



**DEPARTMENT OF
CONSERVATION
TE PAPA ATAWHAI**

Report on Non-Departmental
Output Classes for the year
ended 30 June 2005

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

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

A Statement of Service Performance and a Statement of any Liabilities, Commitments or Contingent Liabilities arising from the purchase is required. The following performance report fulfils this requirement and is based on unaudited figures.

This report covers activities related to the Nature Heritage Fund, Nga Whenua Rahui, Moutoa Gardens/Pakaitore, and New Zealand Biodiversity Advisory and Condition Funds. These are funded under the Vote: Conservation Non-Departmental Output Classes:

Identification and Implementation of Protection for Natural and Historic Places
Moutoa Gardens/Pakaitore
New Zealand Biodiversity Advisory Funds

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



The Hon Chris Carter
Minister of Conservation

INTRODUCTION

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

- Nature Heritage Fund
- Nga Whenua Rahui
- Moutoa Gardens/Pakaitore
- New Zealand Biodiversity Advisory Funds

The following paragraphs cover the overall goals and achievements of the 3 major funds during 2004/05.

The Nature Heritage Fund:

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

Administered by an independent committee and serviced by the Department of Conservation, the Fund receives an annual allocation of funds from Government. Applications were assessed against the Fund's four levels of ecological criteria of representativeness, sustainability, landscape integrity and amenity/utility and rated nationally to ensure priority was given to the most worthy cases.

Some of the more significant purchases this year have been part of the Government's *Public Wildlands Programme*, which was designed to protect a wider variety of New Zealand's most spectacular and valuable natural areas by bringing them into public ownership. The programme continued to focus on the South Island high country, coastal areas and offshore islands where the Fund has had a number of highly successful purchases over the last few years.

This year the Fund fully committed its budget to 12 new purchases, plus 2 covenants and a contribution towards a purchase by a non-government organisation to protect 4,492 hectares of nationally important and threatened ecosystems to be added to the reserves net-work of New Zealand. Of the 15 new cases 6 were from private applications and 9 were from the Department. Non-forest ecosystems comprised 60% of the area protected by new cases this year, including 569 hectares of wetlands/peatlands, 2,040 hectares of grasslands/shrublands and 120 hectares of dunelands/coastal cliff vegetation. The balance of 1,761 hectares was lowland forest.

These areas have been protected because they meet the Fund's focused criteria and land purchase strategies that identify the ecosystems most at risk ranked on a national basis.

A total of 4,492 hectares committed to this year will be administered by the Department of Conservation, the 40 hectares covenanted will be administered by landowners and a 2.8 hectares block toward which a contribution has been approved will be vested in a Territorial Local Authority.

Since 1990 the Fund has protected over 236,000 hectares of indigenous ecosystems.

The Fund operates on the basis of a three year revolving fund committing to cases that at times transcend a number of financial years. This year a sum of \$2,330,100 that is legally and contractually committed to a number of cases for which public announcements have been made and are awaiting settlement or are currently under negotiation will be carried forward to the 2005/06 financial year. The figure has been reduced from \$4,810,047 because budget committed from outyears was required for early settlement this year in three major cases.

The ability to transfer commitment forward recognises the involved process in finalising land transactions and also enables the Fund to successfully operate since 1990 in a highly competitive market with funding approved prior to negotiation. This has reduced substantial risk to the Crown that existed prior to this process.

Some of the Fund's more significant purchases completed this year are as follows:

Castle Hill Station

More than two thirds of Castle Hill station at Porters Pass in Canterbury was purchased by the Nature Heritage Fund in partnership with an Auckland business woman. This purchase has secured protection of extensive areas of lowland red tussock, rare limestone vegetation communities and sub-alpine vegetation. The 8,517 hectare area of high ecological representativeness, diversity and naturalness will be added to two surrounding Conservation Parks. It also secures permanent public access for the Mount Cheeseman skifield, two extremely popular rock climbing areas at Prebble and Gorge Hills. This is the third of the Fund's trilogy of joint venture purchases with farmers in which key conservation areas of national importance have been separated off from high country farm land for the mutual benefit to both parties. Landscape covenants have been put in place over the balance of the property.

Kahurangi, Westhaven

A 204 hectare block of tall coastal and lowland forest on the Whanganui Inlet adjacent to the Kahurangi National Park, in north-west Nelson was purchased by the Nature Heritage Fund. The type of coastal forest found on this land is now nationally rare making this an important acquisition. It provides some valuable links between areas of protected land and sea connecting Kahurangi National Park and Westhaven Inlet-Te Tai Tapu Marine Reserve. It also borders estuary managed as the Westhaven Wildlife Management Reserve by the Department. The land was purchased with the intention that it will eventually be added to Kahurangi National Park.

Landsborough Valley Station, Haast

The Nature Heritage Fund purchased 519 hectares of freehold land and grazing rights of more than 1,370 hectares of valley flats on Landsborough Valley Station in the Haast Valley, South Westland. Landsborough Station is an enclave within a very significant landscape leading to the gazetted Hooker Landsborough Wilderness Area and purchasing the property protected a significant proportion of an under represented environment type (well drained recent river flats) as well as habitat for a number of threatened species including scarlet mistletoe and the threatened shrub *Coprosma wallii*. It has also finally dealt with the problem of cattle grazing in the National Park which is a World Heritage Area. It is a glacial valley consisting of a magnificent landscape which may be clearly seen from a very scenic portion of the Haast Highway.

Nga Whenua Rahui:

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

The Fund is administered by an independent committee of respected Maori leaders and serviced by the Department of Conservation. An annual allocation of funds from Government is given to the Nga Whenua Rahui Fund. Applications were assessed against the Fund's ecological criteria of representativeness, sustainability, landscape integrity as well as taking into account the spiritual and cultural values Maori associate with their lands.

This year the Fund fully committed its budget to 12 covenants (kawenata) of Maori Land and one purchase of General Land from a major timber company. All applications were from private Maori landowners. The ecosystems protected comprised of mainly strongly regenerating inland forests and coastal forests including 668 hectares of wetland areas. A total of 12,692 hectares overall.

The ongoing management costs in terms of pest control and fencing maintenance are funded from the Fund's base line allocation. Since 1991 the Fund has protected over 212,413 hectares of indigenous ecosystems.

Three of the Fund's significant projects completed this year are as follows:

Whakaki Lake Trust, Wairoa

This project involves 577 hectares of the most significant privately owned wetland in Hawkes Bay and was protected by an agreement pursuant to section 29 of the Conservation Act. The Trust had formerly received an international award (RAMSAR) for their restoration work on the wetland. The Minister approved management costs in lieu of a formal protection agreement to assist the on-going re-vegetation programme the owners had started 4 years before.

Te Mahurebure, Northland

This project involved the purchase of an 822 hectare semi-coastal indigenous forest from a major timber company. The area was ranked as having outstanding values and Category One as a site of Special Biological Interest and has North Island brown kiwi, kereru and long tailed bat present in the area. The block was protected by covenant in perpetuity.

Harataunga, Coromandel

This project involved the formal protection by kawenata of 3,600 hectares of strongly regenerating coastal forest on the Coromandel Peninsula. The block contains remnant kauri and rimu in an area surrounded by pine plantation and farmland. The headlands of this block rundown to coastal wetlands which are also part of another application. The ownership of the area is under 12 separate titles each with a large number of owners and characterises the complexities of multiple owners.

New Zealand Biodiversity Advisory Funds:

A significantly higher level of activity occurred this year with two funding rounds being announced and completed during the year. A high level of interest from private landowners wishing to protect the biodiversity values on their properties continued with the Condition Fund being oversubscribed. A limit (\$60,000) on the size of projects reduced pressure on funds but level of demand from landowners remains high.

Projects approved include substantial landowner and “other” contributions and in the March round this resulted in the \$1,072,312 allocated to projects by the fund attracting a further \$1,126,294 of funding from these other sources. “Other” contributions include monies contributed by local authorities, community trusts and the Queen Elizabeth the Second National Trust.

Projects included fencing of native forest and wetlands, pest plant and animal pest operations to assist forest regeneration and species management and riparian, dune, wetland and forest restoration plantings to aid restoration. Projects involving approximately 138 km of fencing were submitted and approved, principally for forest and wetland protection. Animal pest operations targeted possums and mustelids to protect species including kiwi, brown teal and blue duck.

The “opening” by the Governor General of the Bushy Park Predator Excluder fence in Wanganui in May 2005 marked the end of the fence construction phase of this project which in 2003 had received \$100,000 from the Fund. This project had a total cost over \$700,000 which was raised by the Trust and the fence enclosure will provide a safe environment for the kiwi recovery project the Trust is engaged in. The Trust hopes to extend into other recovery project opportunities in the future. This project illustrates the sophistication and scale of projects that landowners and community groups are undertaking and which can span a 2-3 year time frame.

The Advice Fund has continued the funding of the Landcare Trust regional coordinators in Waikato, Banks Peninsula and Southland. These advisors coordinate rural Landcare groups and provide support and advice to private landowners on biodiversity issues and management. The Fund also funded a further position in Northland to assist the Regional Council in completing a regional biodiversity strategy. This fund also continues to assist individual landowners and Councils in providing funds to enable ecological assessments and management strategies for native bush areas and other biodiversity values on private land.

The Fund currently has over 346 active projects and the majority span a number of financial years due to the seasonal timing of plantings and pest operations. This has been compounded recently due to the impact of localised climatic events. Private landowners are also undertaking these projects whilst maintaining their business or occupation and these factors all result in projects being completed beyond the year in which they are funded.

NON-DEPARTMENTAL OUTPUT CLASSES**STATEMENT OF SERVICE PERFORMANCE****OUTPUT CLASS - IDENTIFICATION AND IMPLEMENTATION OF PROTECTION FOR NATURAL AND HISTORIC PLACES****Description**

This output class covers:

- The protection of indigenous ecosystems on private land or in Maori ownership through the use of contestable funds.

Service Performance**Protection of indigenous ecosystems on private land through the Nature Heritage Fund (NHF)**

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> • It is expected that 40 negotiations will be undertaken, resulting in ten purchases and four covenants protecting 5,000 hectares. • The quality of proposals for protection is assessed against the NHF's set of criteria. These criteria assess the ecological, landscape and other values inherent in each application. • The NHF committee will make recommendations on proposals, with final approval by the Minister of Conservation. 	<p>The Nature Heritage Fund undertook 56 negotiations, resulting in 12 purchases, 2 covenants and a contribution toward a purchase protecting 4,492 hectares.</p> <p>All approvals met the Nature Heritage Fund's criteria.</p> <p>All recommendations from the Nature Heritage Fund Committee were sent to the Minister of Conservation for approval.</p>

Protection of indigenous ecosystems in Maori ownership on South Island Landless Natives Act (SILNA) land through the Nature Heritage Fund (NHF)

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> • It is expected that approval will be given to 3 Trusts to protect indigenous ecosystems on 5 blocks of SILNA lands. • The quality of proposals for protection is assessed against the NHF's set of criteria and the approval criteria set by Cabinet. 	<p>Approval was given to 1 Trust to protect ecosystems on 1 block of SILNA land.</p> <p>The approvals met the Nature Heritage Fund's criteria.</p>

Projected Performance	Performance Achieved
<p>These criteria assess the ecological, landscape and other values inherent in each application.</p> <ul style="list-style-type: none"> The NHF committee will make recommendations on proposals, with final approval by the Minister of Conservation. 	<p>All recommendations from the Nature Heritage Fund Committee were sent to the Minister of Conservation for approval.</p>

Protection of indigenous ecosystems in Maori ownership through Nga Whenua Rahui (NWR)

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> It is expected that 60 consultations with owners will be undertaken. It is expected that 10 new covenants/management agreements will result and outstanding covenants from previous years will be completed. The quality of proposals for protection is assessed against the NWR set of criteria. These criteria assess the ecological, cultural, spiritual and other values inherent in each application. The NWR committee will make recommendations on proposals, with final approval by the Minister of Conservation. It is expected that 16 Maturanga Kura Taiao projects will be assisted. The quality of proposals will be assessed against the Maturanga Kura Taiao set of criteria. 	<p>The Nga Whenua Rahui Fund undertook 96 negotiations, resulting in 12 covenants and one purchase protecting 12,692 hectares.</p> <p>All applications considered by the Nga Whenua Rahui Committee met the set criteria.</p> <p>All applications included detailed ecological reports.</p> <p>The Minister of Conservation approved all recommendations from the Nga Whenua Rahui Committee.</p> <p>8 projects were assisted which met the criteria under the Maturanga Kura Taiao Fund.</p>

Statement of Liabilities, Commitments and Contingent Liabilities

There was a total of \$12,902,000 outstanding commitments as at 30 June 2005 resulting from approvals to expend funds on both new and existing projects from both the Nature Heritage and Nga Whenua Rahui Funds.

Output Class Costs

- Actual expenditure for both the Nature Heritage Fund and SILNA was \$8,163,000, compared to the Appropriation of \$17,049,000.

Comment on Variance

The balance of the Appropriation committed for settlement of new and existing projects for both Nature Heritage Fund and SILNA (\$8,886,000) is carried forward to when projects come to charge. SILNA is a seven year programme. Progress has been steady but not as fast as originally predicted.

- Actual expenditure for the Nga Whenua Rahui fund was \$3,946,000 compared to the Appropriation of \$7,962,000.

Comment on Variance

The balance of the Appropriation committed to new and existing projects (\$4,016,000) is carried forward to when projects come to charge.

OUTPUT CLASS - MOUTOA GARDENS/PAKAITORE

Description

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

Service Performance

Detailed planning for the reinstatement of the Joan Morrell statue was undertaken during the year by the board. The statue replaces the original one which was destroyed during the 1995 occupation of the gardens.

Planning for the replacement of the John Ballance statue was the most controversial issue to be dealt with by the board during the year. The original statue was also destroyed during the 1995 occupation. Consultation continued with the John Ballance family descendants along with signatories to the Moutoa Gardens Tripartite agreement. It was agreed that the statue be recommissioned as a full figure, however its siting either within the gardens or at an alternative location within Wanganui was not finally resolved.

The gardens continued to be maintained to a high standard. The board met four times during the year.

Output Class Costs

- Actual expenditure for the Moutoa Gardens/Pakaitore was \$25,000 compared to the Appropriation of \$25,000.

OUTPUT CLASS - NEW ZEALAND BIODIVERSITY ADVISORY FUNDS**Description**

This output class covers the NZ Biodiversity Advice Fund and NZ Biodiversity Condition Fund. The Advice Fund focuses on the provision of information and advice to private land managers in order to encourage and facilitate greater protection of biodiversity outside of public conservation lands. The Condition Fund provides assistance with the costs of pest and weed control, fencing and other management actions aimed at improving the condition of biodiversity outside of public conservation lands. These two funds were classified as part of the output class Identification and Implementation of Protection for Natural and Historic Places in previous years.

Service Performance

Projected Performance	Performance Achieved
<ul style="list-style-type: none"> It is expected that the New Zealand Biodiversity Fund will fund 40 advice projects. 	56 Biodiversity Advice Projects were approved in the year.
<ul style="list-style-type: none"> It is expected that the New Zealand Biodiversity Condition Fund will fund 120 condition projects. 	198 Biodiversity Conditions Fund projects were approved during the year.
<ul style="list-style-type: none"> The quality of applications to both the Advice Fund and Condition Fund is assessed against the following guidelines: http://www.biodiversity.govt.nz/land/nzbs/pvtland/conditionapps.html. 	All applications received were assessed against the approved guidelines by representatives of Department of Conservation, Ministry for the Environment and Local Government New Zealand.

Statement of Liabilities, Commitments and Contingent Liabilities

There was a total of \$4,269,000 outstanding commitments as at 30 June 2005 resulting from approvals to expend funds on both new and existing projects from the New Zealand Biodiversity Advisory and Condition Funds.

Output Class Costs

- Actual expenditure for the New Zealand Biodiversity Advisory and Condition Funds was \$2,812,000 compared to the Appropriation of \$7,253,000.