations. The existing fleet of 667 vehicles is 87% owned and largely made up of diesel-powered utility vehicles (75%). Petrol-fuelled passenger cars make up the remaining 25%.

Fuel consumption during 2006–2007, reported by the Department's national fuel provider, was:

- Petrol – 446,321 litres
- Diesel – 909, 890 litres.

A fleet review was carried out, and fuel-efficient alternatives are being considered for vehicles due for replacement.

[29] 2005–2006 reported measures have been adjusted in line with information provided by the Department's national contract suppliers.

Air travel

Department staff travel for many reasons as part of their work – to consult stakeholders, visit work places and sites, attend meetings of specialist groups and participate in conferences. The distance of air travel, both domestic and international, undertaken during 2006–2007 has reduced by 17% from the previous year.

TABLE 5: AIR TRAVEL.

AIR TRAVEL	2006–2007	2005–2006
Domestic travel, including trans-Tasman (in kilometres)	5,252,084	6,048,011
International travel (in kilometres)	1,437,633	1,964,043

This represents a significant decrease in the Department's use of flights. Initiatives that contributed to this reduction include the increased use of audio-conferencing and the introduction of video-conferencing via webcams.

Office paper

During 2006–2007, a total of 19,680 reams of A4 copy paper (white and coloured) were purchased from the Department's national supplier. This represents a reduction of 4% on the previous year's consumption.

TABLE 6: OFFICE PAPER CONSUMPTION.

OFFICE PAPER	2006–2007	2005–2006
Paper (in reams)	19,680	20,434

Energy consumption

The total energy consumed by all Head Office buildings in 2006–2007 was 802,904kWh. This is 9% higher than the previous year, but includes additional consumption for the crossover period while the new Conservation House was redeveloped[30].

TABLE 7: ENERGY CONSUMPTION.

ENERGY	2006–2007	2005–2006
Electricity (in kWh)	802,904	733,021

Since moving into Conservation House in December 2006, electricity consumption has dropped by approximately 13%. These savings will be fully realised within the next reporting period.

CARBON NEUTRALITY IN THE PUBLIC SERVICE

The Department of Conservation is one of six lead agencies selected to pilot the new Carbon Neutrality in the Public Service programme, announced by the Prime Minister at the opening of Parliament in February 2007. There are three aspects to achieving carbon neutrality:

1. measure the carbon emissions
2. reduce the carbon emissions
3. offset the balance.

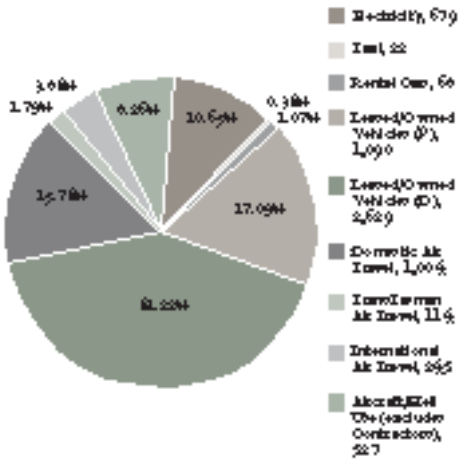
[30] Electricity consumption for 2006–2007 also includes use for the adjoining visitor centre, previously situated in the Old Government Buildings.

Measure emissions

The lead agencies are required to gather more accurate information on the greenhouse gas emissions linked to their energy and electricity use, transport (including domestic and international air travel), and waste sent to landfill.

Earlier this year, an estimate of the Department's overall carbon footprint was developed. This estimate showed that the Department's overall CO_2 emissions for the 2005–2006 year totalled 6,378 tonnes. An emissions inventory for 2006–2007 will be completed once the measurement basis and data collection process have been determined by the Ministry for the Environment.

FIGURE 19: ESTIMATED CO_2 EMISSIONS 2005–2006 (TONNES).



More than half the carbon emissions for the Department relate to the use of petrol and diesel.

Reduce emissions

The lead agencies are required to reduce the amount of greenhouse gases they release by developing action plans including:

- energy efficiency measures – including energy use audits, educating staff on using less electricity, low-energy lighting systems, more efficient heating and cooling systems, and buying equipment that uses less electricity
- travel measures – including workplace travel plans to eliminate unnecessary journeys, purchasing of more fuel efficient vehicles, and increased use of transport alternatives, such as video-conferencing facilities
- waste reduction and recycling systems.

Agencies are expected to lower their carbon emissions, not reduce them to zero (which would be impractical with current technology).

Agencies are not expected to undertake emissions reductions that would lessen their effectiveness. In the 2007–2008 year, more emphasis will be put on making purchase decisions that have the lowest overall cost in the long term, rather than a low initial purchase cost but high running costs.

Offset unavoidable emissions

Emissions that cannot be removed will be offset by forestation projects or other initiatives that can be proven to remove an equivalent amount of carbon dioxide from the atmosphere or prevent it being released.

The Department has an interest in being part of the offset programme, and is working with the Ministry for the Environment on a range of potential offset proposals. This will be reported on in the 2007–2008 Annual Report.

Other sustainability initiatives

The Department has an ongoing interest in the potential impacts of climate change and is beginning work on adapting management of public conservation lands to recognise how ecosystems, species and recreational opportunities might be affected in the future.

The Department is also increasingly working in partnership with business to promote the sustainability message, and the importance of conservation to the future of New Zealand's social, economic and environmental wellbeing.

Statement of Service Performance, 2006–2007: Policy Advice and Services

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY[31]
POLICY ADVICE	
Policy advice will be provided in accordance with the work programme and to the quality standards agreed with Ministers.	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 advice provided met the Minister's requirements. This year's primary focus has been on freshwater and coastal policy, tenure review, climate change and sustainability.
BIOSECURITY – POLICY AND TECHNICAL ADVICE AND ADVOCACY	
Policy and technical advice and advocacy will be provided in accordance with the work programme and to the quality standards agreed with Ministers.	Policy and technical advice and advocacy was provided in accordance with the work programme and to the quality standards agreed with Ministers
MINISTERIAL SERVICES	
The number of draft replies to ministerial correspondence is estimated to be in the range of 2,000 to 2,500.	1,203 draft replies to ministerial correspondence were prepared. The level of correspondence received is not within the Department's control.
The number returned for redrafting will not exceed 10%.	Only four of the draft replies were returned by the Minister for redrafting (fewer than 1%).
75% will be completed within the timeframes for reply.	99% of replies to ministerial correspondence were completed within the specified time.
It is expected that the Department will send 350–400 submissions to the Minister.	338 submissions were sent to the Minister.
It is expected that the Department will receive 60–70 ministerial Official Information Act requests.	71 ministerial Official Information Act requests were received.
It is expected that the Department will receive 350–400 requests for information with 100% meeting the ministerial deadline.	456 requests for information were received. 452 (99%) met the Minister's deadline.
It is expected that the Department will receive 300–350 Parliamentary Questions with 100% meeting the ministerial deadline.	261 written Parliamentary Questions were received and answered within the ministerial deadline (100%).

[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. This is generally within plus or minus 5% of the projected performance target.

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY
Satisfaction of the Minister with the services provided will be assessed by annual survey.	The Minister expressed satisfaction with the services provided by the Department.
STATUTORY BODIES	
Satisfaction of New Zealand Conservation Authority with the services provided by the Department will be assessed at year end.	Satisfaction of New Zealand Conservation Authority (NZCA) with the services provided by the Department for both 2005–2006 and 2006–2007 years was assessed at year end. The NZCA indicated it was generally very satisfied with the servicing it received from the Department in both years.

OUTPUT CLASS OPERATING STATEMENT, 2006–2007: POLICY ADVICE AND SERVICES

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUALS $000
Revenue				
– Crown	5,562	6,873	5,562	8,121
– Other	55	14	64	2
Total Revenue	5,617	6,887	5,626	8,123
Expenses	4,676	6,887	5,626	6,700
Surplus/ (deficit)	**941**	**0**	**0**	**1,423**

Statement of Service Performance, 2006–2007: Biosecurity

2006–2007 PERFORMANCE MEASURES AND TARGETS	NATIONAL COMMENTARY[32]
BIOSECURITY - CROWN PEST/WEED EXACERBATOR COSTS	
Programmes of Crown exacerbator weed and pest control completed as agreed for the 17 regional pest management strategies.	Programmes of Crown exacerbator weed and pest control were completed as agreed for 16 of the 17 Regional Pest Management Strategies. One council was only marginally funded for work during 2006–2007, due to the bulk of national funding being committed to other regions.

OUTPUT CLASS OPERATING STATEMENT, 2006–2007:
CROWN REGIONAL PEST MANAGEMENT STRATEGY CONTRIBUTION

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUALS $000
Revenue				
– Crown	2,079	2,057	2,079	0
– Other	0	0	0	0
Total Revenue	2,079	2,057	2,079	0
Expenses	2,013	2,057	2,079	0
Surplus/ (deficit)	**66**	**0**	**0**	**0**

[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.

Everybody benefits

Huge skylights flood Conservation House with natural light.
Architect/Designer: Architecture+
Photographer: Jaime Cobeldick – Trends Publishing International.

+ Economic
+ Social
+ Cultural
+ Environmental

Financial Statements

Conservation House (Whare Kaupapa Atawhai) in downtown Wellington, one of New Zealand's most environmentally friendly buildings, reflects the Department's responsibility for protecting the country's natural environment.

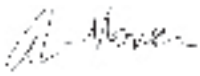
Photographer: Jenn McEwan.

Statement of Reponsibility

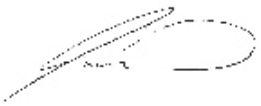
In terms of sections 35 and 37 of the Public Finance Act 1989, I am responsible, as Director-General of the Department of Conservation, for the preparation of the Department's financial statements and the judgements made in the process of producing those statements.

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 2007.



Alastair Morrison
DIRECTOR-GENERAL
28 September 2007



Countersigned by
Andrew Gavriel
CHIEF FINANCIAL OFFICER
28 September 2007

Audit Report

To the readers of the Department of Conservation's financial statements and performance information for the year ended 30 June 2007.

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 2007.

UNQUALIFIED OPINION

In our opinion:

- The financial statements of the Department on pages 143 to 167:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
  - the Department's financial position as at 30 June 2007; and
  - the results of its operations and cash flows for the year ended on that date.
- The statements of service performance of the Department on pages 71 to 76, 77, 97 to 100, 111 to 115, 134 to 135, 136:
  - 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 168 to 177 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 2007.

The audit was completed on 28 September 2007, and is the date at which our opinion is expressed.

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

BASIS OF OPINION

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

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

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

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

Audit procedures generally include:

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

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

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

RESPONSIBILITIES OF THE DIRECTOR-GENERAL AND THE AUDITOR

The Director-General is responsible for preparing financial statements and a statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Department as at 30 June 2007 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 2007. 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 New Zealand Institute of Chartered Accountants.

We may deal with the Department on normal terms within the ordinary course of its activities. This matter has not impaired our independence as auditor of the Department. We have no other relationship with or interests in the Department.

Andrew Dinsdale

KPMG

On behalf of the Auditor-General, Wellington, New Zealand

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 2007 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 28 September 2007 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 2007

REPORTING ENTITY

The Department of Conservation is a Government Department as defined by section 2 of the Public Finance Act 1989. These are the financial statements of the Department of Conservation prepared pursuant to section 35 of the Public Finance Act 1989.

In addition, the Department has reported the trust monies which it administers.

MEASUREMENT BASE

The statements have been prepared on a historical cost basis, modified by the revaluation of certain fixed assets.

ACCOUNTING POLICIES

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied.

BUDGET FIGURES

The budget figures are those presented in the Budget Estimates of Appropriation 2006/07 (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

REVENUE

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

COST ALLOCATION

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

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

Direct costs assigned to outputs

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

For the year ended 30 June 2007, direct costs accounted for 62% of the Department's costs (2006: 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 2007, indirect costs accounted for 38% of the Department's costs (2006: 38%).

RECEIVABLES

Receivables are recorded at estimated realisable value, after providing for doubtful and uncollectable debts.

INVENTORIES

Inventories are valued at the lower of cost or net realisable value on a first-in-first-out basis. Standard costs that include production overheads are used for valuing nursery stocks.

LEASES

The Department leases vehicles, office premises and office equipment. As all the risks and benefits of ownership are retained by the lessor, these leases are classified as operating leases and are expensed in the period in which the costs are incurred.

FIXED ASSETS

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

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

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

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

DEPRECIATION

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

THE USEFUL LIVES OF ASSETS HAVE BEEN ESTIMATED AS FOLLOWS:

ASSET	ESTIMATED USEFUL LIFE
VISITOR ASSETS	
Amenity areas	10-25 years
Signs	5-10 years
Tracks	6-25 years
Roads (surface only)	10-22 years
Campsites	10-20 years
Toilets	20-50 years
Structures	25-50 years
Other buildings	35-50 years
OTHER FIXED ASSETS	
Administrative Buildings	
Buildings	20-40 years
Plant, Field and Radio Equipment	
Plant and field equipment	10 years
Radio equipment	5-10 years
Furniture, Computers, Other Office Equipment	
Furniture, computers, other office equipment	5 years
Motor Vehicles	
Vehicles	6 years and 8 months with a 30% salvage value
Vessels	
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
Intangible assets	
Intangible assets	5-10 years

In accordance with FRS-3 Property Plant and Equipment the useful lives of Property, Plant and Equipment are assessed annually to determine whether they are appropriate and the depreciation charge adjusted accordingly. In some circumstances, and particularly for re-valued assets, this may lead to instances where the estimated useful lives vary, but not materially, from the standard policy presented above.

COMMUNITY ASSETS

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

STATEMENT OF CASH FLOWS

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

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

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

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

GOODS AND SERVICES TAX (GST)

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

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

TAXATION

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

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

DONATION RECEIPTS

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

- Donations which are received without a specific purpose are recognised as revenue in the period of receipt.
- Donations received for specific purposes where a written agreement specifies the purpose for which the funds must be used are matched against related expenditure when it has been incurred. Where the expenditure has not been incurred the unspent balance is treated as revenue in advance.
- Donations received for specified purposes under section 33 of the Conservation Act 1987, section 18 of the Walkways Act 1990 or section 78(3) of the Reserves Act 1977 are held in trust accounts established by section 67 of the Public Finance Act 1989. If the Department incurs expenditure in relation to achieving these specific purposes, the funds are transferred to the Department as revenue when the expenditure is incurred.

TAXPAYERS' FUNDS

This is the Crown's net investment in the Department.

EMPLOYEE ENTITLEMENTS

Provision is made in respect of the Department's liability for annual, long service and retirement leave and time-off-in-lieu. Annual leave and time-off-in-lieu are recognised as they accrue to the employee. Retirement and long service leave provisions have been calculated on an actuarial basis based on the present value of expected future entitlements.

FINANCIAL INSTRUMENTS

The Department is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, accounts payable, and receivables.

All revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are recognised in the Statement of Financial Position at their estimated fair value.

COMMITMENTS

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

CONTINGENT LIABILITIES

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

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies since the date of the last audited financial statements.

All policies have been applied on a basis consistent with the previous year.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

	NOTES	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUAL $000
REVENUE					
Crown		251,174	248,342	251,175	237,180
Other	2	28,973	26,893	29,693	31,649
Total Revenue		**280,147**	**275,235**	**280,868**	**268,829**
EXPENSES					
Personnel	3	121,679	108,429	124,792	108,056
Operating	4	101,021	111,112	107,465	93,808
Depreciation	5	18,759	28,550	20,930	23,347
Capital charge	6	29,460	29,144	29,459	29,274
Loss on sale of fixed assets		2,259	0	2,000	2,016
Total Expenses		**273,178**	**277,235**	**284,646**	**256,501**
Net surplus/ (deficit) for the year	**7**	**6,969**	**(2,000)**	**(3,778)**	**12,328**

STATEMENT OF MOVEMENTS IN TAXPAYERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2007

	NOTES	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUAL $000
Total taxpayers' funds at beginning of year		**387,412**	**380,634**	**387,412**	**373,745**
Net surplus/ (deficit)		6,969	(2,000)	(3,778)	12,328
Revaluation of assets		28,401	0	2	1,733
Total recognised revenues and expenses for the year		**35,370**	**(2,000)**	**(3,776)**	**14,061**
Distributions to Crown					
Repayment to Crown		(165)	0	0	(312)
Provision for payment of surplus	7	(6,332)	0	0	(6,264)
Contributions from Crown					
Asset transfers		0	2,000	2,000	0
Capital contribution	8	7,274	7,274	7,274	6,182
Total taxpayers' funds at end of year		**423,559**	**387,908**	**392,910**	**387,412**

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 2007

	NOTES	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUAL $000
CURRENT ASSETS					
Cash and bank balances	9	25,306	20,983	19,823	22,000
Prepayments		1,270	1,586	244	248
Inventories	10	1,184	1,441	1,342	1,340
Receivables	11	2,916	5,120	3,996	3,386
Debtor Crown	12	52,765	54,334	52,765	54,912
Total current assets		**83,441**	**83,464**	**78,170**	**81,886**
NON-CURRENT ASSETS					
Fixed assets					
Visitor assets	13	265,665	245,993	273,149	256,061
Other fixed assets	14	120,604	95,956	83,947	91,235
Total non-current assets		**386,269**	**341,949**	**357,096**	**347,296**
Total assets		**469,710**	**425,413**	**435,266**	**429,182**
CURRENT LIABILITIES					
Creditors and payables	15	16,029	18,611	22,611	13,803
GST payable		741	(578)	(457)	1,073
Provision for employee entitlements	16	10,184	7,264	7,284	7,926
Other provisions	17	731	779	779	565
Provision for payment of surplus	7	6,332	0	0	6,264
Revenue in advance		2,235	1,901	2,049	2,049
Total current liabilities		**36,252**	**27,977**	**32,266**	**31,680**
NON-CURRENT LIABILITIES					
Provision for employee entitlements	18	9,899	9,528	10,090	10,090
Total non-current liabilities		**9,899**	**9,528**	**10,090**	**10,090**
Total liabilities		**46,151**	**37,505**	**42,356**	**41,770**
TAXPAYERS' FUNDS					
General funds		310,142	306,217	307,165	301,669
Revaluation reserve	19	113,417	81,691	85,745	85,743
Total taxpayers' funds		**423,559**	**387,908**	**392,910**	**387,412**
Total liabilities and taxpayers' funds		**469,710**	**425,413**	**435,266**	**429,182**

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 2007

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUAL $000
CASH FLOWS – OPERATING ACTIVITIES				
Cash was provided from:				
Supply of outputs to				
– Crown	253,320	248,764	253,322	229,467
– Customers	28,184	26,701	29,083	25,960
	281,504	**275,465**	**282,405**	**255,427**
Cash disbursed to:				
Produce outputs				
– personnel	119,612	108,429	125,434	107,166
– operating	99,553	110,971	99,971	93,019
– capital charge	29,460	29,144	29,459	29,274
	248,625	**248,544**	**254,864**	**229,459**
Net cash inflow from operating activities	**32,879**	**26,921**	**27,541**	**25,968**
CASH FLOWS – INVESTING ACTIVITIES				
Cash provided from:				
Sale of fixed assets	814	0	0	679
Cash disbursed to:				
Purchase of fixed assets	31,232	26,898	30,728	20,321
Net cash outflow from investing activities	**(30,418)**	**(26,898)**	**(30,728)**	**(19,642)**
CASH FLOWS – FINANCING ACTIVITIES				
Cash provided from:				
Capital contributions	7,274	7,274	7,274	6,182
Cash disbursed to:				
Capital withdrawal	165	0	0	312
Payment of Surplus to Crown	6,264	0	6,264	5,193
	6,429	**0**	**6,264**	**5,505**
Net cash inflow/(outflow) from financing activities	**845**	**7,274**	**1,010**	**677**
Net increase/(decrease) in cash held	**3,306**	**7,297**	**(2,177)**	**7,003**
Add opening cash and bank balances	22,000	13,686	22,000	14,997
Closing cash and bank balances	**25,306**	**20,983**	**19,823**	**22,000**

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 2007

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUAL $000
Net surplus/(deficit)	**6,969**	**(2,000)**	**(3,778)**	**12,328**
ADD/(LESS) NON-CASH ITEMS:				
Depreciation	18,759	28,550	20,930	23,347
Bad debts	6	0	0	3
Asset and other write-offs	267	0	0	4
Donated Assets	(1,445)	0	0	(7,259)
Total non-cash items	**17,587**	**28,550**	**20,930**	**16,095**
MOVEMENTS IN WORKING CAPITAL				
Prepayments (increase)/decrease	(1,022)	0	4	1,338
Inventories (increase)/decrease	156	0	(2)	102
Receivables (increase)/decrease	657	(192)	(610)	1,570
Debtor Crown (increase)/decrease	2,146	422	2,147	(7,713)
Creditors and payables increase/(decrease)	2,226	1,607	8,808	(1,062)
GST payable increase/(decrease)	(332)	(1,475)	(1,530)	478
Prov. for employee entitlements increase/(decrease)	2,067	0	(642)	890
Other provisions increase/(decrease)	166	9	214	(74)
Other liabilities increase/(decrease)	0	0	0	0
Net movement in working capital	**6,064**	**371**	**8,389**	**(4,471)**
ADD/(LESS) INVESTING ACTIVITY ITEMS				
Net loss on sale of fixed assets	2,259	0	2,000	2,016
Total investing activities	**2,259**	**0**	**2,000**	**2,016**
Net cash inflow from operating activities	**32,879**	**26,921**	**27,541**	**25,968**

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 2007

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
COMMITMENTS BY CATEGORY		
Capital commitments		
Land and buildings	1,947	1,157
Other plant and equipment	2,811	543
Infrastructural assets	1,477	1,088
Total capital commitments	**6,235**	**2,788**
Operating commitments		
Non-cancellable accommodation leases	42,268	43,641
Other non-cancellable leases	802	862
Other commitments	2,685	4,590
Total operating commitments	**45,755**	**49,093**
Total commitments	**51,990**	**51,881**
COMMITMENTS BY TERM		
less than one year	13,574	9,975
one to two years	6,022	7,315
two to five years	12,820	12,783
greater than five years	19,574	21,808
Total commitments	**51,990**	**51,881**

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 $0.6 million as at 30 June 2007 (2006: $1.5 million).

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

STATEMENT OF CONTINGENT LIABILITIES AS AT 30 JUNE 2007

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Public liability claims	27,653	43,434
Total contingent liabilities	**27,653**	**43,434**

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:

	30/06/07 MAXIMUM EXPOSURE $000	30/06/06 MAXIMUM EXPOSURE $000
COURT AND TRIBUNAL PROCEEDINGS AND OTHER POTENTIAL CLAIMS		
45 proceedings and potential claims of which 23 are quantifiable. The remaining 22 claims cannot be quantified. The contingent liability for the 23 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	–
• Other quantifiable proceedings and potential claims	2,438	2,784
• Claim involving a dispute over esplanade reserve compensation.	–	13,800
• A contingent liability relates to the risk of lahar damage at Mount Ruapehu.	–	7,000
Total court and tribunal proceedings and other potential claims	**27,653**	**43,434**

* 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 2007.

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.

One indemnity was granted in 2006/07 for public access.

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

STATEMENT OF EXPENDITURE AND APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2007

	NOTE	30/06/07 EXPEND. ACTUAL $000	30/06/07 FINAL APPROPRIATION $000	30/06/07 UNDER/ (OVER) EXPEND. $000	30/06/06 EXPEND. ACTUAL $000
OUTPUT CLASSES					
Vote: Conservation					
Management of natural heritage		135,634	137,726	2,092	121,459
Management historic heritage		5,546	5,680	134	5,142
Management of recreational opportunities		111,014	115,262	4,248	109,087
Conservation with the community		13,487	14,495	1,008	12,891
Policy advice and Ministerial servicing		4,676	5,626	950	6,700
Recreational opportunities review		808	3,778	2,970	1,222
Crown Regional Pest Management Strategy Contribution		2,013	2,079	66	0
Total Output Appropriations		**273,178**	**284,646**	**11,468**	**256,501**
Capital contributions to the department					
Capital contribution	**8**	**7,274**	**7,274**	**0**	**6,182**

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

STATEMENT OF UNAPPROPRIATED EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

	30/06/07 UNAPPROPRIATED EXPENDITURE $000	30/06/06 UNAPPROPRIATED EXPENDITURE $000
VOTE: CONSERVATION		
Conservation with the Community	**0**	**238**

There was no unapproriated expenditure in 2006/07.

Unappropriated expenditure was made against output class Conservation with the Community in the 2005/06 year.

STATEMENT OF TRUST MONIES FOR THE YEAR ENDED 30 JUNE 2007

	AS AT 30/06/06 $000	CONTRIBUTIONS $000	DISTRIBUTIONS $000	NET REVENUE $000	AS AT 30/06/07 $000
Conservation Project Trust	1,101	852	(675)	50	1,328
Reserve Trust	0	0	0	0	0
NZ Walkway Trust	13	0	0	1	14
National Park Trust	46	59	(7)	2	100
Bonds/Deposits Trust	5,775	859	(631)	215	6,218
Total	**6,935**	**1,770**	**(1,313)**	**268**	**7,660**

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.

NOTE 1: MAJOR BUDGET VARIATIONS

SIGNIFICANT VARIANCES BETWEEN ACTUAL AND SUPPLEMENTARY ESTIMATES BUDGET

STATEMENT OF FINANCIAL PERFORMANCE

Personnel costs were 2.5% under budget due to lower salary costs than anticipated. The Department's operating costs were $6 million lower than budget due to weather-related and operational delays in project expenditure. Visitor asset depreciation was $2 million lower than budget as capital expenditure on visitor assets has been for longer-lasting assets with reduced depreciation expense.

STATEMENT OF FINANCIAL POSITION

The increase in the cash and bank balances compared to the Supplementary Estimates is largely related to the operating surplus for the year of $6.969 million being $10.747 million greater than forecast.

Creditors and payables reduced by $6.582 million to the $16.029 million as compared with the Supplementary Estimates due to variations in the timing of payments.

The provision for employee entitlements increased $2.900 million over the Supplementary Estimates, to $10.184 million due to the increase in the minimum staff annual leave entitlement from three weeks to four weeks.

The revaluation reserve increased by $27.672 million over the Supplementary Estimates mainly as a result of the upwards movement in the valuation of administrative buildings and visitor assets.

NOTE 2: REVENUE OTHER

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Recreational charges	9,193	9,496
Leases and rents	483	387
Retail sales	3,242	3,097
Resource sales	1,694	789
Donations – sponsorships	4,094	9,761
Other	10,267	8,119
Total revenue other	**28,973**	**31,649**

NOTE 3: PERSONNEL EXPENSES

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Salaries and wages	113,742	102,413
Long service and retiring leave	2,299	1,052
Superannuation subsidies	2,605	2,339
Recruitment	633	717
Uniforms	621	507
ACC levies	822	433
Other	957	595
Total personnel expenses	**121,679**	**108,056**

NOTE 4: OPERATING EXPENSES

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Professional fees & contractors	35,654	33,233
Fees paid to auditors:		
Audit of financial statements	261	223
Audit of NZ IFRS transition	30	0
Grants	1,000	856
Bad debts write-off	6	3
Other write-offs	267	4
Movement in provision for doubtful debts	(63)	176
Communications and computer expenses	9,282	9,452
Travel	5,855	6,356
Motor vehicle and vessel expenses	4,073	3,976
Accommodation	3,535	2,965
Office supplies	2,309	2,419
Field supplies	14,296	12,504
Lease expenses	15,360	13,301
Printing	2,135	1,867
Other	7,021	6,473
Total operating expenses	**101,021**	**93,808**

NOTE 5: DEPRECIATION

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Visitor assets	11,124	15,553
Administrative buildings	1,804	1,603
Plant, field and radio equipment	1,888	1,839
Furniture, computers, other office equip.	289	342
Motor vehicles	1,682	1,620
Vessels	474	448
Infrastructure	363	380
Intangibles	1,135	1,562
Total depreciation	**18,759**	**23,347**

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 2007 was 7.5 % (2006: 8.0%).

NOTE 7: PROVISION FOR PAYMENT OF SURPLUS

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Net surplus/ (deficit) for the year	6,969	12,328
Less: Donated assets	(1,445)	(7,286)
Plus: Other class deficits	808	1,222
Total provision for payment of surplus	**6,332**	**6,264**

NOTE 8: CAPITAL CONTRIBUTION

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Non-visitor assets	7,274	6,182
Total capital contribution	**7,274**	**6,182**

NOTE 9: CASH AND BANK BALANCES

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Cash at bank	25,236	21,929
Petty cash floats	70	71
Total cash and bank balances	**25,306**	**22,000**

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

NOTE 10: INVENTORIES

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Retail	261	296
Nursery	119	115
Fire control supplies	39	202
Wild animal control supplies	418	402
Publications	177	193
Park maps	170	132
Total inventories	**1,184**	**1,340**

NOTE 11: RECEIVABLES

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Accounts receivable	2,672	2,832
Less: Provision for doubtful debts	(216)	(271)
Net accounts receivable	2,456	2,561
Other receivables	460	825
Total receivables	**2,916**	**3,386**

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 $52.8 million in 2006/07 and will be progressively reduced until 2021/22 when the balance will be completely cleared to zero.

NOTE 13: VISITOR ASSETS

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Replacement cost at valuation at year end	548,900	546,840
Accumulated depreciation at year end	(288,619)	(293,262)
Net carrying value at year end	260,281	253,578
Items under construction at cost – visitor assets	5,384	2,483
Total carrying amount of visitor assets	**265,665**	**256,061**

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 2007) 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.

NOTE 14: OTHER FIXED ASSETS

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
FREEHOLD LAND		
At valuation	12,447	12,852
Land – net book value	**12,447**	**12,852**
ADMINISTRATIVE BUILDINGS		
At valuation	131,630	81,032
Accumulated depreciation	(75,437)	(45,535)
Buildings – net book value	**56,193**	**35,497**
PLANT, FIELD AND RADIO EQUIPMENT		
At cost	20,304	19,108
Accumulated depreciation	(10,041)	(9,674)
Plant, field and radio equipment – net book value	**10,263**	**9,434**
FURNITURE, COMPUTERS, OTHER OFFICE EQUIPMENT		
At cost	8,388	3,287
Accumulated depreciation	(1,963)	(2,601)
Furniture, computers, other office equipment – net book value	**6,425**	**686**
MOTOR VEHICLES		
At cost	19,533	18,517
Accumulated depreciation	(8,577)	(8,179)
Motor vehicles – net book value	**10,956**	**10,338**
VESSELS		
At valuation	8,302	8,540
Accumulated depreciation	(4,397)	(4,313)
Vessels – net book value	**3,905**	**4,227**
CULTURAL ASSETS		
At cost	30	30
Cultural assets – net book value	**30**	**30**
INFRASTRUCTURE ASSETS		
At cost or valuation	22,198	21,967
Accumulated depreciation	(10,814)	(10,451)
Infrastructure assets – net book value	**11,384**	**11,516**

NOTE 14: OTHER FIXED ASSETS (CONTINUED)

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
INTANGIBLE ASSETS		
At cost	7,482	4,916
Accumulated depreciation	(4,741)	(2,954)
Intangible assets – net book value	**2,741**	**1,962**
ITEMS UNDER CONSTRUCTION		
Buildings	2,252	1,222
Plant, field and radio equipment	90	304
Infrastructure	2,494	610
Furniture, computers, other office equipment	73	635
Motor vehicles	0	388
Vessels	132	86
Intangibles	1,219	1,448
Items under construction – net book value	**6,260**	**4,693**
TOTAL OTHER FIXED ASSETS		
At cost and valuation	236,574	174,942
Accumulated depreciation	(115,970)	(83,707)
Total carrying amount of other fixed assets	**120,604**	**91,235**

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 2003 by valuersnet.nz Limited (registered independent valuers).

Mt Cook infrastructural assets were valued by Crighton Seed and Associates (registered independent valuers) as at October 2002 and this valuation was incorporated into the financial statements as at 30 June 2002.

Infrastructural assets at Whakapapa were valued as at 31 July 2003 and the valuation was included in the financial statements for the year ended 30 June 2003. These assets were valued by Becca Valuations Ltd (registered independent valuers).

Other infrastructural assets and marine vessels were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2003.

NOTE 15: CREDITORS AND PAYABLES

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Trade creditors	13,015	9,757
Other payables	3,014	4,046
Total creditors and payables	**16,029**	**13,803**

NOTE 16: PROVISIONS FOR EMPLOYEE ENTITLEMENTS (CURRENT)

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Accrued salaries and wages	749	644
Current portion of long service & retiring leave (as per note 18)	1,069	1,061
Accrued annual leave, time-off-in-lieu, and vested long service leave	8,366	6,221
Total provisions for employee entitlements (current)	**10,184**	**7,926**

NOTE 17: OTHER PROVISIONS

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Opening balance	565	639
Provision utilised or reversed during the year	(50)	(124)
Provision made during the year	216	50
Closing balance	**731**	**565**

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

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

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

There are various affected or contaminated sites, not listed above, for which the Department has not provided due to either: the nature of the issues, their 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: PROVISIONS FOR EMPLOYEE ENTITLEMENTS (NON-CURRENT)

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Retiring leave	9,815	10,137
Long service leave	1,153	1,014
	10,968	**11,151**
Less: Current portion of long service & retiring leave	1,069	1,061
Total provisions for employee entitlements (non current)	**9,899**	**10,090**

NOTE 19: REVALUATION RESERVE

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
VISITOR ASSETS		
Balance brought forward	54,799	60,779
Revaluation of assets	7,522	(4,944)
Revaluation gain/(loss) realised on disposal	(263)	(1,036)
Closing balance	**62,058**	**54,799**
FREEHOLD LAND		
Balance brought forward	11,769	4,833
Revaluation of assets	0	6,933
Revaluation gain/(loss) realised on disposal	(397)	3
Closing balance	**11,372**	**11,769**
ADMINISTRATIVE BUILDINGS		
Balance brought forward	17,045	17,968
Revaluation of assets	21,239	(256)
Revaluation gain/(loss) realised on disposal	(418)	(667)
Closing balance	**37,866**	**17,045**
VESSELS		
Balance brought forward	522	522
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	0	0
Closing balance	**522**	**522**
OFFICE EQUIPMENT		
Balance brought forward	177	177
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	0	0
Closing balance	**177**	**177**

NOTE 19: REVALUATION RESERVE (CONTINUED)

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
INFRASTRUCTURE		
Balance brought forward	853	1,126
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	0	(273)
Closing balance	**853**	**853**
RADIO EQUIPMENT		
Balance brought forward	551	552
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	(9)	(1)
Closing balance	**542**	**551**
FIELD EQUIPMENT		
Balance brought forward	27	27
Revaluation of assets	0	0
Revaluation gain/(loss) realised on disposal	0	0
Closing balance	**27**	**27**
Total revaluation reserve	**113,417**	**85,743**

Realised gains and losses on revaluation reflect the amount transferred from the revaluation reserve to general funds upon sale or disposal of an asset.

NOTE 20: FINANCIAL INSTRUMENTS

The Department is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, accounts payable, and accounts receivable.

CREDIT RISK

In the normal course of its business, the Department incurs credit risk from trade debtors, transactions with Westpac New Zealand Limited and the New Zealand Debt Management Office (NZDMO).

The Department does not require any collateral or security to support financial instruments with financial institutions that the Department deals with, or with NZDMO, as these entities have high credit ratings. For its other financial instruments, the Department does not have significant concentrations of risk.

FAIR VALUE

The fair value of the Department's financial assets and liabilities is equivalent to the net carrying value shown on the Statement of Financial Position.

CURRENCY AND INTEREST RATE RISK

The Department has no exposure to currency or interest rate risk.

NOTE 21: RELATED PARTY INFORMATION

The Department is a wholly owned entity of the Crown. The Government significantly influences the roles of the Department as well as being its major source of revenue.

The Department enters into numerous transactions with other government departments, Crown agencies and State-owned enterprises on an arm's-length basis. These transactions are not considered to be related party transactions.

Apart from those transactions described above, the Department has not entered into any related party transactions.

NOTE 22: POST BALANCE DATE EVENTS

No significant events which may impact on the actual results have occurred between year-end and the signing of these financial statements (2006: none).

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

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

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

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

The Department established a project team to plan for the transition to NZ IFRS and identify the impacts of transition. An initial high level overview and then detailed analysis has been undertaken. The Department has identified a number of accounting policies which will change to become NZ IFRS compliant including employee benefit provisions; property, plant and equipment and financial instruments. There were no material impacts as a result of these changes.

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

Non-Departmental Schedules Statement of Accounting Policies

For the year ended 30 June 2007

MEASUREMENT BASE

Measurement and recognition rules applied in the preparation of these non-departmental schedules are consistent with generally accepted accounting practice and Crown accounting policies.

These non-departmental balances are consolidated into the Crown Financial Statements and therefore readers of these statements and schedules should also refer to the Crown Financial Statements for the year ended 30 June 2007. The information included with the Crown financial statements includes disclosures relating to the public Foreshore and Seabed.

ACCOUNTING POLICIES

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied.

BUDGET FIGURES

The Budget figures are those presented in the Budget Estimates of Appropriation (Main Estimates) and those amended by the Supplementary Estimates (Supp. Estimates).

REVENUE

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

GOODS AND SERVICES TAX (GST)

All schedules are exclusive of GST except for receivables and payables which are GST inclusive.

RECEIVABLES AND ADVANCES

Receivables are recorded at estimated realisable value after providing where necessary for doubtful and uncollectable debts.

FIXED ASSETS

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 2007 to ensure that these values comply with Financial Reporting Standard (FRS-3 Property, Plant and Equipment). Land is revalued at least every five years.

Historic buildings used for rental activities were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2007. These buildings were valued at market value based on the highest and best use. Historic buildings are revalued at least every five years.

Infrastructural assets relate to fencing and were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2005. These assets are stated at fair value using optimised depreciation replacement cost. Infrastructural assets are revalued at least every five years.

Cultural assets over $100,000 were valued by valuersnet.nz Limited (registered independent valuers) as at 30 June 2006 at fair value. These assets are not depreciated and are valued at least every five years.

DEPRECIATION

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

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

COMMITMENTS

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

CONTINGENT LIABILITIES

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

SCHEDULE OF NON-DEPARTMENTAL REVENUE FOR THE YEAR ENDED 30 JUNE 2007

	NOTES	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUAL $000
REVENUE					
Concessions, leases and licences	1	14,718	10,564	10,564	12,916
Other operational revenue		1,922	1,940	1,940	1,835
Capital receipts		1,596	800	1,800	1,829
Total Non-Departmental Revenue and Receipts		**18,236**	**13,304**	**14,304**	**16,580**

Non-departmental revenues are administered by the Department of Conservation on behalf of the Crown. As these revenues are not established by the Department nor earned in the production of the Department's outputs, they are not reported in the departmental financial statements.

SCHEDULE OF NON-DEPARTMENTAL EXPENSES FOR THE YEAR ENDED 30 JUNE 2007

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUAL $000
VOTE: CONSERVATION				
Non-Departmental output classes	17,038	20,427	44,318	18,424
Appropriated expenses incurred by the Crown	8,994	13,316	16,999	13,182
Revaluation of Infrastructural assets	(4,797)	0	0	(2,527)
GST input on appropriations	1,807	3,291	5,110	2,186
(Gain)/loss on sale of fixed assets	0	0	0	0
Total Non-Departmental expenses	**23,042**	**37,034**	**66,427**	**31,265**
OTHER APPROPRIATIONS – MULTI-YEAR APPROPRIATIONS				
World Heritage Committee hosting*	2,247	0	4,048	0
Total Non-Departmental expenses including multi-year appropriation	**25,289**	**37,034**	**70,475**	**31,265**

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 supplementary estimate figure for the multi-year appropriation is for 2006/07 and 2007/08 years.

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 APPROPRIATIONS FOR THE YEAR ENDED 30 JUNE 2007

	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/07 UNDER/ (OVER) EXPEND. $000	30/06/06 ACTUAL $000
VOTE: CONSERVATION APPROPRIATION FOR NON-DEPARTMENTAL OUTPUT CLASSES					
Identification and implementation of protection for natural and historic resources	11,568	13,283	33,018	21,450	13,152
Management services for natural and historic places	2,138	2,283	2,346	208	1,368
Moutoa Gardens	22	22	23	1	22
NZ biodiversity advice & condition funds	2,588	3,609	8,208	5,620	2,958
Steward Island Infrastructure	722	1,230	723	1	924
Sub-total output classes	**17,038**	**20,427**	**44,318**	**27,280**	**18,424**
APPROPRIATION FOR OTHER EXPENSES TO BE INCURRED BY THE CROWN					
Esplanade reserve compensation	0	1,900	200	200	24
Lake Taupo access fee	709	764	764	55	762
Matauranga Maori fund	664	554	1,235	571	616
Subscriptions to international organisations	174	305	305	131	219
Purchase and development of reserves	803	800	5,761	4,958	1,655
Payment of rates on properties for concessionaires	499	1,689	1,560	1,061	668
Waikaremoana lakebed lease	124	124	124	0	124
Vested coastal marine areas	0	30	30	30	0
Contribution to Whareroa Farm Purchase	44	0	170	126	4,330
World Heritage Committee Hosting	0	2,000	0	0	110
Redress – Foreshore and Seabed Act 2004	878	0	1,500	622	0
Depreciation	5,098	5,050	5,250	152	4,901
Bad and doubtful debts	1	100	100	100	(227)
Sub-total other expenses	**8,994**	**13,316**	**16,999**	**8,004**	**13,182**
Other expenses not requiring appropriation	(2,990)	3,291	5,110	8,100	(341)
Total Non-Departmental Expenditure and Appropriations	**23,042**	**37,034**	**66,427**	**43,385**	**31,265**
OTHER APPROPRIATIONS – MULTI-YEAR APPROPRIATIONS					
World Heritage Committee hosting*	2,247	0	4,048	1,801	0
Total Non-Departmental expenses including multi-year appropriation	**25,289**	**37,034**	**70,475**	**45,186**	**31,265**

The Schedule of Expenditure and Appropriations details expenditure and capital payments incurred against appropriations. The Department administers these appropriations on behalf of the Crown. Other expenses not requiring appropriation include revaluation of infrastructural assets, GST input tax and gain/loss on sale of fixed assets.

* The supplementary estimate figure for the multi-year appropriation is for 2006/07 and 2007/08 years.

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

SCHEDULE OF NON-DEPARTMENTAL MULTI-YEAR APPROPRIATION FOR THE YEAR ENDED 30 JUNE 2007

	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	2,247	2,247	0	4,048	1,801	0

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 2006/07 and 2007/08. The life to date actual is the same as the current year actual as this is the first year of the appropriation. The remaining balance of the appropriation as at 30 June 2007 was $1.801 million and is expected to be incurred in the 2007/08 year.

SCHEDULE OF NON-DEPARTMENTAL UNAPPROPRIATED EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

	30/06/07 UNAPPROPRIATED EXPENDITURE $000	30/06/06 UNAPPROPRIATED EXPENDITURE $000
VOTE: CONSERVATION APPROPRIATION FOR NON-DEPARTMENTAL OUTPUT CLASSES		
Management services for natural and historic places	0	0
Total non-departmental expenditure	**0**	**0**

There has been no unappropriated expenditure this year (2006: Nil).

SCHEDULE OF NON-DEPARTMENTAL ASSETS AS AT 30 JUNE 2007

	NOTES	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUAL $000
CURRENT ASSETS					
Cash and bank balance		57,906	37,838	58,616	62,437
Receivables and advances	2	2,207	5,131	2,378	2,616
Total current assets		**60,113**	**42,969**	**60,994**	**65,053**
NON CURRENT ASSETS					
Receivables and advances		0	0	0	0
Physical assets	3	4,790,762	3,076,226	4,062,296	4,071,707
Total non current assets		**4,790,762**	**3,076,226**	**4,062,296**	**4,071,707**
Total non-departmental assets		**4,850,875**	**3,119,195**	**4,123,290**	**4,136,760**

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

SCHEDULE OF NON-DEPARTMENTAL LIABILITIES AS AT 30 JUNE 2007

	NOTES	30/06/07 ACTUAL $000	30/06/07 MAIN ESTIMATES $000	30/06/07 SUPP. ESTIMATES $000	30/06/06 ACTUAL $000
CURRENT LIABILITIES					
Payables	4	3,436	1,784	1,910	1,933
Provisions	5	3,369	2,846	2,846	3,036
Total current liabilities		**6,805**	**4,630**	**4,756**	**4,969**
Total non-departmental liabilities		**6,805**	**4,630**	**4,756**	**4,969**

SCHEDULE OF NON-DEPARTMENTAL COMMITMENTS AS AT 30 JUNE 2007

	NOTES	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
CAPITAL COMMITMENTS			
Land and buildings		0	0
Other capital commitments	6	22,972	20,076
Total commitments		**22,972**	**20,076**
TERM CLASSIFICATION OF COMMITMENTS			
Capital: Less than one year		22,972	20,076
Total commitments		**22,972**	**20,076**

SCHEDULE OF NON-DEPARTMENTAL CONTINGENT LIABILITIES AS AT 30 JUNE 2007

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Quantifiable contingent liabilities	8,972	0
Total contingent liabilities	**8,972**	**0**

There were 17 claims against the Crown, 15 of which are not currently quantifiable. Seven of these claims are for customary rights orders under the Foreshore and Seabed Act 2004. The remaining 8 claims vary in nature.

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

NOTES TO THE SCHEDULES FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: CONCESSIONS, LEASES AND LICENCES

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Guiding	2,553	3,003
Telecommunications	1,358	1,663
Grazing	1,459	1,299
Tourism occupations	1,834	1,384
Ski areas	1,218	1,203
Sporting and special events	34	48
Aircraft landings	1,060	987
Residential/Recreational	717	731
Other occupations	599	747
Vehicle transport	176	186
Boating	374	445
Filming	416	179
Easements	244	176
Extractions fees	59	49
Miscellaneous	2,133	318
Recovery of rates	484	498
Total concessions, leases and licences	**14,718**	**12,916**

NOTE 2: RECEIVABLES AND ADVANCES

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Receivables	1,832	2,190
Less : Provision for doubtful debts	(414)	(564)
Net accounts receivable	1,418	1,626
Accrued revenue	789	716
Other receivables	0	274
Total receivables and advances	**2,207**	**2,616**

NOTE 3: PHYSICAL ASSETS

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
LAND		
At valuation	4,667,304	3,963,102
Land – net current value	**4,667,304**	**3,963,102**
HISTORIC BUILDINGS		
At valuation	55,660	49,661
Accumulated depreciation	(24,771)	(21,454)
Buildings – net current value	**30,889**	**28,207**
INFRASTRUCTURE ASSETS		
At valuation	196,221	176,525
Accumulated depreciation	(109,002)	(101,477)
Infrastructure assets – net current value	**87,219**	**75,048**
CULTURAL ASSETS		
At valuation	5,350	5,350
Cultural assets – net current value	**5,350**	**5,350**
Total physical assets		
At valuation	4,924,535	4,194,638
Accumulated depreciation	(133,773)	(122,931)
Total carrying amount of physical assets	**4,790,762**	**4,071,707**

The Department manages a significant portfolio of fencing assets (infrastructural assets) on behalf of the Crown. The vast majority of the fencing is for boundary purposes. Fencing on land managed by 47 out of 51 Area Offices was sampled and valued by Department of Conservation staff, with the valuation methodology reviewed by an independent valuer. This was extrapolated by Department of Conservation staff to provide a national value.

The use and disposal of Crown land managed by the Department is determined by legislation. The main acts are the Reserves Act 1977, the Conservation Act 1987 and the National Parks Act 1980. These acts impose restrictions on the disposal of surplus areas and the use of reserves, conservation areas and national parks.

Crown land is not subject to mortgages or other charges nor are they subject to conditions regarding Treaty of Waitangi claims. Specific areas may however be included in the Treaty settlements if the Crown decides to offer those areas to claimants.

NOTE 4: PAYABLES

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Payables	2,978	1,448
Revenue in advance	458	485
Total payables and advances	**3,436**	**1,933**

NOTE 5: PROVISIONS

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Opening balance	3,036	3,539
Provision utilised or reversed during the year	(430)	(503)
	2,606	3,036
Provision made during the year	763	0
Closing balance	**3,369**	**3,036**

The provisions include environmental, contaminated sites and Designations.

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

- The trailings 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.
- There is a requirement by the Crown to repair damage to waterways and surrounding environment from toxic discharge in the Kaimai Range area. The repair is expected to take 5 years.
- Removal, disposal and replacement where necessary of all asbestos products on the reserves situated at Godley Head.

There is also a provision made for a potential liability relating to two Designations placed on private land to protect the two properties from commercial development. There is a potential liability that the Crown may need to purchase the properties in future from the current owners.

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

NOTE 6: OTHER CAPITAL COMMITMENTS

	30/06/07 ACTUAL $000	30/06/06 ACTUAL $000
Nature Heritage Fund	7,847	6,866
Nga Whenua Rahui	4,684	3,770
SILNA	10,441	9,440
Total other capital commitments	**22,972**	**20,076**

The commitments represent the carried forward appropriations as at 30 June 2007 for capital expenditure and land acquisition funds.

NOTE 7: POST BALANCE DATE EVENTS

No significant events which may impact on the actual results have occurred between year-end and the signing of these financial statements (2006: none).

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

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

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

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

The Department established a project team to plan for the transition to NZ IFRS and identify the impacts of transition. An initial high level overview and then detailed analysis has been undertaken. There were no material changes required.

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

Additional Financial Information

SUMMARY OF OUTPUT CLASS EXPENDITURE BY OUTPUT FOR THE YEAR ENDED 30 JUNE 2007

	30/06/07 ACTUAL $000
VOTE: CONSERVATION	
Management of Natural Heritage	
Fire Control	10,256
Conservation Services Programme	1,899
Natural Heritage Restoration	6,014
Possum Control	14,963
Deer Control	1,734
Goat Control	6,944
Other Terrestrial Animal Pests	6,171
Other Aquatic Pests	1,132
Island Management and Restoration	4,621
Fencing (Stock Control)	1,241
Inventory and Monitoring	2,863
Weed Control	17,762
Legal Protection of Areas and Sites	15,249
RMA Advocacy and Coastal Planning	5,159
Species Conservation Programmes	35,204
Mainland Island Sites	2,629
CITES	611
Specific Pest and Disease Response	1,182
Crown Pest/Weeds Exacerbator Costs	0
Total Management Natural Heritage	**135,634**
Management of Historic Heritage	
Historic Heritage	5,546
Total Management of Historic Heritage	**5,546**

SUMMARY OF OUTPUT CLASS EXPENDITURE BY OUTPUT FOR THE YEAR ENDED 30 JUNE 2007

	30/06/07 ACTUAL $000
Management of Recreational Opportunities	
Huts	16,141
Booked Accommodation	970
Campsites	4,348
Tracks	37,389
Amenity Areas and Community Services	9,381
Roads and Carparks	8,808
Visitor Centres	10,216
Visitor Information	2,724
Recreation Concessions	5,319
Recreation Planning and Import Monitoring	9,457
Taupo Sports Fisheries	2,836
Non-Recreation Concessions	3,425
Total Management of Recreational Opportunities	**111,014**
Conservation with the Community	
Participation	8,142
Education and Communication	4,792
International Obligations	553
Total Conservation with the Community	**13,487**
Policy Advice and Ministerial Servicing	
Policy Advice	982
Ministerial Services	29
Management Planning	1,480
Statutory Bodies	2,156
Biosecurity Policy Advice	29
Total Policy Advice and Ministerial Servicing	**4,676**
Recreational Opportunities Review	
Recreational Opportunities Review	808
Total Recreational Opportunities Review	**808**
Crown Regional Pest Management Strategy	
Pests/Weeds Exacerbator Costs	2,013
Total Crown Regional Pest Management Strategy	**2,013**
Total Vote Conservation	**273,178**
Total Output Appropriations	**273,178**

EXPENDITURE BY CONSERVANCY FOR THE YEAR ENDED 30 JUNE 2007

	30/06/07 ACTUAL $000
CONSERVANCY	
Northland	13,661
Auckland	11,945
Waikato	12,115
Bay of Plenty	7,547
Tongariro/Taupo	10,720
East Coast/Hawke's Bay	10,706
Wanganui	9,581
Wellington	9,716
Nelson/Malborough	15,395
West Coast	16,173
Canterbury	17,476
Otago	14,043
Southland	16,802
Northern Regional Office	2,059
Southern Regional Office	1,636
Research, Development and Improvement (RD&I)	35,355
Head Office (excluding RD&I)	30,988
Recreational Opportunities Ownership Costs	36,452
Recreational Opportunities Review	808
Total Expenses per Statement of Financial Performance	**273,178**

PERFORMANCE OF RESERVE BOARDS AS AT 30 JUNE 2006

RESERVE BOARD	TYPE	REVENUE $	EXPENDITURE $	NET ASSETS $
NORTHLAND				
Oakura	Recreation	2,590	2,450	200,000
Waikiekie	Recreation	9,568	6,989	135,528
Ruakaka Central	Hall	11,105	8,564	167,000
Waipu Cove	Recreation	471,527	357,579	1,590,689
Ruakaka	Recreation	278,116	211,865	516,322
Whatitiri	Recreation	10,735	18,363	98,444
Taurikura	Hall	1,233	3,649	140,138
Coates Memorial Church	Local purpose	603	422	112,000
AUCKLAND				
Glorit*	Hall	7,953	7,112	5,348
BAY OF PLENTY				
Awakaponga	Hall	2,530	2,354	245,289
Matata	Recreation	29,244	26,911	54,411
Lake Rotoiti	Scenic	11,648	8,481	19,896
WANGANUI				
Papanui	Hall	+500	+2,500	+10,000
Poukiore	Recreation	+4,600	+3,400	+62,000
Tiriraukawa	Hall	2	368	+34,000
Moutoa Gardens	Historic	+32,000	+21,000	+235,000
WELLINGTON				
Ruawhata	Hall	110	40	4,190
Horowhenua	Recreation	3,038	1,060	38,483
Whitireia Park	Recreation	41,597	32,184	98,165
NELSON/MARLBOROUGH				
Homewood	Hall	280	2,732	78,429
Kaiteriteri	Recreation	3,821,659	3,362,875	4,183,737
WEST COAST				
Charleston	Hall	4,745	7,170	85,968
Millerton	Hall	440	1,110	38,077
Nelson Creek	Recreation	1,746	977	+32,000

Notes

The details above are dated to 30 June 2006 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 2007.

+ These figures are an estimate.

Everybody benefits

A critically endangered black stilt/kaki.
Photographer: Dave Hansford.

- Economic
- Social
- Cultural
- Environmental

Appendices

Twizel Area School children help release captive-bred black stilt/kaki. Once common throughout New Zealand, kaki are now restricted to braided rivers and wetlands in the Mackenzie Basin, South Canterbury.

Photograph: DOC.

Appendix A: Tracking Outcomes and Indicators

This appendix tracks the Department's progress in reporting on the primary and intermediate outcome indicators 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.

TABLE 1: TRACKING PROTECTION OUTCOMES AND INDICATORS

OUTCOME 1: PROTECTION INDICATORS	YEAR				
	AR 2005–2006	AR 2006–2007	AR 2007–2008	AR 2008–2009	AR 2009–2010
Outcome Indicator: Map change in vegetation cover across NZ as a whole by environment type and level of protection.	1st reported. Next report due 2008-2009.			2nd report due. Trend in percentage cover of native vegetation.	
Outcome Indicator: New Zealanders' views on condition of heritage.	1st reported. Benchmark set. Next report due 2007–2008.		2nd report due. Trend in New Zealanders' views on condition – whether improving, stable or declining, and whether protection has increased.		
Intermediate Outcome: Natural character					
Indicator: Change in indigenous vegetation cover on conservation land by environment type.	1st reported. Based on Land Cover Database. Baseline established.	Work begun to upgrade Land Cover Database.		Projected completion date for upgrade of Land Cover Database to support indicator.	
Indicator: Changes in size-class structure of selected indigenous dominants in particular places within forests on conservation land.	1st reported. Next report due in 2010-2011. Focused on two contributing indicators.	Contributing indicator group expanded to six indicators, under a three-year work programme.		Projected completion of contributing indicator work programme.	

OUTCOME 1: PROTECTION	YEAR				
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 due. Trend as a result of advice and advocacy provided by the Department to Biosecurity New Zealand.	4th report due.	5th report due.
Intermediate Outcome: Risk of extinction					
Indicator: 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. No further assessment of species status was done in 2005–2006.	Review of Threat Classification System methodology. Move to three-yearly cycle of reporting on each taxonomic grouping.	Three-year re-listing cycle using updated methodology begins.	Specified taxomonic groups are reassessed.	Specified taxomonic groups are reassessed.
Indicators: Change in the threat classification status of managed 'acutely threatened', 'chronically threatened' and 'at risk' species or subspecies.	Last reported in 2004 Annual Report. These indicators are between reporting cycles. Next reporting date is 2007–2008.		Three-year re-listing cycle using updated methodology begins.		Projected date of next report. Trend in number of managed 'acutely threatened', 'chronically threatened' and 'at risk' species/ subspecies.

OUTCOME 1: PROTECTION INDICATORS	YEAR AR 2005–2006	AR 2006–2007	AR 2007–2008	AR 2008–2009	AR 2009–2010
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:					
• 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 due.	4th report due.	5th report due.
• Percentage of wetland areas in protection			1st 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.	3rd report due.	4th report due.	5th report due.
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.	2nd report due. Trend in impact of Department's RMA advocacy to encourage or require others to protect places and species.	3rd report due.	4th report due.

OUTCOME 1: PROTECTION	YEAR				
INDICATORS	AR 2005–2006	AR 2006–2007	AR 2007–2008	AR 2008–2009	AR 2009–2010
Intermediate Outcome: Historic heritage					
Indicator: 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 due. Trend in number of assets in 'improving', 'stable' or 'degrading' categories.	3rd report due.	4th report due.
Indicator: Change in the number of historic sites that meet ICOMOS standards.	Indicator developed. Baseline data gathered.	1st reported. Benchmarks established.	2nd report due. Trend in number of historic sites that meet ICOMOS standards.	3rd report due.	4th report due.
Indicator: 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 due. Trend in number of sites for which key history has been safeguarded.	3rd report due.	4th report due. Target achieved.

TABLE 2: TRACKING APPRECIATION OUTCOMES AND INDICATORS

OUTCOME 2: APPRECIATION	YEAR				
INDICATORS	2005–2006	2006–2007	2007–2008	2008–2009	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.		2nd report due. Trend in how New Zealanders seek and receive benefits from their heritage.		
Outcome Indicator: Track relative value of conservation as indicator of support for conservation.		1st reported. Baseline study completed. Conservation monitor trial begun. Social marketing pilot begun.	2nd report due. Monitor trial report due. Social marketing report due.	3rd report due. Trend in how New Zealanders value conservation relative to other values.	4th report due.
Intermediate Outcome: Awareness and understanding					
Indicator: Change in people's satisfaction with their involvement in conservation.	1st reported in Annual Report. Baseline data established.	2nd report due.	3rd report due. Trend in people's satisfaction with their involvement in conservation.	4th report due.	5th report due.
Indicator: Change in the percentage of people involved in conservation projects in general and on conservation land.	1st reported in Annual Report. Baseline data established.	2nd report due.	3rd report due. Trend in percentage of people involved in conservation projects in general and on conservation land.	4th report due.	5th report due.
Indicator: Change in the quality of the Department's engagement with key associates.	1st reported in Annual Report. Baseline data established.	2nd report due.	3rd report due. Trend in quality of the Department's engagement with key associates.	4th report due.	5th report due.

OUTCOME 2: APPRECIATION	YEAR				
INDICATORS	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010
Indicator: Change in tangata whenua's satisfaction with the Department's activities to assist them to maintain their cultural relationships with taonga.	1st reported in Annual Report. Baseline data established.	2nd report due.	3rd report due. Trend in tangata whenua's satisfaction with the Department's activities to assist them to maintain their cultural relationships with taonga.	4th report due.	5th report due.
Indicator: Change in New Zealanders' understanding of important conservation issues.	1st reported in Annual Report. Baseline data established.	2nd report due.	3rd report due. Trend in New Zealanders' understanding of important conservation issues.	4th report due.	5th report due.
Indicator: Change in the percentage of departmental information sources New Zealanders use to learn about conservation.	1st reported in Annual Report. Baseline data established.	2nd report due.	3rd report due. Trend in percentage of departmental information sources New Zealanders use to learn about conservation.	4th report due.	5th report due.
Indicator: Change in recognition of the role of Crown pastoral leases in providing ecosystem services.	1st reported in Annual Report. Low level of awareness of the ecosystem services provided by conservation land such as provision of freshwater from high country catchments. Researchers advise recognition of link in any public survey immeasurably low. To be further explored in 2008.		Indicator to be re-developed. Report back due.		

OUTCOME 2: APPRECIATION	YEAR				
INDICATORS	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010
Intermediate Outcome: Recreation					
Indicator: Change over time in visitor satisfaction with the range of recreation opportunities provided.	2nd report in Annual Report. Extended coverage of the indicator.	Indicator further extended.	3rd report due. Indicator expanded to include report on change in New Zealanders' participation in recreation on public conservation land. Trend in visitor satisfaction with the range of recreation opportunities provided. Satisfaction expanded to also include satisfaction with quality of opportunities.		4th report due.
Intermediate Outcome: Concessions					
Indicator: 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 due.	3rd report due. Trend in number of significant adverse effects that stem from business concession activities.		

Appendix B: Area of Natural Heritage under Legal Protection

For management purposes, the Department uses a terrestrial ecological classification system to map all of New Zealand's landmass into 20 different types of 'environment' – places which are more similar to each other environmentally than they are to other places. The classification system has been developed by Landcare Research and is called Land Environments of New Zealand (LENZ).

LENZ sorts factors such as climate, landform and soil properties that are known to be correlated to forest, shrub and fern distribution, and allows areas of similar environments to be grouped together.

One way in which the Department uses this information is to work toward a more comprehensive range of terrestrial environments being legally protected. The information helps it prioritise funding when responding to opportunities to protect land, such as when a private landowner seeks to covenant a forest remnant.

The table shows the area of natural heritage under legal protection – by Land Environment Level I (20 Group) classification. It presents a summarised quantitative comparison between the beginning of July 2006 and the end of June 2007, using a grid analysis methodology.

TABLE 1: THE AREA OF NATURAL HERITAGE UNDER LEGAL PROTECTION – BY LAND ENVIRONMENT LEVEL I (20 GROUP) CLASSIFICATION.

LAND ENVIRONMENT (LENZ LEVEL I CLASSIFICATION)	LAND ENVIRONMENT NAME	AREA PROTECTED END JUNE 2003 (HA)	AREA PROTECTED END JUNE 2004 (HA)	AREA PROTECTED END JUNE 2005 (HA)	AREA PROTECTED END JUNE 2006 (HA)	AREA PROTECTED END JUNE 2007 (HA)	TOTAL AREA LENZ LEVEL (HA)	CHANGE OF PROTECTED AREA END JUNE 2006 TO END JUNE 2007 (HA)	CHANGE OF PROTECTED AREA END JUNE 2006 TO END JUNE 2007 (%)	TOTAL ENVIRONMENT LEGALLY PROTECTED TO END JUNE 2007 (%)
A	Northern Lowlands	89,269	86,594	87,793	87,948	89,682	1,853,745	1,734	1.97	4.84
B	Central Dry Lowlands	6,625	5,794	5,957	7,819	8,541	691,433	722	9.23	1.24
C	Western and Southern North Island Lowlands	6,992	5,508	5,578	5,571	5,931	635,918	360	6.46	0.93
D	Northern Hill Country	405,174	400,668	400,604	399,976	400,540	2,099,624	564	0.14	19.08
E	Central Dry Foothills	195,521	195,457	221,514	294,338	301,361	1,323,675	7,023	2.39	22.77
F	Central Hill Country and Volcanic Plateau	1,113,910	980,163	978,161	978,892	982,768	5,241,270	3,876	0.40	18.75

LAND ENVIRONMENT (LENZ LEVEL I CLASSIFICATION)	LAND ENVIRONMENT NAME	AREA PROTECTED END JUNE 2003 (HA)	AREA PROTECTED END JUNE 2004 (HA)	AREA PROTECTED END JUNE 2005 (HA)	AREA PROTECTED END JUNE 2006 (HA)	AREA PROTECTED END JUNE 2007 (HA)	TOTAL AREA LENZ LEVEL (HA)	CHANGE OF PROTECTED AREA END JUNE 2006 TO END JUNE 2007 (HA)	CHANGE OF PROTECTED AREA END JUNE 2006 TO END JUNE 2007 (%)	TOTAL ENVIRONMENT LEGALLY PROTECTED TO END JUNE 2007 (%)
G	Northern Recent Soils	26,207	23,865	24,453	24,233	25,429	338,680	1,196	4.94	7.51
H	Central Sandy Recent Soils	56,498	27,862	27,862	27,824	28,095	135,282	271	0.97	20.77
I	Central Poorly-drained Recent Soils	3,872	3,229	3,232	3,319	3,372	120,994	53	1.60	2.79
J	Central Well-drained Recent Soils	16,555	3,879	4,031	4,273	5,418	293,580	1,145	26.80	1.85
K	Central Upland Recent Soils	27,532	26,930	27,522	33,809	35,865	160,716	2,056	6.08	22.32
L	Southern Lowlands	64,674	57,056	59,355	58,767	63,545	801,165	4,778	8.13	7.93
M	Western South Island Recent Soils	108,308	109,358	109,317	109,712	111,417	220,345	1,705	1.55	50.56
N	Eastern South Island Plains	19,496	12,587	13,079	12,682	15,461	2,044,508	2,779	21.91	0.76
O	Western South Island Foothills and Stewart Island	1,171,335	1,164,468	1,164,275	1,163,870	1,165,310	1,414,258	1,440	0.12	82.40
P	Central Mountains	2,317,400	2,181,691	2,205,866	2,315,771	2,325,521	3,248,591	9,750	0.42	71.59
Q	Southeastern Hill Country and Mountains	489,564	556,499	580,367	595,507	611,589	3,271,981	16,082	2.70	18.69
R	Southern Alps	1,758,686	1,797,754	1,795,980	1,799,656	1,799,921	1,926,881	265	0.01	93.41
S	Ultramafic Soils	28,123	31,067	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	157,015	7	0.00	97.47
Other	Other	46,530	37,690	37,984	39,076	42,045	211,363	2,969	7.60	19.89
Total		**7,583,716**	**7,861,054**	**7,937,076**	**8,147,323**	**8,206,098**	**26,224,500**	**58,775**[33]	**0.72**	**31.29**

[33] This figure includes all land legally protected in New Zealand by a variety of protection mechanisms, and is not just public conservation land managed by the Department.

Appendix C: Relevant legislation[34] and international agreements

Primary legislation administered by the Department of Conservation

- Conservation Act 1987
- Canterbury Provincial Buildings Vesting Act 1928
- Harbour Boards Dry Land Endowment Revesting Act 1991
- Hauraki Gulf Marine Park Act 2000
- Kapiti Island Public Reserve Act 1897
- Lake Wanaka Preservation Act 1973
- Marine Mammals Protection Act 1978
- Marine Reserves Act 1971
- Mount Egmont Vesting Act 1978
- National Parks Act 1980
- Native Plants Protection Act 1934
- New Zealand Walkways Act 1990
- Queen Elizabeth the Second National Trust Act 1977
- Queenstown Reserves Vesting and Empowering Act 1971
- Reserves Act 1977
- Stewart Island Reserves Empowering Act 1976
- Sugar Loaf Islands Marine Protected Area Act 1991
- Trade in Endangered Species Act 1989
- Tutae-Ka-Wetoweto Forest Act 2001
- Waitangi Endowment Act 1932–1933
- Waitangi National Trust Board Act 1932
- Waitutu Block Settlement Act 1997
- Wild Animal Control Act 1977
- Wildlife Act 1953

Regulations and other instruments administered by the Department of Conservation

- Abel Tasman National Park Bylaws 1981
- Abel Tasman National Park Waters Control Bylaws 1990
- Anaura Bay Recreation Reserve Bylaws 1999
- Aquaculture Reform (Repeals and Transitional Provisions) (Golden Bay and Tasman Bay Interim Aquaculture Management Areas) Order 2005
- Arthur's Pass National Park Bylaws 1981
- Buller River Mouth Wildlife Refuge Order 1973
- 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 (No.2) 2006
- Glory Cove Scenic Reserve Bylaws 2005
- Grey-Faced Petrel (Northern Muttonbird) Notice 1979
- Hart's Creek Wildlife Refuge Order 1973
- Historic Places Trust Elections Regulations 1993
- Huka Falls Scenic Reserve Bylaws 1995

[34] Legislation includes Regulations, and other instruments such as Bylaws, Orders and Notices administered by the Department of Conservation.

- 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 (Te Angiangi) Order 1997
- Marine Reserve (Te Awaatu Channel (The Gut)) Order 1993
- Marine Reserve (Te Matuku) Order 2005
- Marine Reserve (Te Paepae 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 Park Bylaws 2006
- New Zealand Game Bird Habitat Stamp Regulations 1993
- New Zealand Walkways Bylaws 1979
- Noxious Animals in Captivity Regulations 1969
- Onekaka Inlet Scenic Reserve Bylaws 1995
- Opossum Regulations 1953
- Palmerston North Showgrounds Order 1991
- Paynes Ford Scenic Reserve Bylaws 1995
- 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 2006
- State Forest Parks and Forest Recreation Regulations 1979
- Taupo District Trout Fishery Licences, Fees, and Forms Notice 2007
- 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 2005
- 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 1970
- Wildlife Order 1986
- Wildlife Order 1996
- Wildlife (Partridge) Order 1960
- Wildlife (Peafowl) Notice 1961
- Wildlife (Peafowl) Order 1960
- Wildlife (Rainbow Lorikeet) Order 2001
- Wildlife Regulations 1955
- Wildlife (White Pointer Shark) Order 2007
- 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

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

- Antarctic Treaty System (ATS)
  - Protocol on Environmental Protection to the Antarctic Treaty
- Apia Convention on the Conservation of Nature in the South Pacific
- Convention on Biological Diversity (CBD)
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR)
- Convention on the Conservation of Migratory Species of Wild Animals (CMS or Bonn Convention)
- Convention on the Conservation of Southern Bluefin Tuna (CCSBT)
- International Convention for the Regulation of Whaling
- Ramsar Convention on Wetlands of International Importance
- United Nations Convention on the Law of the Sea (UNCLOS)
  - United Nations Open-ended Informal Consultative Process on Oceans and the Law of the Sea (UNICPOLOS)
- World Heritage Convention (WHC)

Appendix D: Contacting Department of Conservation Offices

Head Office

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

Regional Offices

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

Southern Regional Office
Department of Conservation
PO Box 13049
Christchurch 8141
Tel: 03 378 9500

Conservancy Offices

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

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

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

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

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

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

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

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

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

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

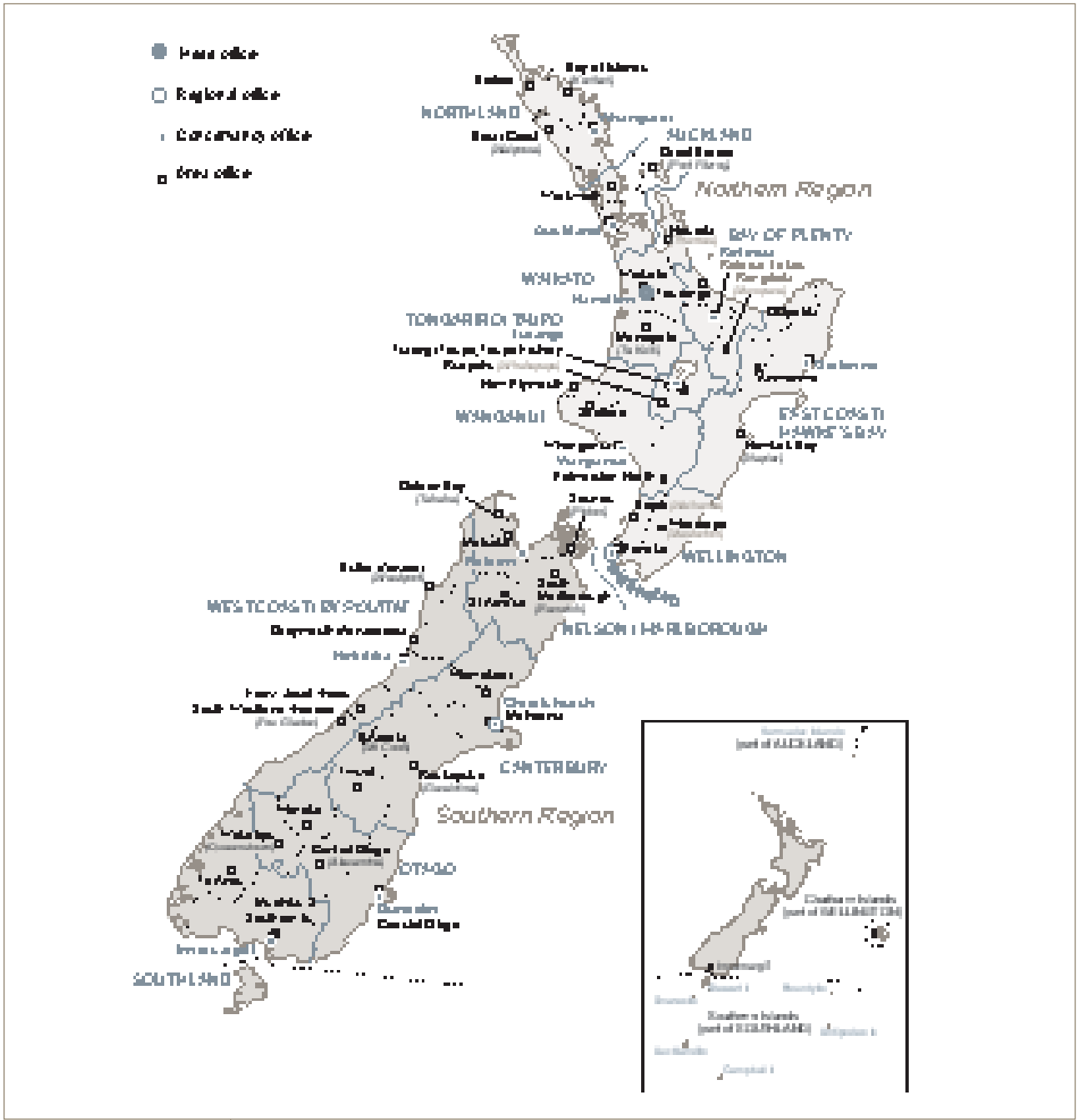
Canterbury Conservancy
Department of Conservation
Private Bag 4715
Christchurch Mail Centre
Christchurch 8140
Tel: 03 379 9758

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

Southland Conservancy
Department of Conservation
PO Box 743
Invercargill 9840
Tel: 03 211 2400

Website: www.doc.govt.nz

FIGURE 1: MAP OF DEPARTMENT OF CONSERVATION OFFICES, AS AT 30 JUNE 2007.



Marine reserves are an important tool for protecting marine biodiversity. They are fully protected, no-take areas set aside to allow marine plants and animals, and the places they live, to remain as natural and healthy as possible.

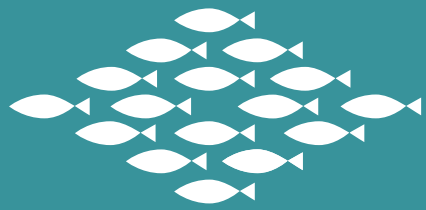
New Zealand's first marine reserve was established in 1975 near Leigh, north of Auckland, and was one of the very first no-take marine reserves in the world. It has opened our eyes to the wonders of the natural underwater world.

- The abundance of legal-sized snapper has increased by 27.7 times since fishing was banned.
- Thanks to the snappers' return, the bare rock deserts – 'urchin barrens' caused by kina overgrazing – have disappeared under a productive kelp forest.
- The kelp forest has increased the life the reserve's waters can support by 58%.

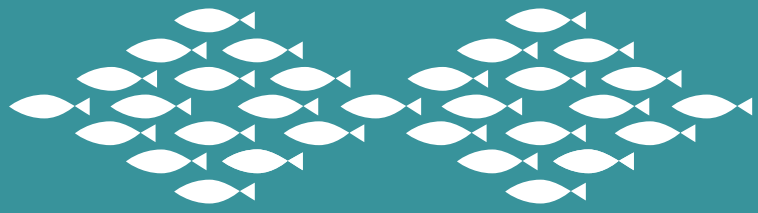
The reserve is good for fish, and people. Each year 300,000 people come to Leigh, with up to 4000 visiting on a single day. And some visit from afar – last year 173 school classes joined an online virtual field trip to the marine reserve.

In 1975, New Zealand had one marine reserve – Cape Rodney–Okakari Point Marine Reserve.

By 2000, 16 marine reserves had been established.



Today, there are 31 marine reserves throughout New Zealand.



TREASURING OUR EXTRAORDINARY HERITAGE

Establishing marine reserves is challenging. While surveys show most New Zealanders support the concept, there are often long and complex objections when a particular site is proposed.

The first national park in New Zealand was protected almost a century before the first marine reserve – there's a lot to catch up on. New Zealand may have 31 marine reserves covering 7% of its territorial sea (out to 12 nautical miles), but almost all (99%) is in just two large reserves around the remote Kermadec and Auckland Islands.