

# Department of Conservation Te Papa Atawhai

**ANNUAL REPORT**  
FOR THE YEAR ENDED  
30 JUNE 2019





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## **ANNUAL REPORT**

FOR THE YEAR ENDED 30 JUNE 2019

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# Foreword from the Director-General

**Ko au te awa, ko te awa ko au  
I am the river, and the river is me**

## Reflecting on the year

Looking back, it has been a year of significant conservation achievements intertwined with tragedy. This was a year in which two dedicated staff and a valued long-term conservation partner lost their lives doing the work they cared passionately about.

Rangers Paul Hondelink and Scott Theobald died tragically, along with pilot Nick Wallis, when their helicopter crashed at Wanaka in October.

This devastating event continues to be felt deeply across the organisation I am privileged to lead.

The whakatauki 'Ko au te awa, ko te awa ko au' – I am the river, and the river is me – expresses the holistic Māori view of the world. Paul and Scott lived this deep connection with nature. While we carry their loss in our hearts, I am sure they would want us to look to the road ahead and reflect on how far we have already come.

## Delivering more and better conservation

Public conservation land is New Zealand's tūrangawaewae, a place we can all call home. With secured baseline funding of \$76 million for biodiversity in Budget 2018, DOC is better able to look after some of our special species and places.

Further investment is on the horizon in a new funding stream from the International Visitor Conservation and Tourism Levy, while philanthropic partnerships and targeted business-case funding have lifted DOC's capability in exciting ways.

These resources are being applied to deliver more conservation on the ground. In the past year we have seen even better results from sustained pest control work in the Landsborough valley. Mohua/yellowhead were once the least common bird in the annual bird counts in the valley. Now, they are the most prolific. Fourteen birds were counted in the sample area when the pest control started 20 years ago and now, we are seeing and hearing in excess of 440 mohua.

It has been the same people counting the birds over all those years and the accumulated wisdom of that dedicated crew is enormous.

DOC and the Ministry for Primary Industries have worked with Chilean government agencies to tackle the decline in populations of our most vulnerable seabirds. We have formalised collaboration between New Zealand and Chile with a shared goal to reduce albatross bycatch. The Antipodean albatross is an amazing bird that roams vast distances across the ocean. Like many endemic seabirds, it breeds in New Zealand and forages in waters off Chile in the non-breeding season. Unless we stop the devastating decline in albatross numbers, its population will not be viable within 20 years.

Many organisations, groups and individuals are involved in kiwi recovery – it is New Zealand's most successful species conservation partnership. A new Kiwi Recovery Plan 2018-2028 signals the next phase of kiwi conservation. The plan aims to increase kiwi numbers by at least 2 percent per year across all five species, resulting in 100,000 kiwi by 2030. A range of partners is involved; the work will be done by supporting tangata whenua as kaitiaki and leaders in kiwi conservation, working more with community groups, and using intensive and extensive predator control to protect the remaining genetic diversity of all kiwi species.

These positive outcomes are tempered by the challenge of an unprecedented level of seed production by beech trees across much of the South Island. This ‘mast’, as it is known, will provide a massive feed for rats, leading to a boom in their population and an increase in predation of our native birds and their chicks at the height of their breeding season. We are meeting this challenge with our largest ever landscape-scale pest control programme: Tiakina Ngā Manu (formerly called Battle for our Birds). We need to take adaptive approaches to overcome the logistical challenges, but so far things are looking good: across more than 1 million hectares (once this year's programme is complete), our taonga species look like they will get another breeding season largely free from predators.

## True Treaty partnership

This year, DOC has moved into a new space along its journey towards meaningful Treaty partnership. In June the first meeting of iwi leaders and DOC's Senior Leadership Team was held. This was a watershed moment in the development of DOC's Treaty Partnership System: it identified pivotal values that will inform our work from now on.

We also welcomed the *Ngāi Tai ki Tāmaki Tribal Trust v Minister of Conservation* Supreme Court decision, which challenged us over the way DOC had given effect to Treaty principles in decision-making over concessions. The decision clarifies and highlights our obligations under Section 4 of the Conservation Act 1987, and reinforces the character of Treaty Partner relationships we wish to have with tangata whenua.

Together, these things help us see the Treaty as an enabler to intentionally develop relationships based on co-creation and shared values. These relationships will, in turn, demonstrate how New Zealand can be improved through tikanga, and that to be a New Zealander is to have a fundamental relationship with nature.

This hikoi is a long one, but one we have started with real intent.

## All in a day's work

Among the highlights it is easy to lose track of our work undertaken across the country, day in, day out.

Many years ago, it was realised we would be without kākāpō if we did not act urgently. At that time there were only 86 of these iconic birds left. Since then, committed conservation workers have plugged away to bring the kākāpō back from the brink of extinction. Over time, this project adopted new technology and has innovated constantly to bring real results – this past season had us poised for our biggest-ever crop of new kākāpō. Sadly, our elation turned to heartbreak as the fungal disease aspergillosis claimed a number of birds and left our team scrambling for answers. As we go to print the resolve and determination of our staff appears to have regained the upper hand: the population of kākāpō is over the 200 mark for perhaps the first time in more than a century.

Not everything is such a happy tale. Issues such as non-compliance by commercial guiding companies who don't obtain concessions raise their heads from time to time. This year a compliance initiative carried out checks on operators at Punakaiki, South Westland, Wanaka, Wakatipu and Te Anau; they found about a quarter of concessionaires were either breaching their conditions or operating illegally. We manage more than a third of New Zealand's land area and want to do so in a way that supports and protects conservation and is fair for all users. This includes tourism operators, many of whom go above and beyond to contribute to the special places their businesses rely on. When operators don't comply, it's unfair to those following the rules and risks our native places and species. Once word spread that DOC was doing compliance checks, more operators started complying. We expect this trend will continue as we turn our focus to other parts of the country.

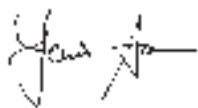


Another issue to manage is the increase in tourism pressure at the iconic places that draw people from all corners of the globe. Over the past decade, visitor pressures on public conservation lands and waters have increased. The government allocated additional resources to DOC in Budgets 2017 and 2018 to ensure we were better able to respond to this increased use of the outdoors without having to compromise our other priority conservation programmes. Alongside this, DOC is significantly stepping up its work to advocate responsible visitor behaviour in our great outdoors.

We are committed to sharing the kākāpō story, and many others like it, through our own channels and those of our partners. Our combined efforts to show what conservation can really do are reaching millions across New Zealand and around the world. These stories, and the engagement we get with New Zealanders, remind us that it is our unique taonga that allow the place we call Aotearoa to exist – and it is our nature that is the core of our identity as New Zealanders.

We look forward to making even more conservation growth happen for New Zealand in 2020.

Noho ora mai,



**Lou Sanson**  
Director-General  
Department of Conservation  
27 September 2019



Photo: Lou Sanson

# Introducing DOC

## Our Purpose

To work with others to increase the value of conservation for New Zealanders

*Kia piki te orange o te ao tūroa, i roto i te ngātahitanga, ki Aotearoa*

## Department of Conservation OUTCOMES MODEL

A living Treaty partnership based on shared values for the benefit of Aotearoa New Zealand

Strategic roles

Provide conservation services and leadership to protect and enhance New Zealand's natural and historic heritage

Contribute to New Zealand's economic, social and cultural success

Enhance wellbeing of New Zealanders and international visitors by encouraging and enabling people to connect and contribute to New Zealand's nature and heritage

### Our purpose

To work with others to increase the value of conservation for New Zealanders

*Kia piki te orange o te ao tūroa, i roto i te ngātahitanga, ki Aotearoa*

### Outcome statement

New Zealanders gain environmental, social and economic benefits from healthy functioning ecosystems, from recreation opportunities, and from living our history

### Vision

**New Zealand is the greatest living space on Earth**

*Kāore he wāhi i tua atu i a Aotearoa, hei wāhi noho i te ao*

Well-served Government and citizens

Capable Department of Conservation operating with a spirit of service

## Department of Conservation strategic roles and Stretch Goals

New Zealand is the greatest living space on Earth  
*Kāore he wāhi i tua atu i a Aotearoa, hei wāhi noho i te ao*

Our Vision  
50+ years

To work with others to increase the value of conservation for New Zealanders  
*Kia piki te oranga o te ao tūroa, i roto i te ngātahitanga, ki Aotearoa*

Our Purpose

1. Provide conservation services and leadership to protect and enhance New Zealand's natural and historic heritage

2. Contribute to New Zealand's economic, social and cultural success

3. Enhance well-being of New Zealanders and international visitors by encouraging and enabling people to connect and contribute to New Zealand's nature and heritage

Our Strategic Roles

The diversity of New Zealand's natural heritage is maintained and restored across New Zealand  
 New Zealand's history is brought to life and protected

Whānau, hapū and iwi are enabled to carry out their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters  
 New Zealand's unique environment and heritage is a foundation for our economic, social and cultural success

New Zealanders and international visitors are enriched by their connection to New Zealand's nature and heritage  
 New Zealanders and international visitors contribute to conservation

Our Intermediate Outcomes by year 25

- 50% of New Zealand's natural ecosystems are benefiting from pest management
- 90% of our threatened species across New Zealand's ecosystems are managed to enhance their populations
- 50 freshwater ecosystems are restored from 'mountains to the sea'
- A nationwide network of marine protected areas is in place, representing New Zealand's marine ecosystems
- The stories of 50 Historic Icon sites are told and protected

- Whānau, hapū and iwi are able to practise their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters

- 90% of New Zealanders' lives are enriched through connection to our nature and heritage
- 90% of visitors rate their experiences on public conservation lands and waters as exceptional
- 90% of New Zealanders think the impacts of visitors on public conservation lands and waters are very well managed

Our Stretch Goals by year 20 (2025)

A living Treaty partnership based on shared value for the benefit of Aotearoa New Zealand

Trusted, respected, high integrity public service

New Zealanders have their say on what places and species they value through conservation management strategies and management plans

New Zealanders receive reports on the places and species they value

# The changing nature of conservation

DOC has a central role to play in improving the lives of New Zealanders. Evidence about the social, cultural and economic benefits of conservation activities is growing. We must protect and restore Aotearoa New Zealand's natural and historic assets, and ensure their use is sustainable, so they continue to provide ecosystem services and sustain our economy, communities and lifestyle.

Despite our conservation achievements, many treasured species continue to decline: more than 3,000 of our native species are in serious trouble or at risk of extinction. However, the groundswell of support for the Predator Free 2050 goal – from iwi, the community, philanthropists and businesses – demonstrates that New Zealanders are committed to changing this narrative. Innovative new approaches and technologies will help us manage pests in ways and at scales we never thought possible.

## Our approach

As an organisation, we are strengthening our relationships and taking a systems approach to enable us to achieve our Stretch Goals. Our systems work focuses on safety and wellbeing, strategy and planning, partnerships, operational delivery, and our people and engagement systems.

Our priorities are protecting biodiversity and the marine environment, and ensuring we deliver a range of quality visitor experiences to New Zealanders and international visitors. However, we are shifting our approach to conservation away from the management of individual species towards the conservation and restoration of entire ecosystems and landscapes, in collaboration with the communities living there.

To do this, we need to maintain or increase our social licence to control pest species, whether by using toxins or through new technologies such as drones and remote sensing for traps. We also need to maintain or increase our social licence to support tourism. We are increasing the capacity of the heritage and visitor system to ensure that our work to increase our social licence is underpinned by clear strategy, long-term planning, efficient and effective investment, and good monitoring and evaluation. This increased capacity includes a new team focused on regional planning, and on obtaining and using a range of information sources to support strategy implementation.

We are also working to identify innovative opportunities to grow conservation and get better value for New Zealand. One way of doing this is by increasing diversity and inclusion within DOC, to ensure our staff better reflect, understand and value the communities we serve.

In response to threats being made to DOC staff around 1080 use and increased tahr and deer management, DOC is prioritising the safety and wellbeing of its staff and their families, contractors and volunteers.

## DOC is committed to giving effect to the principles of the Treaty of Waitangi

This commitment, and our responsibilities under Section 4 of the Conservation Act, involve building and supporting meaningful conservation partnerships with tangata whenua at the local level. These responsibilities reflect the importance to Māori of the lands and resources under DOC management.

DOC employs specialist staff to support the development of these conservation partnerships with tangata whenua. DOC also has a growing range of management and consultation arrangements with iwi arising from Treaty settlements.

## Sustainability

As a public service agency, we are increasing our focus on sustainability as part of our internal response to climate change. However, sustainability is about more than just minimising our environmental impact. It is also about nurturing our people, and building enduring and trusting relationships. We need to be sustainable to ensure we can deliver on our goals, now and in the future.



# Summary of DOC's performance

DOC measures progress towards long-term goals within three strategic roles, each with intermediate outcomes and associated performance indicators. Nine Stretch Goals have been established to help focus our work, which are at various stages of development for measurement.

The performance towards these longer term goals is reflected in the following table. Overall, DOC is seeing stability being achieved in the condition of natural heritage, but overall status is poor and much improvement is needed to protect overall biodiversity. Historic heritage as represented by Actively Conserved Heritage Places is being maintained to preserve the fabric and the associated stories. DOC is continuing to engage the commercial sector and the public on New Zealand and others in conservation, and gradually increasing the return to New Zealand through commercial and recreation fees derived from the use of public conservation lands and waters. There are a number of new measurement baselines established this year, for the performance indicators for wider social and cultural benefits gained from conservation, and from tangata whenua connecting with their taonga. There are also new baselines for reporting on visitation to public conservation places, and satisfaction with those visits.

## Department of Conservation performance indicators

The indicators in the table below and throughout the report represent DOC's performance against its various performance measures this year.

One or more of these indicators may apply to each outcome. The results for some outcomes, notably natural heritage, reflect a composite of indicators and measures that may individually be improving or declining. Each performance rating is therefore a generalisation.

### Symbols and definitions

























-  **New baseline** – A new methodology has been adopted for this measure, and a baseline has been set, but no trend information is available yet.
-  **New baseline being developed** – A new methodology is being developed for this measure, but no benchmark has been set.
-  **Improving** – Progress towards the outcome described is positive; conditions are improving overall; numbers are increasing; targets are being met or exceeded.
-  **Maintained** – The state of the outcome described is stable; overall conditions are neither improving nor declining; numbers are stable; if targets are being met, the outcome is being achieved.
-  **Poor but maintained** – The state of the outcome described is well below the desirable state, overall conditions are neither improving nor declining; numbers are stable.
-  **Declining** – Progress towards the outcome described is negative; overall conditions are degrading; numbers are decreasing; targets are not being met.
-  **Between surveys** – Measure is periodically tested and no current information is available.
-  **Performance measures yet to be developed** – The foundation aspects of planning to determine a logical pathway ahead; establishing clear milestones/targets.

Table 1: Strategic roles and performance indicator trends

	Trend
<b>Strategic Role: Provide conservation services and leadership to protect and enhance New Zealand's natural and historic heritage</b>	
<b>Natural heritage</b>	
	Terrestrial 
Ecosystem representation – the full range of ecosystems is protected somewhere	Freshwater 
	Marine 
Species occupancy – the species present are the ones you would expect naturally	
Indigenous dominance – ecological processes are natural	
<b>Historic heritage</b>	
The condition of Actively Conserved Heritage Places (seeking a stable and not deteriorating condition)	
<b>Strategic Role: Enhance wellbeing of New Zealanders and international visitors by encouraging and enabling people to connect and contribute to New Zealand's nature and heritage</b>	
<b>Historic heritage</b>	
The trend in visitor participation at heritage sites	
The trend in visitor satisfaction with the quality of the experience provided at heritage sites	
<b>Recreation</b>	
The trend in visitor participation in recreation on public conservation lands and waters	
The trend in visitor satisfaction with the quality of the experience and opportunities provided	
<b>Strategic Role: Contribute to New Zealand's economic, social and cultural success</b>	
People's lives are enriched through connection to our heritage and nature	
Change in the satisfaction of tangata whenua with DOC's activities to help them maintain their cultural relationships with taonga	
Change in the importance of conservation to New Zealanders	
Change in the quality of DOC's engagement with key associates	
Increase in engagement of the commercial sector in conservation partnerships	
Improvement in the level of return on investment for key DOC products and services	

## Sustainable management

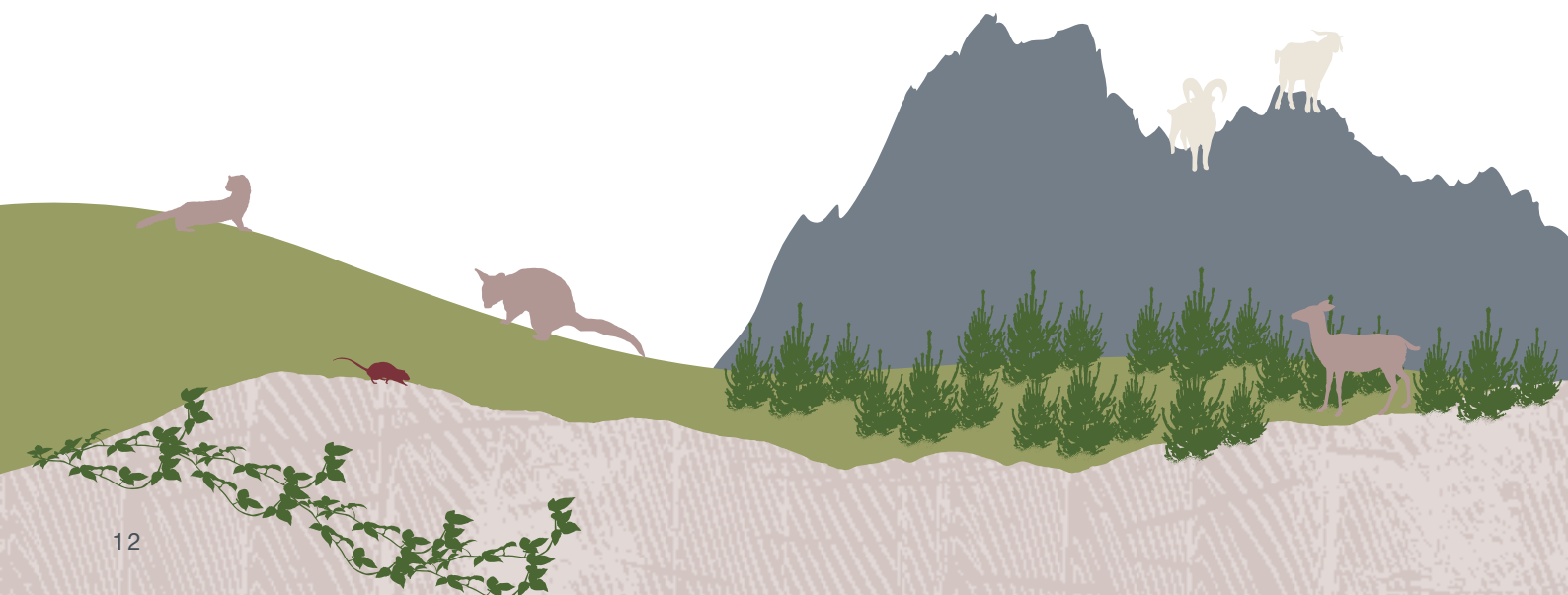
Sustainable management reflects the scale of commitment by DOC and others to ongoing control of pests and weeds. The hectares declared is the total area within the many management units benefiting from ongoing cycles of treatment (cycles may be ongoing or

at up to 7-year intervals). This multi-year commitment may be adjusted through DOC's Four Year Plan and annual planning process to reflect changing priorities. This is the context within which annual treatment programmes for pest and weed control outputs proceed. See Table 2 below.

Table 2: Strategic roles and performance indicator trends

Sustainable management measures (hectares sustained)	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19
Possums	939,395	975,620	773,233	800,168	1,508,000	1,563,000
Rats*	NA	NA	NA	NA	1,179,000	1,353,600
Goats	2,156,704	2,125,628	2,025,397	1,952,627	2,180,000	2,200,000
Deer	540,756	522,714	615,648	645,115	980,000	980,000
Weeds ecosystem	1,851,778	1,220,980	1,335,633	1,378,570	928,000	909,600
Wilding conifers*	NA	NA	NA	NA	NA	1,797,000

\* Reporting sustainable management commenced in the year first reported.





## Summary of output performance

The table below reflects the outputs DOC achieved in the 2018/19 year. The 'hectares treated' for pests and weeds is this year's contribution to the sustained management reported in Table 2. Missing data indicates the measure had not yet been established. Some of the outputs reported below are achieved with

the help of other organisations; where others provided the substantial component of the resources at a place to achieve an output in hectares treated, this is separately reported as 'through the contribution of others'. For possum treatment, the target includes the anticipated treatment 'through the contribution of others'. See the explanation of performance in the next section.

Table 3: Performance trend by financial year

Significant output measure	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Target 2018/19
Possums – hectares treated	180,069	375,316	164,459	205,037	256,601	188,537	270,000
Rats and/or mustelids – hectares treated	NA	NA	190,385	1,045,291	763,514	807,493	702,000
Goats – hectares treated	1,222,053	1,103,331	1,190,949	1,049,453	1,072,448	1,082,596	1,220,000
Deer – hectares treated	372,458	456,757	444,777	415,808	412,353	304,795	375,000
Weeds ecosystem – hectares treated	454,074	525,469	555,168	380,187	291,942	248,716	309,000
Wilding conifers – hectares treated	NA	NA	NA	1,168,037	355,842	135,567	385,000
Threatened species – managed for persistence	104	159	407	338	265	219	338
Threatened species – improved security	196	258	346	259	252	421	440
Ecosystems – managed for ecological integrity	185	480	497	517	561	577	500
Recreation assets – huts to standard (%)	70	90	93	89	90	88	90
Recreation assets – tracks to standard (%)	47	56	57	60	62	56	45
Recreation assets – structures to standard (%)	92	94	96	97	98	95	95
Engagement – volunteer workday equivalents	35,149	34,789	37,556	36,018	41,882	38,179	28,000
Engagement – partnerships	605	901	887	777	450	312	820
Engagement – partnerships involving tangata whenua	NA	258	231	197	32	28	246

This year, more outputs reported have not met their targets than outputs meeting or exceeding their targets. There are several reasons for this.

- Tiakina Ngā Manu/Battle for our Birds response to the recent very heavy seedfall 'mast' continued into the new financial year; therefore, much of this activity has not yet been reported.
- Weed control has concentrated on more-dense infestations in places, limiting the extent of overall treatment.
- Some treatment targets anticipating the contribution of others have not yet been completed.
- Our threatened species 'managed for persistence' criteria are being changed to align with the criteria used in the outcomes monitoring framework, and to set a clear baseline for further reporting on achievements through the new funding for Biodiversity 2018 (funding allocated through Budget 2018).
- Reporting on the number of formalised partnerships is below its target, due to a change of criteria for what constitutes a partnership to align with current procedures for working with communities in conservation. Some of DOC's relationships with tangata whenua groups (previously reported under this measure) now do not meet the reporting criteria.

Detailed variance explanations are set out later in the report.

# Strategic Role 1

Provide conservation services and leadership to protect and enhance New Zealand's natural and historic heritage

# Intermediate outcome: The diversity of New Zealand's natural heritage is maintained and restored across New Zealand

The overall condition of New Zealand's natural heritage is poor due to the range of conservation issues facing us: habitat loss through development of land and water for human use, the impact of pests and weeds in native ecosystems, pollution and silting of waterways and some marine habitats, and species issues.

This situation is being tackled through a range of initiatives led by DOC and others, and there are many successes being achieved that are intended to stem the decline of biodiversity. Monitoring of ecosystem health and species distribution and occupancy is starting to provide information about the overall state and trends in the health of our natural heritage, but these trends (positive or negative) may take years to become clear. However, the information available is growing and being shared by DOC and others to inform where resources should be deployed to achieve our conservation outcomes. Increasing the scale and reach of conservation activity is critical, and while we can mobilise this effort around flagship species and habitats, the improvement is needed across New Zealand's areas of responsibility and beyond.

Landscape-scale pest control was planned this year in response to the expected beech 'mega mast', but with a slower build-up of pest numbers than anticipated, not as much control has been completed as was planned, and most of the control will be completed and reported in 2019/20. This affects the reporting for possums, rats and mustelids. Weed control is now focusing on high infestations, which reduces the area that can be covered. Some weed control is now reported instead under wilding conifer control, which was a measure commenced in 2016/17.

Funding for the wilding conifer programme largely depends on MPI funding, which was not accurately anticipated during planning 18 months ago. There has also been less wilding conifer control reported due to over-projection of targets for what would be delivered by the Wakatipu Wilding Conifer Control Group community trust. Despite these issues, the overall scale of pest and weed control is increasing, especially when the contribution of others is included.



Ball Pass, Aoraki/Mount Cook. Photo: Petrus Hedman

## Objective: A full range of New Zealand's ecosystems is restored to a healthy functioning state

New Zealand faces a biodiversity crisis: more than 3,000 of our native plants and wildlife species are threatened or at risk of extinction. Since humans arrived in New Zealand 750 years ago, more than 50 of our bird species, three frogs, at least three lizards, one bat, one freshwater fish, four plants and an unknown number of invertebrate species have become extinct.

The threats to our biodiversity are many:

- introduced predators and browsers such as possums, rats and stoats
- loss, fragmentation and degradation of habitats through human activities, weed invasions
- incompatible use and degradation of natural resources such as freshwater
- diseases such as myrtle rust and kauri dieback
- climate change effects.

Where we have been able to invest in recovery efforts, we have achieved significant successes. For example, 22 bird species, including kiwi, takahē and mohua, have improved their threat statuses since 2012 - the rowi population (the rarest of our kiwi taxa) has more than doubled since the start of the Operation Nest Egg programme in 1994.

Many more species populations continue to decline. We need to use any new resources efficiently and effectively to protect and enhance as much of our biodiversity as possible.

## Creating a robust framework for protecting indigenous biodiversity

Budget 2018 provided a \$181.62 million funding increase over the next 4 years, including a \$76 million tagged contingency to fund biodiversity initiatives across land, freshwater and marine ecosystems. This funding will slow down the decline of indigenous species via extension of DOC's existing work programmes.

Eight target areas are addressing national threats and pressures to biodiversity; these areas are reported where progress has already been made.

1. Priority ecosystems are conserved in a healthy functioning state and species persist
2. Priority freshwater catchments are conserved in a healthy functioning state
3. Marine ecosystems are conserved in a healthy functioning state
4. Improved security for migratory and marine species
5. Improved knowledge and tools for species management
6. Reduce the establishment of pests (prevent, eradicate, contain)
7. Reduce the impact of established pests
8. Reduce critical ecosystem pressures (land and water use)

### International context and projects

The challenges facing biodiversity are pressing – we are losing species and ecosystems at a rate never seen in human history. DOC plays a major role in bringing this message to global attention; this year we have produced or contributed to two important reports highlighting the challenges facing biodiversity, and why we need stronger international cooperation:

- the Global Assessment Report from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) (published in May 2019)
- New Zealand’s 6th National Report to the Convention on Biological Diversity (published in April 2019).

DOC supports stronger, more-integrated international environmental governance and management by taking part in:

- developing the post-2020 biodiversity framework: the new global biodiversity goals to be adopted under the Convention on Biological Diversity. The framework will set new targets, committing signatories to tackling some of the most pressing causes of biodiversity loss. The aim is to have the new framework in place at the end of 2020. The New Zealand Biodiversity Strategy being led by DOC will need to be consistent with this new international framework once developed.
- developing a new treaty to protect marine biodiversity beyond national jurisdictions through a United Nations initiative.
- establishing a new set of sea-bottom fishing rules under the South Pacific Regional Fisheries Management Organisation (SPRFMO) to protect deep-water vulnerable marine ecosystems.
- renewing the Memorandum of Agreement (MOA) between DOC and China to protect our vulnerable migratory shorebirds.



Bar-tailed godwit (a vulnerable migratory shorebird).  
Photo: Malcolm Pullman

DOC has also developed a Pacific Strategy to a) build small Pacific nations’ own capacity to cope with the decline in the state of conservation in the Pacific region; and b) extend New Zealand’s conservation reach to benefit the region. Pacific island countries rely on their fragile natural environments for food security, livelihoods, cultural identity and climate resilience, but competing demands on natural resources mean the overall state of conservation in the Pacific continues to decline. The Pacific Strategy will also help protect our natural heritage and biodiversity by reducing the risk of invasive alien species reaching New Zealand.

**PERFORMANCE INDICATOR**

### Ecosystem representation – the full range of ecosystems is protected somewhere

Terrestrial performance: maintained	➡
Freshwater performance: poor but maintained	➡
Marine performance: poor but maintained	➡

Ecosystem-focused management is one of DOC’s established ways to restore ecological communities to a healthy functioning state and ensure representation of all types of terrestrial land and freshwater ecosystems. This includes lake and wetland types and the terrestrial breeding grounds of marine species needed to sustain natural habitats and ecosystems.




A protected fish in a marine reserve in Fiordland. Photo: Vincent Zintzen

## Representation of ecosystems being protected

DOC provides ecological protection factsheets to support the decision-making processes used by DOC and others to achieve good conservation outcomes. Some of the factsheet findings are reflected by the performance rating.

- Using the Land Environments of New Zealand (LENZ) classification of New Zealand's terrestrial environments, the percentage of different environmental classes under indigenous cover that is under protection ranges from permanent snow and ice (98 percent protected), to eastern South Island plains (little more than 1 percent protected). Lowland areas of indigenous cover generally have limited areas under protection.<sup>1</sup>
- The extent of wetlands and active sand dunes is much reduced (only 10 percent of the original extent of wetlands is left) and their compositions have changed from their pre-human state. These ecosystems support unique communities of plants and animals, and provide ecosystem services.<sup>2</sup>
- Of the different types of wetland, swamps, fens and marshes have the highest priority for protection. All remaining freshwater wetlands face significant threats – particularly from land-use change (drainage, vegetation clearance), invasive species and nutrient enrichment.<sup>3</sup>
- New Zealand's 44 marine reserves cover 17,698 km<sup>2</sup>, but only 3.5 percent of this area is around mainland coasts. This means that many of New Zealand's coastal marine biogeographic regions are significantly under-represented.<sup>4</sup>

<sup>1</sup> See Factsheet 1: Ecosystem representation and protection status – LENZ. This is the first of six factsheets that provide supporting information to these findings, available at [www.doc.govt.nz/2019-annual-report-factsheets](http://www.doc.govt.nz/2019-annual-report-factsheets). 

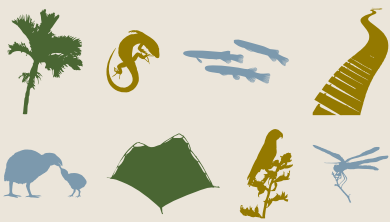
<sup>2</sup> Ecosystem services are the many benefits humans gain from the natural environment and from properly functioning ecosystems.

<sup>3</sup> See Factsheet 2: Ecosystem representation and protection status – threatened ecosystems. 

<sup>4</sup> See Factsheet 3: Ecosystem representation and protection status – marine. 

### Ecosystem Management Units

are sites of high ecological value receiving intensive management



**577** EMUs

under DOC management  
in 2018/19



### Ecosystem Management Units

Ecosystem Management Units (EMUs) are groupings of high-quality examples of related ecosystems, previously identified sites of high ecological value (such as ecological areas), and sites that are receiving intensive management, including mainland islands. Together, the current set of EMUs contains a full range of New Zealand's terrestrial and freshwater ecosystems - including offshore islands, coastal turfs, lowland to montane forests, tussock grasslands, wetlands, lakes and rivers.

DOC previously had a target of managing all 500 of the highest-ranked EMUs to achieve the two intermediate outcome objectives: a) New Zealand's ecosystems are conserved to a healthy functioning state; and b) Nationally threatened species are conserved to ensure persistence. Last year (2017/18), 561 EMUs were being managed, including some that were not in the top 500.

In 2018/19, management is being implemented at 577 EMUs. However, this does not represent the full range of New Zealand's terrestrial, lake and wetland ecosystems. Management is often only partially implemented, which results in a lower ecological integrity (EI) than may be expected.<sup>5</sup> Many EMUs will benefit from greater management across the threats that impact on them.

In 2018, DOC completed a new ranking of EMUs using information gained since the previous ranking in 2013. Managing the 850 highest-ranked sites is now recommended as the appropriate target for DOC to meet its natural heritage intermediate outcome.

<sup>5</sup> See Factsheet 4: Ecosystem representation of managed ecosystems. 



### New funding for Ecosystem Management Units and species

Of the Biodiversity 2018 programme funding of \$14.2 million that was approved by Ministers in November 2018, to increase delivery of departmental prescriptions that relate to ecological and species management units, \$1.6 million was released for 2018/19.

The extra funding from this programme aims to fully manage 611 of the departmental prescriptions within 4 years. This makes possible a more rapid increase in the health of associated ecosystems than is possible under current funding.

The extra funding was allocated to district offices across the country, for new and existing work to slow the decline in biodiversity. The funding has enabled projects like pest control on Banks Peninsula, goat control in Kahurangi National Park, rock lobster monitoring in marine reserves in Auckland, extension to stoat control on Fiordland islands, wilding pine control, weed control and species protection across many districts.

### Freshwater management

#### *Target: Increased number of priority river catchments are actively managed*

Healthy freshwater ecosystems are central to the environment, the economy, our identity and our lifestyles. Over time, waterways have been affected by pollution, pest-species invasion, deforestation, sedimentation and nutrient enrichment. Safeguarding waterways as healthy, functioning ecosystems for future generations is a priority for many New Zealanders.

The current aim is to ensure long-term healthy function of a representative range of freshwater catchments across New Zealand. DOC is actively working with local iwi, regional councils, private landowners and community landcare groups on partnerships that contribute to freshwater restoration.

### *Arawai Kākāriki and Living Water*

Arawai Kākāriki is a DOC-led national wetland restoration programme that aims to mitigate the effects of development in catchment areas. Over the past year, DOC's RMA advocacy has led to successful conservation outcomes for Whangamarino and Kaimaumuau wetlands by addressing sediment inputs and risks from groundwater and peat extraction. Large-scale control of exotic weeds and predators is also being maintained at Awarua-Waituna and Ō Tū Wharekai (Rangitata River/Ashburton Lakes).

As part of the Living Water programme, a partnership between DOC and Fonterra, 31 trials for tools and solutions to improve freshwater environments in agricultural landscapes are underway across five catchments.

### *Significant freshwater ecosystems*

DOC's freshwater Stretch Goal aims to restore 50 freshwater ecosystems from mountains to the sea. Fifteen freshwater sites are being actively managed in partnership with councils, iwi, local communities and other government agencies such as the Ministry for the Environment (MfE). A systematic assessment of high priority catchments for future investment has been completed, to identify sites with most potential to restore freshwater biodiversity.<sup>6</sup>

### *Freshwater water reform*

DOC is supporting MfE and the Ministry for Primary Industries (MPI) to develop the Essential Freshwater programme, particularly in relation to wetland protection, improving fish passage and recognition of threatened species in freshwater planning. DOC continues to advocate for freshwater conservation outcomes in regional planning throughout the country including the Southland Land and Water Plan Appeal, Proposed regional plan for Northland, and the Waikato Healthy Rivers Plan.

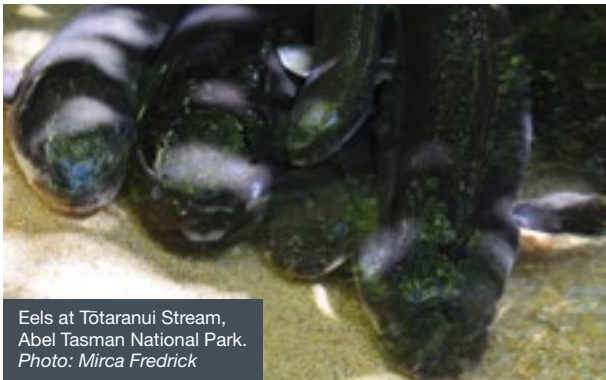
<sup>6</sup> West, D. W., Leathwick, J. R., and Dean-Speirs, T. L. (2019). Approaches to the selection of a network of freshwater ecosystems within New Zealand for conservation. *Aquatic Conservation: Marine and Freshwater Ecosystems*: 1–13.

New funding (\$7.9 million over 4 years) through the Biodiversity 2018 programme has enabled 14 new priority river catchments to be identified for management over the next 2 years, with a focus on restoration in partnership with local communities. Seven of these sites are undergoing initial scoping, stakeholder engagement and collation of information.

### *National freshwater monitoring*

New resources through Biodiversity 2018 were obtained to implement a national freshwater monitoring programme, with \$145,000 released in 2018/19. The monitoring programme will target freshwater streams and rivers, report on freshwater biodiversity and contribute to future State of the Environment reporting. This funding (\$2.9 million over 4 years) has enabled DOC to build on previous work, and expert workshops are now underway to refine the programme’s conceptual model, sample design and objectives.

### *Migratory freshwater species*



Eels at Tōtaranui Stream, Abel Tasman National Park.  
Photo: Mirca Fredrick

One focus of the freshwater programme is to increase the security of three threatened migratory fish species: shortjaw kōkopu, inanga and longfin eel. A strategic plan is being developed to set priorities for management of these three species over the next 5 years. A GIS tool is being developed to map, and help prioritise, instream structures that impede passage of migratory fish. Total funding for this programme is \$2.6 million over 4 years, with \$184,000 released in 2018/19).

### *Freshwater pest species management*

New funding (\$4.5 million over 4 years) was obtained to successfully contain key aquatic pest species populations to prevent them spreading. The aim is to contain at least four serious freshwater pests (koi carp, gambusia, rudd, hornwort) that have the potential to expand to other regions of New Zealand; \$160,000 has been released in 2018/19. A national operations plan is being developed, which will prioritise the pests and sites that DOC will work on over the next 5 years and outline a strategy for research to inform this work.

### *Tenure review*

Land protected for conservation purposes during 2018/19, through the Land Information New Zealand (LINZ)-led Crown pastoral lease tenure review programme, was 7,062 hectares. This was less than the 17,000 hectares planned due to survey activity not being completed for two tenure reviews within the 2018/19 financial year.

DOC has worked with LINZ over the past year with LINZ staff attending DOC-led Crown Pastoral Land Act 1998 discretionary consent training. The LINZ Crown Pastoral Manager was also seconded to DOC to work on identifying operational improvements between LINZ and DOC.

Both LINZ and DOC continue to work on the tenure reviews within the tenure review programme until the proposed change to legislation that will end the tenure review programme.

## Marine conservation

'Marine environment' refers to New Zealand's Territorial Sea (from the shore out to 12 nautical miles - 22 km) and Exclusive Economic Zone (from 12 nautical miles from the shore to 200 nautical miles from the shore - 370 km).

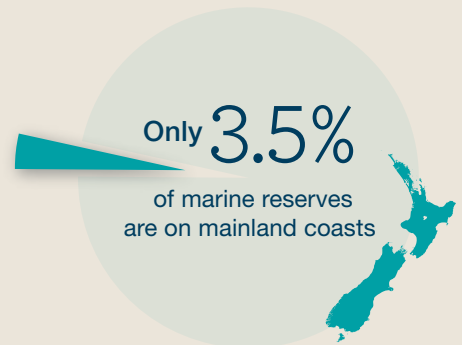
Our rich and complex marine environment ranges from subtropical to subantarctic. New Zealand has more than 15,000 known marine species, but scientists estimate there may be 65,000 unidentified marine species in New Zealand waters. Less than 1 percent of our marine environment has been surveyed and, on average, seven new marine species are identified every fortnight.

The marine environment is impacted by a range of human activities, including sedimentation, coastal development, harvesting (leading to reduced population sizes, altered community structures and physical damage from certain fishing methods), land-based sources of pollution, and introduction of marine pests.

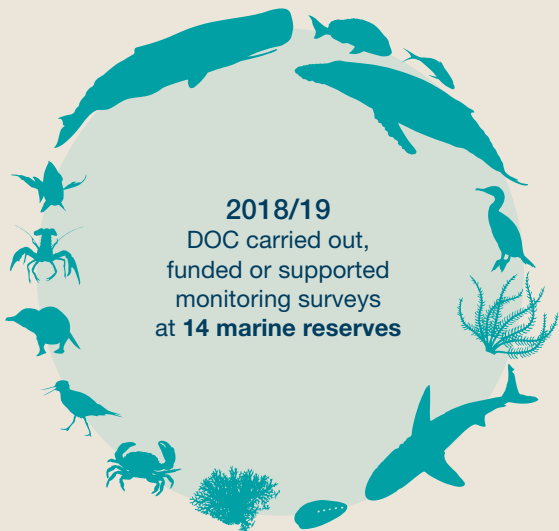
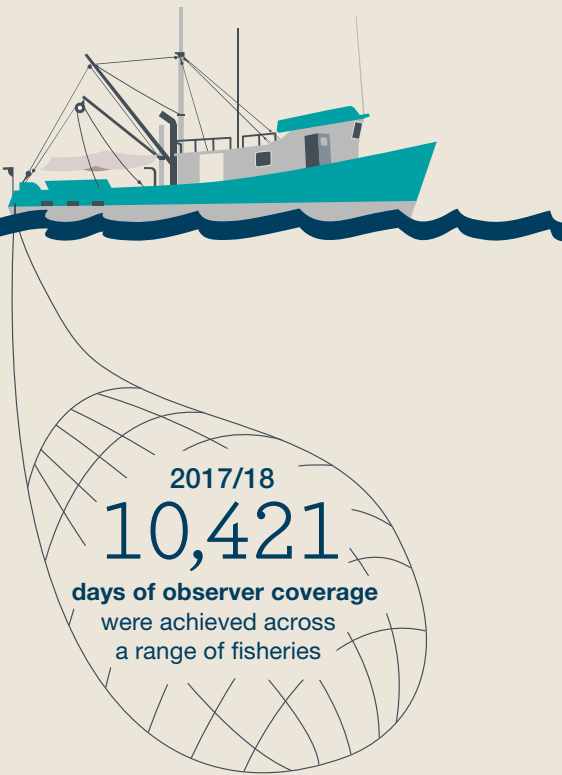
*A nationwide network of marine protected areas is in place, representing New Zealand's marine ecosystems*

New Zealand has 44 marine reserves, covering a total 17,697 km<sup>2</sup>. Most of the area protected within marine reserves (96.5 percent) lies within the ecologically important offshore island marine areas of the Kermadec and subantarctic islands groups. Only 3.5 percent of the total marine reserve area is on mainland coasts. Although this area protects some species and habitats, many of New Zealand's coastal regions are under-represented or have no Marine Protected Areas (MPAs). New Zealand also has eight marine mammal sanctuaries (see Appendix 4: Marine protection).

Completion of MPA planning processes for all regions of New Zealand remains a priority. No new marine reserves or marine mammal sanctuary areas were established in the 2018/19 year.



### Monitoring of commercial fishing activity to help protect native marine species



### *Ross Sea region Marine Protected Area*

DOC, together with the Ministry of Foreign Affairs and Trade and MPI, has continued work to deliver on a research and monitoring plan for Antarctica’s Ross Sea region Marine Protected Area (established in December 2017). This work will inform the 5-year science reporting for this MPA to be carried out in 2022.

### *MPA research*

Biodiversity 2018 programme funding (\$2.4 million over 4 years; \$192,000 released in 2018/19) is supporting two extra science advisors to work with agency partners to increase our understanding of marine protection needs and to develop science work programmes for classifying marine habitats, mapping ecological values and setting priorities.

Working with Fisheries New Zealand and the Ministry for the Environment, the focus of the MPA Research Programme for 2018/19 was to continue to build the scientific foundation for MPAs. This work included collation of over 300 marine datasets relevant to MPA planning, including data related to identifying key ecological areas in the coastal and marine environment. Opportunities for improving habitat mapping schemes were explored, along with the identification of gaps in habitat representation within the current MPA network.

### *Monitoring at marine reserves*

Ongoing management of established marine reserves is essential to their protection. DOC monitors marine species and habitats to inform its management actions and to assess the health of a marine reserve. During 2018/19, DOC conducted, funded or supported monitoring activities (surveys) in 14 of the 44 marine reserves (see Appendix 6 Table A6.1). These surveys were often undertaken in partnership with groups such as commercial fishers, universities of Auckland, Waikato, Victoria and Canterbury, and local councils (see examples in Appendix 6).

### *Marine reserve management*

The Biodiversity 2018 programme (\$3.7 million over 4 years) released \$135,000 in 2018/19 to support the increase in compliance and law-enforcement work at seven additional marine reserves in the Auckland and Wellington regions. A new position of National Compliance Advisor was established this year to develop and support a national Marine Reserves Compliance Plan.

## Estuarine environments

The Our Estuaries hub website,<sup>7</sup> launched in February 2016, continues to enjoy high visitor usage. To support agencies and communities with restoration of these threatened ecosystems, new resource pages were added this year.

- **Featured projects** – This page connects users to a raft of 'citizen science' opportunities.<sup>8</sup> A new resource was also created in collaboration with University of Canterbury and Te Wānanga o Raukawa about using straw bales to locate inanga spawning sites. The resources are in English and Te Reo Māori.
- **Revegetating estuaries** – A new interactive map connects users to guidance and resources for replanting and restoring estuaries. Best-practice resources are also highlighted.
- **Spatial information on mangroves and seagrass extent** – This repository for New Zealand's data on these valued species was a large project with significant engagement from regional councils. The dataset formed the basis of chapters in a national review of New Zealand's key biogenic habitats. The webpage also links to the SeagrassSpotter phone app to give the public the chance to get involved in seagrass conservation. The hub provides access to teaching resources and is also a way to gain feedback from stakeholders and the public.

## Protecting our marine species

### *Reduce bycatch of threatened marine mammals and seabirds*

New Zealand has important populations of migratory seabirds, many of which are in decline – and/or now classified as Threatened. Many of our seabirds spend much of their lives foraging in the Pacific and Southern Oceans, in the jurisdictions of other countries. Cooperating with these countries is our most effective means to influence the conservation of our seabirds when they range beyond our national waters.

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<sup>7</sup> See [www.doc.govt.nz/estuaries](http://www.doc.govt.nz/estuaries)

<sup>8</sup> See [www.doc.govt.nz/featured-estuary-projects](http://www.doc.govt.nz/featured-estuary-projects)

In the past year DOC has:

- established arrangements for cooperation in seabird conservation with Chile and Instituto Nacional de Pesca of Ecuador to address seabird bycatch, particularly Antipodean albatross and black petrel
- worked in French Polynesia to assist with seabird bycatch mitigation trials
- established positive dialogue with China to work collaboratively on seabird bycatch issues
- continued positive working arrangements with Japan on seabird bycatch issues
- worked through the Western and Central Pacific Fisheries Commission (WCPFC) to implement significant improvements to the seabird conservation and management rules
- promoted fisheries bycatch reduction through a range of multilateral and bilateral engagements, including through the annual meetings of the Agreement for the Conservation of Albatrosses and Petrels (ACAP).

Initiatives to reduce fisheries bycatch also occur through the Conservation Services Programme (CSP).

### *The Conservation Services Programme*



Yellow-eyed penguin/hoiho. Photo: John Reid

Several research projects have been commissioned through the Conservation Services Annual Plans available on the DOC website. DOC is also providing the monitoring of Campbell Island albatross and has contributed to the research into Antipodean albatross and yellow-eyed penguin/hoiho. This work is supported by Biodiversity 2018 programme funding (\$4.4 million over 4 years; \$415,000 in 2018/19).

Two other major research projects have been commissioned to develop underwater bait setting techniques in the surface and bottom longline fisheries. Additional liaison-officer time was delivered and materials for bird-scaring lines were purchased to provide to fishers.

The Conservation Services Programme in 2018/19 delivered a wide range of **interaction, population** and **mitigation** projects. This work programme represents an annual investment of \$2.28 million by the Crown and commercial fisheries to help understand and mitigate the effects of commercial fisheries on threatened marine species.

**Interaction projects** involve examining the interactions between protected species and commercial fisheries. The largest of these is the Observer Programme, which is organised jointly with Fisheries New Zealand. The programme monitors protected species interactions in both inshore and offshore fisheries. Observer coverage numbers have not yet been collated for 2018/19. In 2017/18, 10,421 days of observer coverage were achieved across a range of fisheries, compared with 9,950 days in 2016/17.

**Population projects** monitor the trends and demographics of key species and undertake tracking work to understand species distribution and foraging ranges. This informs where species may be at risk from fisheries, both within our Exclusive Economic Zone and overseas. In 2018/19, projects examined the population dynamics of protected species, such as cold-water corals, hoiho, New Zealand sea lions and various seabird species.

This year, **mitigation projects** concentrated on inshore trawl and longline fisheries, as well as offal management, effective mitigation measure use and protected species handling across all commercial fisheries. Protected species liaison staff, who seek to help fishers reduce their risk of bycatch, increased their activity this year.

Final reports on these projects are made available on the DOC website at [www.doc.govt.nz/csp](http://www.doc.govt.nz/csp)

## Objective: Nationally threatened species are conserved to ensure persistence

### PERFORMANCE INDICATOR

Species occupancy – the species present are the ones you would expect naturally

Performance: poor but maintained



Protecting threatened species, and nature in general, will be at the heart of New Zealand's future success.

Of over 13,000 native species whose conservation status has been assessed, nearly 4,000 species are classified as Threatened or At Risk. Approximately 4,500 native species are considered 'Data Deficient' – and many of these are likely to be Threatened or At Risk once assessment is achieved.

Between 70 and 80 percent of New Zealand's terrestrial animal and plant species are unique to this country.

Intervention is needed for many of these indigenous species to thrive in their natural habitats and to form the unique biodiversity that is central to New Zealand's identity. Without greater investment and management, many of New Zealand's threatened species will become extinct. Those that survive will become increasingly difficult to sustain.

Conservation approaches that are specific to individual threatened species are needed because DOC's current ecosystem-level approaches will not suit all species. There is no qualitative way of making trade-offs between species, landscapes and ecosystems as they all have positive but different benefits for biodiversity.

DOC's approach is set out on the next page. It includes strengthening our reporting on threatened species, and management plans that are specific to individual species.

## Threatened species managed for national persistence

# 543

**Threatened, At Risk or Conservation Dependent species** are likely to benefit from management in at least one site



# 63%

**of these receive management that meets the approximate standards** required for the species in at least one management unit



### Threatened species reporting

Although significant progress has been made towards managing threatened species, there are still no management prescriptions for more than 7,500 of the 8,146 Threatened, At Risk, Data Poor and Data Deficient species listed in the DOC-administered New Zealand Threat Classification System database. The database is dominated by terrestrial species (89 percent), with freshwater species representing 5 percent and marine species 6 percent.

For most species, we still need to understand causes of decline and/or learn more so we can plan for effective conservation management and halt their overall decline.

Threatened species reporting to date has included both Threatened and At Risk threat categories. Threatened species are the highest priority for management, and future reporting will concentrate on these. In Table 4, the 2018/19 target of 288 Threatened species managed to improve understanding' was made up of 211 Threatened species and 77 At Risk species. For the measure 'managed to ensure local security', the target

of 440 was made up of 291 Threatened species and 149 At Risk species.

The actual result for 'Threatened species that are managed to improve understanding' was 242, 32 under the target.

There were four main reasons for the target not being met.

- The target being set in error, as no work had been planned for the year (15 cases).
- The monitoring was determined to not be improving understanding, and the monitoring programme is therefore being re-evaluated (six cases).
- Conditions were unsuitable for proceeding with work due to high water levels at the time access was needed (eight cases).
- There were no suitably qualified staff to undertake the work (seven cases).

There were also situations where work proceeded for Threatened species that had not been planned.

Table 4: Threatened species management approaches – trends over time

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Target 2018/19
Threatened species managed to improve understanding	220	266	168	164	242	288
Threatened species managed to ensure local security	258	346	259	252	421	440
Threatened species managed for national persistence	159	407	338	265	219	338

**Table notes:**

- **Improve understanding** refers to threatened species where monitoring or research is in place to improve understanding of where known populations require further management, or to explore if certain management approaches are appropriate.
- **Ensure local security** refers to there being populations of a threatened species that are being managed in some way so that one or more populations will survive.
- **Managed for national persistence** refers to a threatened species that has enough populations being managed so that collectively the continuance of the species is expected into the future.



### *Threatened species managed for national persistence*


Threatened species can be managed to varying levels of effectiveness. The following information provides an assessment of the current approach to threatened species management. Here, 'threatened species' means all species classified as either Threatened, At Risk or Conservation Dependent that are being deliberately managed within management units.

- 543 Threatened, At Risk or Conservation Dependent species are likely to benefit from management in at least one site. This management is not always specifically targeted to species requirements, but aims to maintain general ecosystem health and function.
- Of these, 344 Threatened, At Risk or Conservation Dependent species receive management that meets the approximate standards required for the species in at least one management unit.<sup>9</sup>
- 219 threatened species meet the approximate standards required. This is less than the target of 338 threatened species. In 2017/18 the result was 265. This reduced rate is because the reporting is now directly aligned with the categories reported in the factsheet, which was established in 2017/18 to add more rigour to the reporting.
- 71 species receive management that meets the approximate standards required for the species at nearly all (90 percent) of the sites recommended by experts to ensure species long-term persistence.

This re-emphasises the need for active threatened species management across more populations and more comprehensive local protection.

### **Threatened species management: Biodiversity 2018 Programme**

Funding for this programme is \$4.3 million over 4 years. In 2018/19, \$174,000 was released to develop the draft criteria for identifying and prioritising threatened species. Through this process, work has commenced on three adaptive management projects. Projects have also commenced for 13 species classified as Data Deficient. Several are highlighted overleaf.

<sup>9</sup> See Factsheet 5: Security of threatened and at risk taxa - managed species. 

## **Threatened species management under the Biodiversity 2018 programme**

**3 projects underway  
for adaptive management**

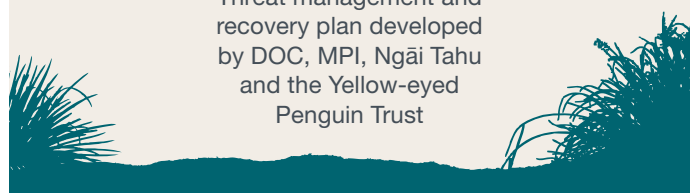


**13 projects underway  
for 'Data Deficient' species**



### **Yellow-eyed penguin/hoiho**

Threat management and recovery plan developed by DOC, MPI, Ngāi Tahu and the Yellow-eyed Penguin Trust



### **Antipodean albatross**

5-year  
action plan  
underway



Figure 1: Juvenile female antipodean albatross flight path Jan–Jul 2019. Distance travelled: 38,927 km.

*Yellow-eyed penguin/hoiho*

Endemic to New Zealand (only found here), the yellow-eyed penguin/hoiho is one of the world's rarest penguins. A Threat Management and Recovery Plan for hoiho is being developed in partnership between DOC, MPI, Ngāi Tahu and the Yellow-eyed Penguin Trust.

The research and monitoring work in 2018/19 aligns with advice from the Hoiho Technical Group, and addresses research priorities identified by the 2018 review 'The Pathway ahead for hoiho Te ara whakamua'.

There were four main components of the research and monitoring programme in 2018/19.

1. Monitoring of hoiho on the Catlins Coast during the 2018–19 breeding season.
2. Recording and rehabilitation (where necessary) of sick and injured birds to maximise their chance of survival.
3. Analysis of existing data on the Auckland Islands hoiho population to better understand the current status of the population and identify gaps for future research.
4. Support strategically aligned external research to better understand the quality of the marine habitat and foraging areas of hoiho, and the impacts of avian malaria on this species.

*Antipodean albatross*

The Antipodean albatross is endemic to Antipodes Island. It is classified Nationally Critical, and its population has declined at an alarming rate since 2004. At the current rate of decline, there will be fewer than 500 pairs remaining in 20 years. We do not fully understand the cause of this decline and the high fisheries bycatch rate, particularly in waters beyond New Zealand’s exclusive economic zone (EEZ).

DOC now has a 5-year action plan for Antipodean albatross, to address the conservation concerns for the species. Actions under the plan include collection of enhanced tracking data to identify the fishing fleets that pose bycatch risk and to form a better understanding of the population’s dynamics. As a part of the program, DOC, in collaboration with Fisheries New Zealand, started tracking 75 Antipodean albatrosses in real time to understand their range,<sup>10</sup> where they forage, and when and where they interact with fishing vessels. This data will help convince fisheries managers to help fix the problem.

<sup>10</sup> DOC / FNZ Albatross Tracker web app, available at <https://docnewzealand.shinyapps.io/albatrosstracker>

Based on preliminary analyses, DOC identified that Antipodean albatrosses, especially the females, forage further north than previously thought, where they may encounter fishing fleets in areas without observer coverage. These birds are at greater risk of being killed if the vessels do not use recommended mitigation techniques. This result led to DOC's success at the Western and Central Pacific Fisheries Commission (WCPFC) 14th Scientific Committee meeting to reach agreement to adjust the northern boundary for the use of mandatory mitigation measures in longline vessels from 30°S to 25°S.

### Threat Management Plans: Hector's and Māui dolphins, and New Zealand sea lion/rāpoka

The Threat Management Plan (TMP) is a management tool for species conservation that has been in place for Māui and Hector's dolphins since 2007 and for New Zealand sea lions since 2017.

#### *Hector's and Māui dolphins*

The Hector's and Māui Dolphin TMP review started in 2017 and continued through 2018/19. The process includes extensive independent research, risk assessment and evaluation involving a range of scientific experts from New Zealand and overseas. The process also provided opportunities for tangata whenua and stakeholder input.

A draft public discussion document was presented to the Ministers of Conservation and of Fisheries in June 2019, followed by a public consultation process.

New data about Hector's dolphin abundance found the population has a better status than we thought. A public consultation on the measures required for the conservation of Māui and Hector's dolphins was initiated in June 2019. Decisions on future management and research programmes are expected this year.

#### *New Zealand sea lion*

The New Zealand sea lion TMP has been in place for 2 years. In this second year, research projects were undertaken in all known breeding locations, including remote areas such as the Campbell Island colonies. The sea lion population has been relatively stable over the past 10 years. During the 2018/19 field season, the total pup production estimated at the Auckland Islands was 1,679 – 6 percent lower than last year but 12 percent higher than the lowest-recorded pup count 10 years ago (1,501 pups in 2008/09). Total pup production at Campbell Island was 704, similar to the previous breeding season.

More information about the New Zealand sea lion is available on DOC's website, as well as details of other marine species research and protection programmes.

During the 2019 review of the New Zealand Threat Classification System assessment of marine mammals, the conservation status of Hector's dolphin and the New Zealand sea lion changed from 'Threatened – Nationally Critical' to 'Threatened – Nationally Vulnerable'.

#### Marine mammal strandings

In the past year, DOC, iwi, researchers, conservation groups, and volunteers responded to 86 whale and dolphin incidents (strandings and 'beachcast' dead animals). These included a mass stranding of pygmy killer whales (*Feresa attenuata*) (only the second such stranding known in New Zealand), and two large pilot-whale mass strandings. These three strandings occurred within a 1-week period but were not thought to be linked in any way.

#### Island biosecurity

DOC manages hundreds of islands within the New Zealand archipelago. These islands provide opportunities to maintain island ecosystems that are in 'good' condition, create sanctuaries for protected species where mainland populations are threatened, and protect the islands' rich natural and historic heritage.

Table 5: Island biosecurity programmes where pest-free status has been maintained

	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Target 2018/19
Island biosecurity – programmes where pest-free status has been maintained*	65	65	62	79	63	51	58

\* 'Pest-free' means free from all targeted unwanted pests.

The variation in the number of programmes with pest-free status is affected by periodic incursions of unwanted pests.

The island biosecurity programmes where pest-free status has been maintained was seven fewer than the target. A deer incursion on Ulva Island has yet to be resolved, and there has also been deer sign found on Anchor and Indian islands in Fiordland. We are waiting until the end of the kākāpō breeding season to respond. No surveillance was possible to confirm whether Bench Island (off the coast of Stewart Island/Rakiura) is free of pests. There has been an incursion by stoats of Mary Island in Lake Hauroko. One programme in the Bay of Islands is responding to a rat incursion. Bad weather prevented all the planned rodent checks for Cuvier Island from proceeding.

#### *Biodiversity 2018 Programme – island biosecurity*

The Budget 2018 funding (\$2.7 million over 4 years; \$382,000 in 2018/19) enables the implementation of the Island Biosecurity Strategy to address capacity issues and improve performance to keep biologically significant islands free of pests.

To improve DOC's ability to protect these important islands, a comprehensive training syllabus for island biosecurity is being developed to cover quarantine, surveillance and response processes.

Island biosecurity plans are being developed, and are underway for the Chatham Islands, Ulva, Rakitu, Moutohora, Kapiti and Matiu/Somes islands, and the Auckland inner islands. To complement the plans, DOC has audited islands; the audits aim to identify improvements in the processes, standards, tools and techniques used to ensure the biosecurity of islands. These audits also identify any new issues and risks that arise from changes to an island's status and/or risks present due to pests on the nearby mainland or islands.

The first islands audited were the Chatham Islands, islands in the Marlborough Sounds and the Abel Tasman islands in the northern South Island region. The audits showed many good-practice quarantine procedures are being followed. The staff involved were positive about improving biosecurity, identifying any weaknesses and looking for creative solutions to address those weaknesses.

### Kiwi under threat

New Zealanders strongly identify with kiwi as an iconic native bird. Kiwi populations around the country are declining at an average rate of 2 percent a year. Some kiwi species are at very low numbers, with tokoeka classified 'Threatened - Nationally Critical'.

### Save Our Iconic Kiwi programme

The long-term purpose of the Save Our Iconic Kiwi (SOIK) programme, a collaboration between DOC and Kiwis for Kiwi,<sup>11</sup> is to reverse the current decline and secure an increase in kiwi numbers and distribution. The biggest threat to kiwi is predation from introduced species, especially mustelids. SOIK aims to protect landscape-scale areas of kiwi habitat. In 2018/19, two predator control operations benefitting Fiordland tokoeka and great spotted kiwi habitat were planned, but were delayed by poor weather - these operations will be conducted in 2019/20.

SOIK also aims to increase knowledge of our least-understood kiwi populations; in 2018/19, three research projects, each under different management types, highlighted the severe impact of predators on our most remote South Island kiwi populations - at one site, 10 out of 12 monitored chicks were killed by stoats (83 percent).

A successful pilot of a national monitoring protocol on Fiordland tokoeka concluded and rolled into year 2. Over time, this mix of acoustic recorder kiwi-call counting, territory mapping and intensive chick-survival monitoring will show population trends and be used to inform management decisions around when, where and how often to provide predator control.



Photo: Crystal Brindle

<sup>11</sup> For more information, see [www.kiwisforkiwi.org](http://www.kiwisforkiwi.org)

### Save Our Iconic Kiwi programme

Protecting kiwi habitat on a landscape scale



The **biggest threat to kiwi** is introduced predators, especially **mustelids**

2018/19

Sky Lake, Fiordland



10/12

monitored chicks without predator control were **killed by stoats**

22-year study in Tongariro Forest



North Island brown kiwi **survived four landscape-scale aerial 1080 operations** targeting brush-tailed possums and rats

### *Kiwi survival through landscape-scale predator control operations*

During a 22-year study in Tongariro Forest, all 142 radio-tagged North Island brown kiwi survived four landscape-scale aerial 1080 operations targeting brush-tailed possums and rats. Furthermore, landscape-scale 1080 operations benefited both kiwi and the New Zealand fantail in two other metrics: kiwi chick survival to 6 months old, and fantail nesting success. Both were significantly higher in the first two breeding seasons following the use of 1080 than in previous years of the 5-year cycle.

Several episodes of ferrets killing adult kiwi were observed, particularly in the last half of the 1080 cycle. Population modelling showed that a 5-year 1080 operation cycle resulted in population gains for 2 years, followed by declines in the remaining 3 years that largely negated these benefits.

The data thus support the shift to a 3-year 1080 operation cycle, which will more likely result in the kiwi population growing at close to 2 percent per year (the target set in the 2018-2028 Kiwi Recovery Plan).

### Objective: Public conservation lands, waters and species are held for now and future generations

Possums, rats and stoats devastate forests, plants and native animal species on public conservation land. These introduced predators are the greatest threat to the survival of many of our native birds. Without active management, many of our iconic species cannot survive in the wild and are in danger of extinction. Other native bird species are vulnerable to declines.

Our rare native species and ecosystems are also threatened by developments on private land and public waterways that modify the land, particularly in lowland areas that are not protected. On protected lands, too, lowland forests, sand dunes, streams, wetlands and subalpine tussock grasslands are all under-represented.

The loss or decline of native species can lead to cascading ecological changes in native forests and declines in the health of entire ecosystems. We may then lose 'ecosystem services' such as erosion and flood control, and water and soil quality. Losses in lowland areas can lead to permanent loss of societal, economic and biodiversity value, undermining our prosperity.

Table 6: Hectares reported for pest control – trend

Significant output measures	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Target 2018/19
Possums – hectares treated	375,316	164,459	205,037	256,601	188,537	270,000*
Rats and mustelids – hectares treated	Not reported	190,385	1,045,291	763,514	807,493	702,000
Goats – hectares treated	1,103,331	1,190,949	1,049,453	1,072,448	1,082,596	1,220,000
Deer – hectares treated	456,757	444,777	415,808	412,353	304,795	375,000
Weeds ecosystem – hectares treated	525,469	555,168	380,187	291,942	248,716	309,000
Wilding conifers – hectares treated	Not reported separately from other weed work		1,168,037	355,842	135,567	385,000#

\* Target includes treatment of 77,722 hectares provided through the contribution of others.

# Target includes 170,000 hectares treated through the contribution of others.

**PERFORMANCE INDICATOR**

## Indigenous dominance – ecological processes are natural

Performance: maintained

*Controlling pests*

A key response to predators and other pests in public conservation lands and waters is to control these invaders through various means. Table 6 shows the trend in hectares reported for pest control.


*Areas under pest control – variances from targets for 2018/19*

The differences between the targets and the reported actual outputs for 2018/19 are explained in Table 7 below.

Table 7: Hectares under pest control 2018/19 – variance from target

Significant output measures	Variance 2018/19	Variance explanation
Possums – hectares treated	-30%	<p>This target was achieved if we consider only the possum control delivered by DOC. The 2018/19 target also included possum control of 76,000 hectares expected to be delivered 'through the contribution of other' parties.</p> <ul style="list-style-type: none"> <li>34,000 hectares planned to be treated as part of Taranaki Mounga were yet to be completed at the time of reporting.</li> <li>11,000 hectares of Kaweka Forest Park were not treated due to changes in the OSPRI programme.</li> </ul>
Goats – hectares treated	-10%	<p>The total goat control was 137,404 hectares fewer than planned, for several reasons.</p> <ul style="list-style-type: none"> <li>The production of Goat Control Plans has led to less control occurring in northern North Island (by 6,889 hectares) and northern South Island (30,949 hectares).</li> <li>Across Taranaki and Waikato, the more-accurate reporting approach reduced the area reported by 23,794 ha.</li> <li>Whakatane district (down by 37,030 hectares) did not proceed with aerial culling due to a lack of skilled staff.</li> <li>In southern South Island, local conditions and updated goat distribution information led to a decision not to proceed with 37,970 hectares of treatment.</li> </ul>
Deer – hectares treated	-19%	<p>The total deer control treatment area was 70,205 hectares smaller than planned, due to the southern South Island region resetting its target area to not include areas deer would not inhabit (such as steep alpine country). Although this reduced the national total by 146,993 hectares, 67,935 hectares more than planned was treated in Auckland, with surveillance completed across the region.</p>
Weeds ecosystem – hectares treated	-20%	<p>The total weed control area was 60,284 hectares smaller than planned. All regions showed variances. One reason for this is the more-intensive treatment occurring across smaller areas, accounting for 56,087 fewer hectares treated, in Golden Bay and Mokihinui. In the Brunner catchment, the treatment area was 2,271 hectares smaller, as riparian planting and control of pest fish were prioritised instead.</p>
Wilding conifers – hectares treated	-37%	<p>The target for wilding conifer treatment was inaccurate, as it wrongly anticipated a planned 'contribution of others' for the Wakatipu Wilding Conifer Control Group of 170,000 hectares. The group instead delivered treatment of 38,552 hectares, which is a great contribution to conservation.</p> <p>For the wilding conifer control delivered by DOC, the result was 79,405 hectares fewer than planned. Of this, 29,400 hectares of planned treatment for south Canterbury did not proceed due to MPI programme funding not being available, and 36,400 hectares work in the MacKenzie country was not completed to the reporting stage (to be reported in 2019/20).</p> <p>Another significant variance was the 20,875-hectare treatment less than target reported in the Murihiku district in southern South Island, due to more concentrated treatment with boom sprays covering fewer hectares than planned.</p>

**Conservation achieved through the contributions of others in 2018/19**



**21,180** ha  
treated for **possums**  
▲ 21% on last year



**154,665** ha  
treated for **rats and mustelids**  
▲ 45% on last year




**16,813** ha  
treated for **goats**




**1,573** ha  
treated for **deer**



**464** ha  
treated for **weeds**



**39,400** ha  
treated for **wilding conifers**



*Conservation achieved by others*

DOC began separate reporting for pest treatment provided ‘through the contribution of others’ with its 2017 Annual Report. This represents the control activity undertaken associated with protecting public conservation land where the resources used to achieve the control for a pest are mostly or all provided by others. Results from the contributions of others are reported below.

Table 8: Treatment areas reported for pest treatment carried out by others

Significant output measures	Actual 2016/17	Actual 2017/18	Actual 2018/19
Possums – hectares treated through the contribution of others	22,011	17,483	21,180
Rats and/or mustelids – hectares treated through the contribution of others	117,666	106,710	154,665
Goats – hectares treated through the contribution of others			16,813
Deer – hectares treated through the contribution of others			1,573
Weeds ecosystem – hectares treated through the contribution of others			464
Wilding conifers – hectares treated through the contribution of others			39,400



This reporting approach for capturing the outputs others contribute to conservation does not include the many situations where community groups contribute to wider pest-control operations, and some significant partnership programmes may still not match the 'most or all resource' contribution criterion used to separate this reporting from the DOC-reported treatment in Table 8. Also, this reporting only includes pest treatment undertaken that is associated with DOC-defined EMUs, so most local authority and some other-agency pest treatment is excluded.

### *Sustained management*

Annual pest-treatment coverage areas vary due to the level of pest pressure and cyclical treatment programmes. The 'sustained management' of pests represents the overall extent of the multi-year control operations. Each year the reported 'hectares treated' contributes to the overall hectares of sustained management. This includes treatment 'through the contribution of others' where this contributes to an ongoing programme. See Table 9, below.

Table 9: Sustained management measures – hectares sustained

Significant management measures (hectares sustained)	Actual 2013/14	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19
Possums	939,395	975,620	773,233	800,168	1,508,000	1,563,000
Rats and mustelids	Not reported separately				1,179,000	1,353,600
Goats	2,156,704	2,125,628	2,025,397	1,952,627	2,180,000	2,200,000
Deer	540,756	522,714	615,648	645,115	980,000	980,000
Weeds ecosystem	1,851,778	1,220,980	1,335,633	1,378,570	928,000	909,600
Wilding conifers	Not reported separately					1,797,000



### Case study: Possums are pests

Possums are widespread across New Zealand’s public conservation land, and can have significant impacts on native flora and fauna. Understanding the possum’s national distribution and abundance can help direct management efforts to protect New Zealand’s biodiversity.

DOC’s tier 1 monitoring programme helps reveal the scale of pest distributions across the country, and how this scale changes over time.

For public conservation land, 61 percent of the total land area is occupied by possums, with the distribution being higher and relatively constant in woody ecosystems over the period from 2012/13 to 2018/19 (for which there is reliable data through the DOC national-level monitoring programme).

National parks show lower possum occupancy than other public conservation land types, which probably reflects that national parks, as conservation areas of high importance, tend to be the focus of pest control. Trends revealed through the analysis of this monitoring data will be used to inform management action.<sup>12</sup>



Photo: Alan Cressler

Possum distribution information is available on the DOC website. In Figure 2 below, their distribution is represented by ‘occupancy’ (which reflects presence of possums and not their density). On public conservation land, possum occupancy in forests (woody) has been relatively constant since 2014. The occupancy remains at over 70 percent at the sampled non-National Park sites, and is slightly better (over 60 percent) at sampled National Park sites.

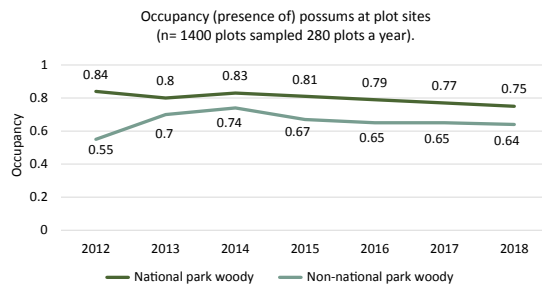


Figure 2: The presence of possums on public conservation land

<sup>12</sup> Abundance and distribution of possums *Trichosurus Vulpecula*. Technical report no 7. Available at [www.doc.govt.nz/2019-annual-report-factsheets](http://www.doc.govt.nz/2019-annual-report-factsheets)

## Threats to New Zealand's biodiversity

New Zealand's native biodiversity is threatened in several ways. Two specific examples – myrtle rust and kauri dieback – and DOC's approach to managing them, are set out below.

### *Myrtle rust*

Myrtle rust is a fungal disease that fatally attacks plants in the myrtle family, such as mānuka and rātā. The disease was first detected in New Zealand in April 2017 on pōhutukawa trees on Raoul Island, part of the DOC-managed Kermadec Islands Nature Reserve. Myrtle rust has spread rapidly since then, including to the mainland: as of June 2019, myrtle rust has been confirmed in nearly 1,000 sites across mainland New Zealand.

Myrtle rust now occurs across the North Island, apart from Hawke's Bay. In the South Island it has been found in Marlborough, Nelson and Tasman, and at one location on the West Coast. The rust has been identified at 11 sites on public conservation land. Because of concern over the devastation myrtle rust can cause, the New Zealand Myrtaceae plant species (11 of which are susceptible, as are their hybrids) has been reclassified under the New Zealand Threat Classification System, from Not Threatened to Threatened.

DOC's work has moved from initial response to a long-term management programme. DOC worked closely this year with MPI to help develop New Zealand's Myrtle Rust Long-Term Management Strategy and the Myrtle Rust Strategic Science Plan. A major workstream has been the collection of native Myrtaceae seed as an insurance policy against local or national extinctions. Monitoring on Raoul Island continues, which helps us to understand the impacts of myrtle rust.

DOC encourages its staff and the public to report myrtle rust finds to help track the spread of myrtle rust and identify new host species. Myrtle rust distribution is available at: [www.myrtlerust.org.nz/about-myrtle-rust/where-is-myrtle-rust](http://www.myrtlerust.org.nz/about-myrtle-rust/where-is-myrtle-rust)

### *Kauri dieback*

All New Zealand kauri are threatened by kauri dieback, a disease caused by the fungus-like organism *Phytophthora agathidicida* (PA) that is found in soil. The disease affects forests in Northland, Auckland, Great Barrier Island/Aotea and the Coromandel Peninsula, and can spread to all kauri forests through the movement of infected soil. Phosphite injections can help slow the disease symptoms, but there is no known cure. Preventing soil spreading is the main tool for managing the disease.

Biosecurity New Zealand (part of MPI) leads the Kauri Dieback Programme, in partnership with DOC, tangata whenua and the regional councils of Northland, Auckland, Waikato and Bay of Plenty. DOC works closely with its partners on ensuring best practice is understood and shared.

DOC began this work assuming each kauri may be infected, and has progressively worked to minimise soil movement for all kauri that are near its track network. Over 40 tracks have been closed (with others pending) and, where possible, tracks and/or pest trapping lines are rerouted away from kauri trees.<sup>13</sup> A total of 25 km of track has been treated ('mitigated') to remove the potential for wet and muddy sections that may spread the disease.

Following track mitigation, hygiene stations are installed to minimise soil movement. To date, 40 'Mark 2' hygiene stations have been developed and installed, and this work will continue this year. These stations are designed to be easy to use and effective, and track users are making good use of them.

DOC also carries out other activities in response to kauri dieback, such as:

- advocacy and behaviour-change research to educate and encourage compliance with kauri dieback behaviours
- controlling pigs
- using track ambassadors at high-use tracks to raise awareness.

Sampling and monitoring of kauri dieback are carried out to inform management decisions, including working closely with Te Roroa on management of the Waipoua Forest, home to Tāne Mahuta.

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<sup>13</sup> Track closures to prevent the spread of kauri dieback: [www.doc.govt.nz/kauri-dieback-track-closures](http://www.doc.govt.nz/kauri-dieback-track-closures)

## Developing the Predator Free 2050 Strategy and Action Plan



Juvenile tomtit calling for a feed. Photo: David Wills

Following DOC's release of its PF2050 discussion guide in November 2018, a Strategy and Action Plan – Towards a Predator Free New Zealand – has been developed with public input. DOC received 742 survey responses. The guide reached more than 160,000 people through social media and attracted 4,300 comments and engagements.

Delivery of the Strategy and Action Plan will utilise national and regional collaborations with Predator Free partners, iwi, central and local government, business, NGOs and others. A 5-year schedule to implement the plan has also been developed.

The mahi (work) will be delivered using six pathways.

- Mana whenua expressing their kaitiakitanga (guardianship)
- Advancing our knowledge, innovating and improving
- Empowering and inspiring communities to take action
- Moving from sustained predator control to eradication
- Measuring, assessing and evaluating the difference we make
- Supporting the vision through legislation and policy

The Strategy and Action Plan, to be finalised later in 2019, focuses on three phases: **Mobilise**, **Innovate** and **Accelerate**.

**Mobilise** – connecting and engaging with people and communities, establishing regional and national collaborations and building capacity.

PF2050 funding enabled DOC to develop a 2-day community predator-control course – Introduction to Predator Trapping Methods – in partnership with the Nelson Marlborough Institute of Technology (NMIT). In 2018/19, NMIT ran this Level 3 accredited course in five locations (Christchurch, Nelson, Wellington, Wairoa, Rotorua), with 73 students participating (including nine from Project Moturoa).

Nine Predator Free Rangers have been actively working with their district rangers and other DOC staff to enable community groups to take active roles in Predator Free-related activities. Activities include delivering 1-day trapping workshops, providing advice on best practice and attending community events.

**Innovate** – investing in the development of transformational tools and technologies, and learning from mātauranga science. There has been positive progress in the past year on several PF2050 funded projects:

- Aerial PAPP for stoat control – DOC is working on a new pre-made stoat bait that contains the toxin PAPP (para-aminopropiophenone). Although PAPP is already used for stoat and feral cat control, it must be injected into minced meat and used within 48 hours. The new bait would make PAPP easier to use and apply from the air across a larger area. Field trials are planned for late 2019.
- Long-life rat lures – this Victoria University of Wellington project has created a synthetic long-life rat lure that can attract rats for up to 6 months. This is ideal for use in self-resetting traps. Work is underway to make the product commercially available.

- PAWS® pest identification sensor pad – led by Lincoln Agritech Ltd, Boffa Miskell and Red Fern Solutions, PAWS® (Print Acquisition for Wildlife Surveillance) is a low-cost automated sensor pad that detects and identifies pests (using algorithms to differentiate between species), then alerts managers to a pest invasion. It has potential as a real-time, land-based monitoring tool. Field trials are underway, with commercialisation targeted for late 2021.

**Accelerate** – once suitable tools and technologies are developed to achieve eradication, we can apply them more broadly across New Zealand.

The Maukahuka Pest-Free Auckland Island team studied the feasibility of removing pigs, cats and mice from the main Auckland Island in the New Zealand subantarctic. This included large-scale field trials between November 2018 and March 2019, followed by data analysis. The team has worked closely with Ngāi Tahu and has begun operational planning for project delivery, including engagement with potential external partners.

DOC is developing a strategic Predator Research Plan to ensure the best outcomes for native species from large-scale predator control operations. It will contain four focus areas:

- outcomes for native species from predator control operations
- the effectiveness of predator control tools
- understanding predator ecology and predator responses to control operations
- supporting Predator Free 2050.

The plan will continue research into outcomes for our native forest birds, increase research efforts to improving outcomes of predator control in various landscapes, and boost research into better outcomes for our native lizards.

## Landscape-scale partnerships

DOC is working with partners to deliver landscape-scale restoration projects across the country. Our approach is focused on connecting people, aligning work programmes, working across public and private land, testing and scaling-up successful ideas, leveraging investment, learning from others and sharing our conservation expertise to collectively achieve more impact for conservation.

Although biodiversity outcomes are the main reason for this work, social, economic and cultural outcomes are also part of the project design. By working in collaboration and using the strengths of various organisations, significant outcomes for the environment, people, communities and the wider economy can be achieved.

Although DOC may lead the initiation of landscape-scale restoration projects, work often involves co-governance and/or co-design arrangements, with different parties leading specific initiatives within a larger programme of work.

### Landscape-scale partnerships in the Mackenzie basin

The Mackenzie basin is an iconic area of the Canterbury high country characterised by 'big sky' open landscapes, rolling tussock grasslands, unique biodiversity, and a special place in the national psyche of New Zealand. The Mackenzie, or Te Manahuna, also holds special significance to Ngāi Tahu, and frames Aoraki/Mount Cook. The Mackenzie basin contains significant biodiversity values, including a disproportionate number of rare and threatened species found nowhere else in New Zealand.

The area is home to many endangered species including kea, rock wren and the scree wētā in the alpine zone, and braided-river species like wrybill, banded dotterel, robust grasshopper, and the world's rarest wading bird, the kakī/black stilt.

### *Te Manahuna Aoraki landscape conservation programme*

Launched in November 2018, Te Manahuna Aoraki (TMA) is an example of a landscape-scale restoration project, focused on the iconic natural landscapes and threatened species of the upper Mackenzie basin and Aoraki/Mount Cook National Park.

Partners have committed up to \$4.5 million over 3 years to deliver 11 initial stand-alone projects through a joint-governance model. These projects will help protect threatened species, demonstrate techniques to eradicate pests, provide information on the distribution of hard-to-manage pests, and provide knowledge that will help make a larger-scale project more efficient and effective.

Founding partners are the NEXT Foundation, Te Rūnanga o Arowhenua, Te Rūnanga o Waihao, Te Rūnanga o Moeraki and DOC. Activities are supported by high-country landholders, and investors Aotearoa Foundation, Jasmine Social Investments, Global Wildlife Conservation and Predator Free 2050 Limited.

More information about TMA, including the 11 standalone projects, can be found at its website: [www.temanahunaoraki.org](http://www.temanahunaoraki.org)

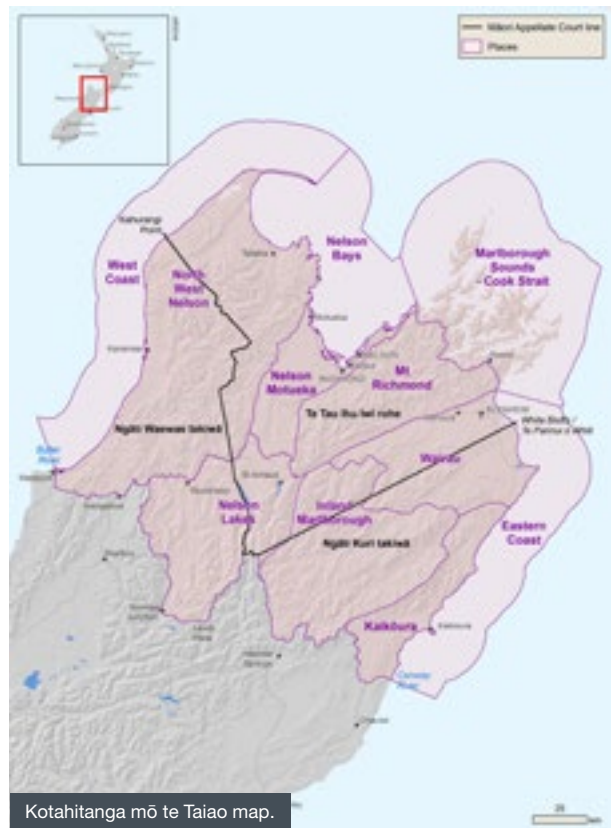
### *Mackenzie Basin Agency Alignment Programme*

DOC has also collaborated with LINZ, Mackenzie District Council, Waitaki District Council and Environment Canterbury as part of the Mackenzie Basin Agency Alignment Programme, which aims to improve environmental and community outcomes, deliver effective service and to be seen as an exemplar of collaboration and partnership.

### *Kotahitanga mō te Taiao*

A significant milestone this year has been the signing of the Kotahitanga mō te Taiao strategy, for councils, iwi and DOC to work collaboratively to restore natural landscapes across the top of the South Island.<sup>14</sup> This alliance will provide environmental leadership and coordination in working together and with others to protect and enhance the region's diverse natural landscapes.

These landscapes include vast areas of beech forest, eastern dryland, alpine hinterland, the sheltered sounds of Marlborough, freshwater catchments and varied marine environments including extensive intertidal flats and wild, exposed coasts. Hundreds of native plant and animal species live within these landscapes, including some unique to the region.



<sup>14</sup> Kotahitanga mō te Taiao: [www.doc.govt.nz/councils-iwi-doc-unite](http://www.doc.govt.nz/councils-iwi-doc-unite).

### *Tiakina Ngā Manu/Battle for our Birds*



A whoio pair. Photo: Matt Binns

The Tiakina Ngā Manu/Battle for our Birds programme is a part of the wider PF2050 strategy and incorporates landscape-scale pest management. The programme is run in response to heavy seedfalls ('masts') that occur periodically; populations of introduced animals increase rapidly as they feed on the seeds, which in turn triggers a surge in numbers of predators. Predators must be suppressed for native bats, birds and insects to survive.

The 2018/19 year has seen consolidation and planning by the Tiakina Ngā Manu team in preparation for the aftermath of the large mast event of summer 2018/19.<sup>15</sup> This event is causing a huge increase in numbers of pest species (such as rats and stoats) in our forests into 2019/20. The response to this event is based on lessons from our 2016 and 2017 mast responses. One of these lessons is the need to coincide control operations at the right time in the eruption cycle, before pest populations switch to preying on birds following seed germination. This means that most of our planned work needs to be squeezed into winter and spring, before threatened birds are at their greatest risk.

We plan to protect around 1 million hectares of the most vulnerable public conservation land, which is at the limit of our current predator control capacity. Accordingly, our programme has been coordinated with other agencies to free-up skilled contractors (helicopter operators, pest control contractors, bait suppliers, transport and security operators) during the peak mast period. We have negotiated with OSPRI to modify their 2019 TB vector control programme by either flying their

possum-control operation earlier or later than normal. Also, Project Mounga operations in Taranaki, Project Janszoon in the Abel Tasman, and Zero Invasive Predators' research project in South Westland, have all triggered their operations early.

Site-specific factors dictate the order in which operations take place, such as a combination of the species at risk at each site and other factors that influence land use, such as Great Walks within the operational area. This allowed operations to start in May in Abel Tasman National Park, with 84,559 hectares treated in 2018/19. It is anticipated that 2019/20 will see a further 1 million hectares treated – with the total depending on predator numbers revealed through monitoring.

Operations were underway at the end of the reporting period. This is an ongoing programme that will continue into late 2019.

### *Managing wilding conifers*



Ranger inspecting work of a DOC wilding pine crew. Photo: Alan Gibson, NZ Herald

DOC has worked with MPI and other stakeholders to successfully complete phase 1 of the 3-year national wilding conifer programme. The funding for phase 1 was \$16 million over 3 years. The programme has resulted in 500,000 hectares of scattered infestations, and 40,000 hectares of medium and dense areas, being treated. Treatment areas can be seen at the New Zealand Wilding Conifer Group website. In the 2018/19 Budget. The Government recently announced \$21 million over 2 years to begin phase 2 of the national programme. This effectively doubles the national programme's budget.

<sup>15</sup> See Factsheet 6: Ecosystem function – mast seeding. [↗](#)

### Reinvigorate DOC's conservation advocacy function

The Resource Management Act 1991 (RMA) is New Zealand's central legislation to manage the effects of use and development of natural and physical resources.

DOC was created under Section 5 of the Conservation Act 1987, and its functions include advocating for the conservation of natural and historic resources generally (s. 6(b)), including by involvement in RMA processes.

DOC has a role in ensuring that RMA decisions reflect species, habitats and other resources of interest to DOC, including the national priorities for biodiversity. DOC also has specific functions under the RMA, including supporting the Minister of Conservation's functions for the marine area.

RMA advocacy is an important tool for protecting biodiversity values outside the legally protected public conservation lands and waters network. This applies particularly to freshwater biodiversity, which occurs mainly on private land and therefore often has limited legal protection.

#### *RMA through Biodiversity 2018*

Significant funding through the Biodiversity 2018 programme has enabled DOC to increase its work under the RMA, including creating new roles to support the increased capacity to engage in RMA processes (refer to GrowConservation in the Capability section, page 86). This workstream is funded by the Biodiversity 2019 Programme, which provides \$5.5 million over 4 years, with \$379,000 released in 2018/19.

### Tahr control

Tahr and chamois were introduced into New Zealand in the early 1900s for sport. Both animals found the South Island's Southern Alps/Kā Tiritiri o te Moana habitat ideal, and became a major threat to alpine ecosystems.

Himalayan tahr are considered pests as they feed on native alpine and subalpine vegetation such as the Mount Cook buttercup and snow tussocks. Tahr numbers are now at damaging levels. There are an estimated 35,000 animals – over three times the number allowed under the Himalayan Tahr Control Plan (1993). Urgent action is required to protect our environment.

DOC is working with the hunting sector and the Tahr Plan Implementation Liaison Group to reduce the tahr population to within the limits of the control plan.

Since April 2019, DOC has undertaken tahr surveillance and control outside their feral range to halt any range expansion. This has included the Spenser Mountains, Ashburton Lakes, Mount Hutt, Dunstan Range, Oteake Conservation Park, Eyre Mountains, Thomson Range, and the Northern Exclusion Zones and Southern Exclusion Zones.

DOC undertook a small amount of control in the feral range in October 2018.

The Game Animal Council, Tahr Foundation, New Zealand Deerstalkers Association and DOC are working on a new system to accurately record and verify the number of tahr recreationally hunted. To do so, we have together refined the features required for the new system, and assessed and reviewed a range of hunting apps.



## Output class operating statement 2018/19: Management of Natural Heritage

	Actual 30/06/18 \$000	Budget 30/06/19 \$000	Revised budget 30/06/19 \$000	Actual 30/06/19 \$000
<b>Revenue</b>				
Crown	157,169	159,795	184,001	184,000
Other	20,659	22,301	22,501	19,458
<b>Total revenue</b>	<b>177,828</b>	<b>182,096</b>	<b>206,502</b>	<b>203,458</b>
Expenses	178,130	182,096	206,502	196,561
<b>Surplus/(deficit)</b>	<b>(302)</b>	<b>0</b>	<b>0</b>	<b>6,897</b>

## Statement of service performance 2018/19: Regional pest management strategies

2018/19 Performance measures and targets	National commentary
<b>Crown pest/weed exacerbator costs</b>	
13 regional pest management strategies with completed Crown exacerbator weed and pest programmes.	DOC continued exacerbator weed and pest programmes for 15 regional councils and unitary authorities.
	<b>Achieved</b>

## Output class operating statement 2018/19: Regional pest management

	Actual 30/06/18 \$000	Budget 30/06/19 \$000	Revised budget 30/06/19 \$000	Actual 30/06/19 \$000
<b>Revenue</b>				
Crown	2,991	3,191	3,191	3,191
Other	12	100	50	38
<b>Total revenue</b>	<b>3,003</b>	<b>3,291</b>	<b>3,241</b>	<b>3,229</b>
Expenses	3,054	3,291	3,241	2,995
<b>Surplus/(deficit)</b>	<b>(51)</b>	<b>0</b>	<b>0</b>	<b>234</b>

# Intermediate outcome: New Zealand's history is brought to life and protected

## Protecting heritage sites

To protect heritage sites in its care, DOC prioritises its management approach to:

- bring history to life through quality visitor experiences at 50 Historic Icon sites
- ensure a representative sample of 586 Actively Conserved Heritage Places is actively conserved and visitor experiences are improved
- safeguard heritage on public conservation lands and waters from avoidable harm at approximately 13,000 Protected Heritage Places.

DOC manages its Actively Conserved Heritage Places through its Asset Management Information System (AMIS). This ensures that remedial and maintenance work is timely and appropriate. Within the protecting heritage sites priority, DOC focuses on three areas: system improvement, National Historic Landmarks and public advocacy.

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Overall performance: maintained



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The condition of New Zealand's historic heritage under DOC's management is in a good state, with 4 years of containing deterioration at more than 70 percent of its Actively Conserved Heritage Places. There remains the risk of loss of heritage value through environmental influences, human development and related stories not being passed on. Increasing the number of places with heritage assessments should set the scene for further improvement.

An important focus remains to better recognise and protect those heritage places that New Zealanders care deeply about, through DOC's Heritage Icon Sites destinations and the Heritage New Zealand-led National Historic Landmarks programme.

### HERITAGE STRETCH GOAL

#### The stories of 50 Historic Icon sites are told and protected

This Stretch Goal focuses DOC's efforts on two priorities:

- telling memorable stories about New Zealand's history and identity that resonate with people
- protecting heritage sites from avoidable harm to ensure that they can be enjoyed by current and future generations.

### PERFORMANCE INDICATOR

#### *The condition of Actively Conserved Heritage Places*

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Performance: maintained



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DOC aims to maintain the condition of a representative sample of New Zealand's heritage. Most of the Actively Conserved Heritage Places had their maintenance work completed and their fabric (man-made evidence of habitation, such as structural remains and artefacts) considered stable.

At year end 2018/19, 429 of 586 historic sites (73 percent) were assessed as stable and not deteriorating. There was a small decline from the previous year, but performance since 2014/15 shows a reasonably consistent trend.



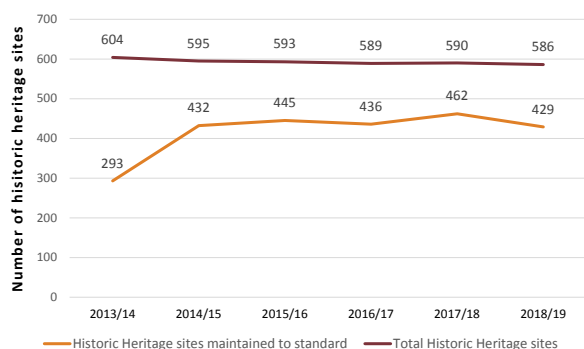


Figure 3: Number of Actively Conserved Heritage Places considered stable

The total number of sites has fallen since 2013/14, due to combining adjacent sites together for more-efficient management, and the cessation of active management of the assets at certain sites. An example is the historic Hooker Hut, which was dismantled and is now in storage in Twizel.

DOC surveyed visitors this year to understand how they perceive whether impacts are occurring at heritage places, to gauge whether management action is seen as being effective. From the 2019 DOC ‘Survey of New Zealanders’, 49 percent of respondents visiting heritage sites noticed damage caused by other visitors.<sup>16</sup> This is the first time this question has been asked through this survey tool, and will be used as a new benchmark for future comparisons.

**Remedial work programme for deteriorating sites**

DOC also carries out a remedial work programme to bring severely deteriorating sites back to a stable and regularly maintained condition. Remedial work occurs for Actively Conserved Heritage Places when unexpected natural or human-induced events (such as storms, earthquakes or vandalism) cause damage to heritage fabric. Remedial work is more resource-intensive than maintenance work; this year the remedial work programme completed four projects, one more than planned.

**Heritage assessments**

Heritage assessments record the physical character and history of a heritage place. These become the basis for maintenance and remedial work in those places. They also ensure that knowledge of a place survives into the future, and can be used for storytelling.

The multi-year target for this work programme is to have heritage assessment reports for 60 percent of all Historic Icon sites. This target has been met.

DOC has completed heritage assessments for 351 of the 586 Actively Conserved Heritage Places. The assessments cover 1,156 individual assets (often there are multiple assets to an Actively Conserved Heritage Place). There are now fewer sites (351) with a heritage assessment compared with last year, due to consolidating some assets for ease of management, and dismantling and storing a historic hut. This reduced the number of Actively Conserved Heritage Places, and consequently the number of heritage assessment reports.

Table 10: Historic heritage sites with heritage assessment reports

Significant management measures	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19
Historic heritage sites	593	589	590	586
Historic heritage sites with heritage assessment reports	317	346	354	351
Percent of historic heritage sites with heritage assessment reports (target 60%)	53%	59%	60%	60%

<sup>16</sup> The DOC Survey of New Zealanders will be available on the DOC website by December 2019.



### Where we need to improve

The avoidable destruction of archaeological sites on Motutapu Island highlighted the need for DOC to improve its approach to heritage management, particularly the systems and processes that govern how DOC cares for heritage assets on public conservation lands and waters.

Following an in-depth review into DOC's heritage and visitor systems in 2018, DOC established the Heritage and Visitors Unit in early 2019. This unit gives DOC extra capacity and capability to improve frameworks and processes and drive better practice across the organisation.

The unit will drive improvements in several areas by:

- establishing heritage inspections as part of DOC asset management to better understand the condition of heritage fabric
- increasing cross-organisational planning to deliver more quality visitor experiences at Historic Icon sites
- increasing heritage considerations across DOC's business
- improving DOC's delivery on its statutory requirements.

### Other system improvements

Over 2018/19, DOC improved its heritage management system by:

- completing a review, and significantly reducing the number, of outstanding Archaeological Authority Reports with Heritage New Zealand Pouhere Taonga
- improving heritage awareness across the organisation by making heritage considerations part of staff inductions and training courses
- reviewing the Marine Mammal Burial toolbox and procedures to reduce the possibility of damage to archaeological sites when burying carcasses after strandings
- establishing Senior Heritage Advisors in each of DOC's regions to drive better heritage management practice at an operational level.

### PERFORMANCE INDICATOR

#### The trend in visitor participation at heritage sites

New baseline 

Visitors having positive experiences when visiting heritage sites is a crucial step in engaging people in New Zealand's heritage. The proportion of New Zealanders enjoying our heritage sites indicates our success in making the country's physical past meaningful and exciting.

In the past 12 months, 41 percent of those responding to the 2019 DOC Survey of New Zealanders had visited one or more cultural and Historic Icon sites, with the remaining 59 percent not having done so or unsure. Due to a change in the survey method for this indicator, this year's result cannot be compared with previous years' results.

### PERFORMANCE INDICATOR

#### The trend in visitor satisfaction with the quality of the experience provided at heritage sites

New baseline 

DOC aims to ensure New Zealanders and visitors to our country gain a wide range of benefits from healthy functioning ecosystems, recreation opportunities, and through living our history. DOC manages the single largest portfolio of archaeological and historic sites in New Zealand, including some of its most significant heritage places. When visitors experience these places, they make powerful connections with Kiwi life and culture. By ensuring that people can experience and understand what makes these places special, we help secure the future of New Zealand's heritage.

DOC is shifting towards a more strategic and planned approach to ensure better long-term outcomes. To this end, DOC has consulted visitors and is working to increase the quality of visitor experience in a number of ways - from a new strategy for managing heritage and visitors, to emphasising the unique and memorable stories at each heritage site.

### Survey results: visitor satisfaction

In the 2019 DOC Survey of New Zealanders, visitor satisfaction with DOC heritage experiences was reflected in the results: 85 percent of survey respondents who visited a cultural and historic heritage site reported being satisfied with their most recent visit.

The cultural and historic heritage sites most often visited in the North Island by New Zealanders were Te Rerenga (Cape Reinga) (4 percent), Karangahake Gorge and Historic Gold Mine Coromandel Forest Park (4 percent) and Fort Takapuna (3 percent). The most often visited sites in the South Island were Arrowtown Chinese Settlement (2 percent) and Otago Central Rail Trail (2 percent).

The 2019 Survey of New Zealanders found that 53 percent of respondents agreed (21 percent strongly agreed) with the statement 'my life is enriched when I visit Aotearoa New Zealand's cultural and historic areas'. Only 5 percent of respondents 'did not agree at all'.

### DOC's draft Heritage and Visitor Strategy

DOC's shift towards a more strategic approach to its heritage and visitor planning is set out in DOC's draft Heritage and Visitor Strategy. This aims to provide a framework to navigate the changing context for visitors and heritage on public conservation lands and waters. It considers how to respond to the pressures on DOC's heritage and visitor system, and how to unlock opportunities for visitors to support productive, sustainable and inclusive growth.

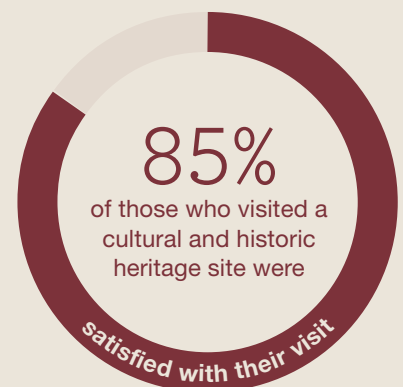
The strategy outlines how setting up places well and connecting people with their stories and values is a prerequisite for protecting our natural, cultural, and historic heritage.

### Heritage assessments



### Visitor Satisfaction at Historic Heritage sites

In the 2019 DOC survey of New Zealanders



### *Telling memorable stories*

Heritage is more than fabric. It is the stories connected to it that have the power to engage people. This makes storytelling a key part of DOC's heritage work.

Within the priority area of telling memorable stories, DOC focuses its effort on three areas: DOC's Historic Icons, Tohu Whenua sites, and Tuia 250 Encounters.

**Historic Icons** have the potential to bring history to life. DOC is working on a 10-year strategic investment plan that will enable the key stories of the Historic Icon sites to be told in ways that are engaging to visitors, and have their fabric protected through a well-managed maintenance and remedial work regime.



The railway line. Photo: Claudia Babirat

**Tohu Whenua** was launched in 2016 to bring history to life by establishing regional heritage trails that connect people with the stories that define New Zealand as a nation. A joint initiative between DOC, Heritage New Zealand Pouhere Taonga and the Ministry for Culture and Heritage, DOC plays a major role in the programme.

Following the success of the roll-outs in Northland and Otago, Tohu Whenua was extended to the West Coast region in 2018. Two of DOC's Historic Icons (the Denniston Mine and the Brunner Mine) were included in the West Coast selection process and are among the three sites chosen as Tohu Whenua.

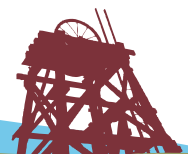
DOC is a key supporter of the Government's **Tuia 250 Encounters** celebrations in late 2019 and early 2020. All four Tuia 250 trusts have events planned that take place on, or in direct association with, public conservation lands and waters.

DOC is delivering three large infrastructure upgrade programmes in support of the Tuia 250 Encounters programme. Two are in the Bay of Islands and a third is in Tairāwhiti/Gisborne. These programmes include improvements to on-site storytelling. DOC is also preparing for the celebrations at Meretoto/Ship Cove in the Marlborough Sounds.

### *National Historic Landmarks*

DOC has been working with Heritage New Zealand Pouhere Taonga as part of the National Historic Landmarks programme. This cross-agency initiative recognises the country's top heritage sites and coordinates cross-agency effort to ensure their long-term survival. It does so by developing Risk Management Plans that consider, for example, climate change, sea-level rise and seismic activity.

DOC is working with local iwi and communities to recognise Meretoto/Ship Cove in the Marlborough Sounds as one of the country's first National Historic Landmarks. Official recognition is expected to be announced in early 2020.



### *Actively Conserved Heritage Places*

#### **Saving the historic Molesworth cob cottage**

Following considerable damage caused by the 2016 Kaikōura earthquake, repairs to Molesworth's historic Acheron Accommodation House were completed this year. Built in 1863, it served as a bed and breakfast for early travellers traversing Molesworth. Contractors from Nelson with skills in cob construction, alongside roofers and carpenters, worked hard to retain as much original fabric as possible.



Restoring Acheron homestead cob hut, Molesworth. Photo: Marlborough Express

#### **Māori archaeology uncovered at rock art site**

In partnership with the Ngāi Tahu Māori Rock Art Trust and the local Arowhenua rūnanga, DOC carried out an archaeological exploration beneath the Raincliff Historic Reserve rock art shelter. The excavation uncovered the remains of food preparation, including extinct bird bones such as a moa bone and New Zealand quail, as well as korerū and rat bones, and mussel shells. Ngāi Tahu Rock Art Trust curator Amanda Symon says the shelter was typical of caves used during inland food gathering journeys. DOC is now working with the Ngāi Tahu Māori Rock Art Trust to tell the story of the site through interpretation.



Raincliff rock art. Photo: Timaru Herald

#### **Securing Puhi Kai Iti for the future**

DOC completed the earthquake strengthening of the historic memorial at Puhi Kai Iti Cook Landing Site National Historic Reserve. The work coincided with preparing for the Tuia 250 Encounters commemorations. After an assessment showed the structure was earthquake prone as a result of checks made after the Canterbury earthquakes, the work included the insertion of a metal rod into the centre of the memorial, and the cleaning and reassembly of 25 granite blocks weighing from 90 to 1,400 kg. Displaying best-practice heritage work, DOC deployed a computer-monitored crane to reassemble the now strengthened memorial with millimetre precision.



Earthquake strengthening of the memorial at Puhi Kai Iti Cook Landing Site. Photo: DOC

#### **New Zealand Archaeology Week**

Advocating for the protection of heritage, DOC supported the New Zealand Archaeological Association in its New Zealand Archaeology Week. With the event in its third year, DOC increased public awareness and highlighted the importance of protection. Similar support is taking place for Wellington Heritage Week, including special promotion for the Remutaka Rail Trail.

Output class operating statement 2018/19: Management of Historic Heritage

	Actual 30/06/18 \$000	Budget 30/06/19 \$000	Revised budget 30/06/19 \$000	Actual 30/06/19 \$000
<b>Revenue</b>				
Crown	6,075	6,155	7,775	7,775
Other	40	475	75	90
<b>Total revenue</b>	<b>6,115</b>	<b>6,630</b>	<b>7,850</b>	<b>7,865</b>
Expenses	5,472	6,630	7,850	7,365
<b>Surplus/(deficit)</b>	<b>643</b>	<b>0</b>	<b>0</b>	<b>500</b>





# Strategic Role 2

Enhance wellbeing of New Zealanders and international visitors by encouraging and enabling people to connect and contribute to New Zealand's nature and heritage



# Enhance wellbeing of New Zealanders and international visitors by encouraging and enabling people to connect and contribute to New Zealand's nature and heritage

DOC provides for and manages New Zealand's largest recreation network: over 14,800 km of walking, tramping and biking tracks, 330 campsites and 967 backcountry huts. DOC plays a major role in providing memorable outdoor experiences to enrich the lives of New Zealanders and international visitors.

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Performance: maintained

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DOC has continued to maintain the network of facilities it manages across the country to the required standard (where standards exist and are monitored). Overall use of DOC-managed tracks shows a slow increase over the past 5 years, mostly at the high-profile Icon sites. Visitor satisfaction remain high, but issues like overloading at key sites still cause concern. To help spread the load from busier sites, DOC ran a campaign to promote selected 'Short Walks' and 'Day Hikes'. New multi-day tramping opportunities are also being explored and developed, to augment the popular Great Walk network.



Castle Point, Wairarapa. Photo: Mike Heydon

# Intermediate outcome: New Zealanders and international visitors are enriched by their connection to New Zealand's nature and heritage

## PERFORMANCE INDICATOR

Increase in participation in recreation on public conservation land and waters

New baseline 

The 2019 Survey of New Zealanders found that 55 percent of respondents visited one or more parks and visitor destinations on public conservation lands and waters in the past 12 months; the remaining 45 percent have not done so or are not sure. This will be the new baseline against which future visitation trends will be measured. Due to a change in survey method for this indicator, this year's results cannot be compared with results reported in previous years.

The North Island areas most often visited by New Zealanders were Tongariro National Park (10 percent), Coromandel Forest Park (9 percent), Egmont National Park (6 percent) and Whanganui National Park (6 percent).

The South Island areas most often visited by New Zealanders were Abel Tasman National Park (6 percent), Arthur's Pass National Park (5 percent) and Aoraki/Mount Cook National Park (4 percent).

## Objective: Addressing cost pressures in high-use sites and spreading the load

### Managing visitors on public conservation land and waters

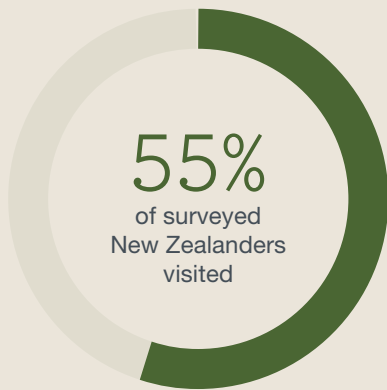
DOC aims to ensure New Zealanders and international visitors benefit from healthy functioning ecosystems, recreation opportunities and living our history. New Zealand's natural heritage, landscapes and biodiversity are major attractions, and form the basis of New Zealand's international image – 52 percent of international tourists visited a national park between April 2017 and March 2018. Experiencing New Zealand's culture and history is becoming important, too, and DOC must ensure that tourism and recreation on public conservation lands and waters is sustainable.

Four major trends are challenging DOC's management of visitors to public conservation lands and waters.

- The number of domestic and international people visiting conservation lands and waters is growing each year. We are planning for more than 5 million international visitors each year by 2025 (we currently welcome 3.9 million).
- The way people engage with nature is evolving.
- A more diverse range of people now wants to engage with our nature and history. This has implications for delivering safe and quality experiences.
- Visitor activity is unevenly distributed across New Zealand. A few areas attract large visitor numbers.

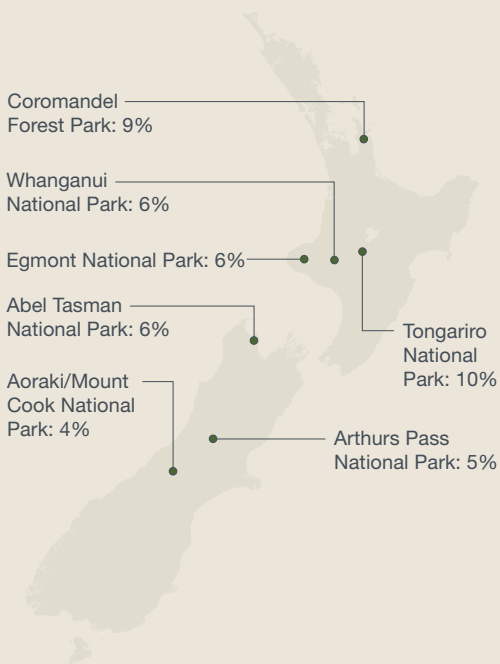
These trends require DOC to be strategic and agile to protect the nature and heritage visitors come to experience, while responding to visitor needs and their impacts. DOC has responded in three important ways.

**New Zealanders connecting with our nature and heritage**



**one or more parks and visitor destinations on public conservation lands and waters in the past 12 months**

**Areas most visited by New Zealanders**



(% of survey respondents who visited these sites in the past 12 months).

**1. New Zealand Aotearoa Government Tourism Strategy**

DOC has partnered with the Ministry of Business, Innovation and Employment to develop the New Zealand Aotearoa Government Tourism Strategy.<sup>17</sup> This was launched by the Minister of Tourism and Minister of Conservation at TRENZ in May 2019. The strategy signals a more active and coordinated role for government within tourism in New Zealand: as the steward of the overall tourism system, and as an active participant. The strategy also acknowledges that New Zealand tourism needs a different type of growth – growth that is productive, sustainable and inclusive; that enables visitors to enjoy and connect with nature and our history, while protecting and restoring the natural environment.

The strategy’s long-term vision is to enrich New Zealand through sustainable tourism growth. DOC’s part in achieving this vision means caring for the natural and cultural heritage that visitors come to see and providing quality experiences that enable people to enjoy and feel connected to it.

To achieve these outcomes DOC must collaborate with our Treaty Partner, other agencies, our stakeholders in industry and local communities to focus on the future, sustainability and informed decision-making. An example is Te Manahuna Aoraki landscape conservation programme, in which DOC works with the local community to design and develop landscape-scale solutions to pressures in the Mackenzie basin (see page 42).

<sup>17</sup> Available at [www.mbie.govt.nz/immigration-and-tourism/tourism/new-zealand-aotearoa-government-tourism-strategy](http://www.mbie.govt.nz/immigration-and-tourism/tourism/new-zealand-aotearoa-government-tourism-strategy)

## 2. DOC's draft Heritage and Visitor Strategy

DOC has created its own Heritage and Visitor Strategy to set out how DOC should navigate the changes to recreation and tourism on public conservation lands and waters.

DOC's vision is for New Zealand to be the greatest living space on Earth. The Heritage and Visitor Strategy outlines how DOC's Heritage and Visitor system can help New Zealand achieve this vision. It considers how to respond to the existing pressures on DOC's heritage and visitor system and how to encourage visitors to support productive, sustainable and inclusive growth.

The strategy has three goals.

- **Protect** – New Zealand's natural, cultural and historic resources are preserved and protected to maintain cultural and historic values, biodiversity, ecosystem health, landscapes and natural quiet.
- **Connect** – Visitors are enriched and better connected to New Zealand's natural, cultural and historic heritage.
- **Thrive** – Tangata whenua, regions and communities benefit from protecting, and connecting visitors with, their natural, cultural and historic heritage.

The strategy sets out DOC's desired outcomes for each of these goals, and DOC's approach to achieving them. By protecting our natural, cultural and historic heritage through setting up places to be resilient, we can connect people with this heritage and tell the stories of its values, while ensuring those values are protected. New Zealanders will benefit from this socially and economically, at a local level.

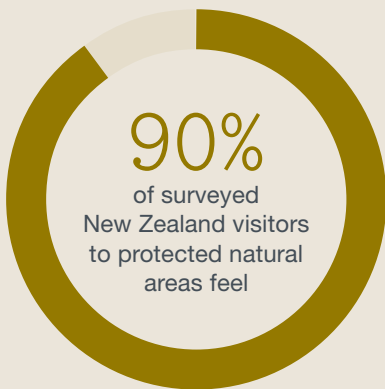
## 3. A new way of working: two new business units

Following an in-depth review into DOC's heritage and visitor systems in 2018, DOC has created two new business units – Heritage and Visitors, and Pricing and Economics – to expand and develop its ability to manage visitors proactively; and to protect New Zealand's history, bring it to life, and enable everyone to enjoy our unique environment. Nineteen new roles have been created across these teams to make sure DOC delivers great visitor experiences.

The Pricing and Economics Unit will use its economic analysis and commercial skills to drive better results for conservation. Its work will include providing a clear and consistent approach to pricing DOC's visitor facilities (such as campsites) and concessions, and working with other organisations on priority economic research.

The Heritage and Visitors Unit will provide strategic and technical advice and support to DOC's operational staff across the country. It will help the organisation establish and maintain a national heritage and visitor strategy, clarify long-term investment, and lead visitor experience design.

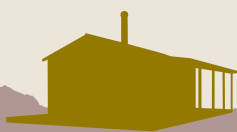
### Visitor impacts



**DOC is managing  
visitor impacts  
'exceptionally well', 'well'  
or 'acceptable/OK'.**



### Visitor facilities



### New visitor Stretch Goals

Alongside the development of the Heritage and Visitor Strategy, DOC has introduced two new visitor Stretch Goals to measure DOC's progress in undertaking its visitor functions.

#### **90% of visitors rate their experiences on public conservation lands and waters as exceptional**

This Stretch Goal measures how well DOC connects visitors with nature, culture and history, and how well DOC is responding to what visitors want from their experience on public conservation lands and waters. The Stretch Goal recognises that the quality of visitors' experiences affects the quality of their connections with our nature and history. Future DOC surveys of New Zealanders will include questions to measure progress against this Stretch Goal.

#### **90% of New Zealanders think the impacts of visitors on public conservation lands and waters are very well managed**

This Stretch Goal measures progress towards the protection of conservation values through the management of visitors. It acknowledges that New Zealanders will continue to welcome visitors if the impacts of visitors on public conservation lands and waters are well managed.

In 2019, 12 percent of New Zealand visitors to protected natural areas thought that, on their most recent visit, the impacts of visitors were being managed 'exceptionally well'. Another 37 percent thought they were managed 'well'. Of the remainder, 41 percent thought the management was 'acceptable/OK', 8 percent thought impacts were managed 'poorly', and only 2 percent thought impacts were managed 'extremely poorly'. These results will form a baseline against which DOC's performance against this Stretch Goal will be measured.



### Visitor facilities

The condition of our facilities affects visitor satisfaction. DOC manages its visitor facilities to established standards, with ongoing reporting through AMIS. The year-end reporting on 'facilities to standard' for huts, tracks and structures is shown in Figure 4.

The percentage of DOC huts managed to standard was 88 percent (of 965 huts), with a target of 90 percent; 56 percent of the 14,627 km of track was to standard (with a target of 45 percent); and 95 percent of the 13,371 structures were to standard (meeting the target).

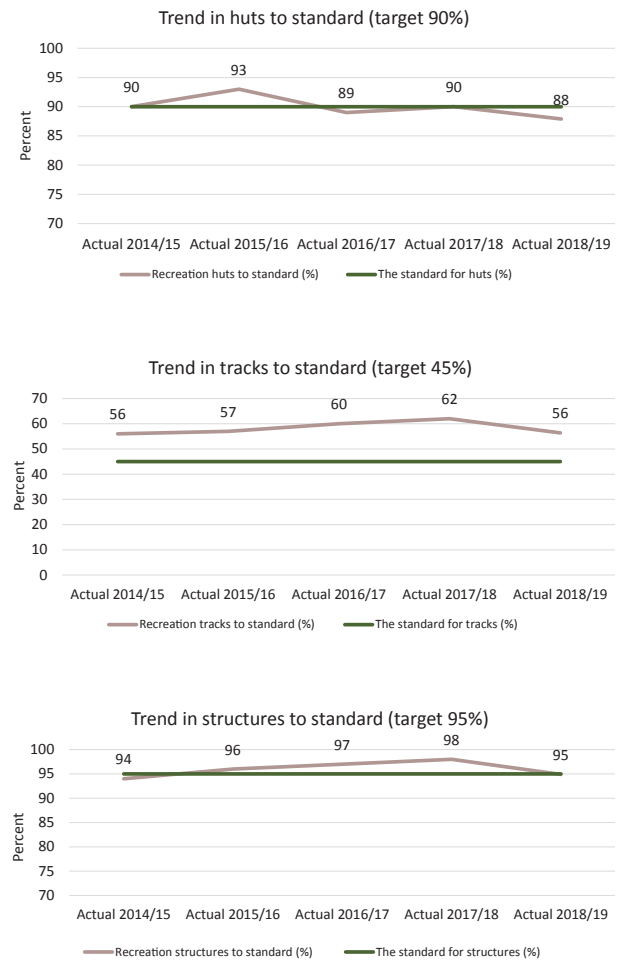


Figure 4: DOC facilities managed to standard

Trends in the use of DOC’s tracks are informed by counters across the track network. Figure 5 shows a) the overall trend in counts on these monitored tracks, and b) trends for DOC’s four ‘opportunity types’ that reflect the general segments of users of DOC-managed facilities.

- **Icon destinations** best reflect the grandeur and history of New Zealand and underpin DOC’s main tourism destinations.

- **Gateway destinations** provide opportunities that encourage people to start recreating in the outdoors, and learn about conservation.
- **Local treasures** are places that are valued by people at a local scale, and that support regional outdoor recreation needs.
- **Backcountry networks** provide challenging adventures into the interior of larger parks, often on foot.

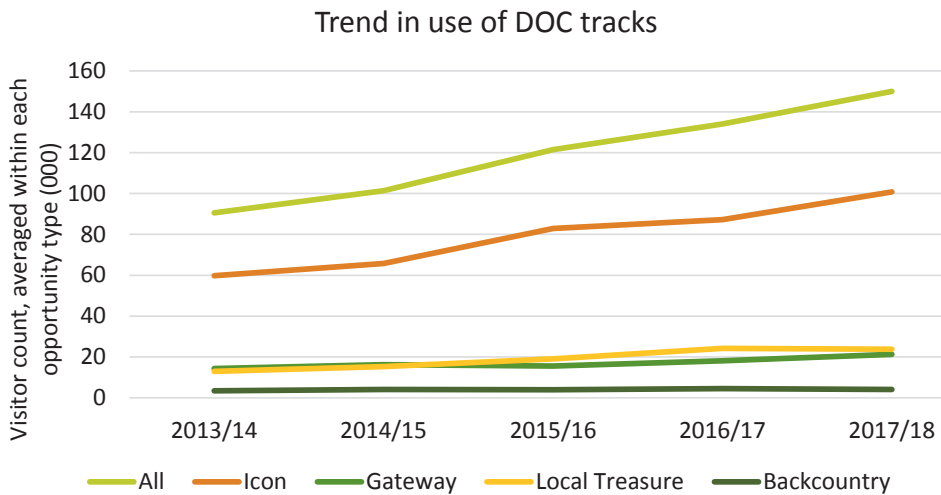


Figure 5: Trends in use of DOC tracks

This trend information is the first time the collation of data from the counter network has been presented in the DOC Annual Report. There is an overall trend of growth in use of tracks, which is mostly influenced by the ‘icon sites’ as the more popular tourist sites. There is also some less-pronounced growth in use of tracks managed for the other visitor segments.

Overall, DOC has kept visitor facilities to the required service standards as this growth is occurring. Doing so presents other challenges such as keeping track design and presentation sympathetic to the natural setting, and managing the flow-on social effects and service requirements (such as signage, managing rubbish and providing clean water) that come with more people sharing these places.

**PERFORMANCE INDICATOR**

**Visitor satisfaction with the quality of the experience and opportunities provided**

New baseline



For visitors to have exceptional experiences on public conservation lands and waters, we need to consistently deliver experiences that exceed visitor expectations. The opinions visitors form of their trips provide insight into whether management approaches are working to deliver DOC’s stated outcomes.



### Great Walks survey

In 2018/19 DOC surveyed 5,799 people who used our Great Walks. More than 89 percent of respondents reported being 'very satisfied' or 'extremely satisfied' with their Great Walk experience. This confirms that the current management settings for the Great Walks are delivering the benefits walkers want.

While useful, overall satisfaction ratings do not reveal exactly why walkers are satisfied. A closer look at those who recorded being satisfied, especially those 'extremely' satisfied, helps identify the reasons for this satisfaction and direct the ongoing maintenance and improvement of Great Walks. The factors that were most associated with satisfaction were a) the condition of the huts/shelters/campsites, and b) experiencing natural soundscapes/tranquillity.

### *Improvement programme – providing better experiences and improving infrastructure*

DOC has carried out several activities over the last year to support the shift to a longer-term, more strategic and planned approach to ensure better long-term outcomes.

- Increased support for interpretation and compliance rangers in the southern, western and eastern South Island regions.
- Work with te iwi o Te Roroa to develop the future Rakau Rangatira visitor experience that aims to protect Waipoua Forest from kauri dieback.
- Work to address infrastructure risks to conservation on Mount Ruapehu, by redeveloping the Whakapapa town facilities (with immediate work underway on the 'three waters' infrastructure – drinking water, waste water and storm water).
- Improving the management of our dispersed road network by working with adjacent road control authorities to maintain our roads through service-level agreements, and developing a national priority roading renewals programme.

### Great Walks Survey 2018/19



5,799  
walkers surveyed



### *New initiatives*

As part of the Government's commitment to a more active and coordinated approach to tourism, DOC is investing in managing places more effectively to ensure people have quality experiences that connect them with New Zealand's natural environment, and its cultural and historic heritage.

The Government is investing \$87.46 million for tourism on the West Coast of the South Island to help ensure the region's popular sites and unique environments are protected, and to offer high-quality experiences for visitors. This investment includes:

- \$25.6 million for the upgrade of tourism infrastructure at Punakaiki/Dolomite Point, which receives an estimated 385,000 visitors each year. The upgrade will future-proof Dolomite Point, providing a new visitor experience centre, landscaping, upgraded toilets and car parks, pedestrian and cycleway linkages, and an underpass to ensure visitors can bypass the State Highway when visiting the iconic Pancake Rocks.
- \$5.7 million to upgrade the existing access road to the unique limestone caves at Oparara Arches, reroute walking infrastructure to ensure safety for visitors and the environment, and to consider options for enriching visitor experiences.
- \$3.5 million to improve access to the Paparoa Track (Great Walk) to better accommodate visitors and improve the economic benefits associated with the track.

DOC is also working with the Westland District Council to extend recreational and visitor facilities at the Hokitika Gorge. It involves a new track and suspension bridge, widening the road, extending the car park, and improving toilet facilities. The project will contribute to increasing the average length of stay of visitors to the West Coast.



Pancake Rocks, Punakaiki, West Coast.  
Photo: Fraser Clements

### *Managing visitor impacts at popular sites*

With an increasing number of visitors to iconic areas across New Zealand, DOC is exploring new ways to deal with vehicle traffic and congestion, and other visitor impacts. Over the 2018–2019 summer period, DOC launched the 'Kiwi Way' visitor behaviour campaign to reduce the negative impacts of litter, disturbance of wildlife and vegetation, unpermitted drone use and safety in the outdoors. DOC has also been a key partner in the development of the 'Tiaki - Care for New Zealand' (a tourism industry collaboration to provide an umbrella for visitor behaviour messaging) and Tourism New Zealand's 'Responsible Camping' campaigns. DOC also spent an extra \$3.6 million to support responsible camping infrastructure and compliance on public conservation land.

## Summer Visitor Behaviour Campaign – ‘Visit the Kiwi way’

This campaign aimed to improve visitor behaviour on public conservation land, particularly in areas with high visitor numbers. The approach was to encourage international and domestic visitors to ‘visit the Kiwi way’ – look after our place as if it were their own. The campaign was implemented as part of the ‘Tiaki – Care for New Zealand’ umbrella campaign.

The campaign focused on five issues identified during research: littering, toileting, wildlife interactions, safety and drone use.

The campaign messages were seen on screen 8.66 million times on our digital channels including Facebook and YouTube. Campaign videos were viewed 1.7 million times. We also engaged directly with communities, through community rangers and Visitor Centres. Post-campaign surveys showed the campaign has positively affected visitor behaviours and knowledge around the important issues. More than half the visitors recalled seeing the campaign.

**Visit the Kiwi way**  
Look after our place

**Give wildlife space**  
Keep 20m from all wildlife, a safe distance. Never feed our birds – even if they ask!

**Take your litter with you**  
Help us protect our land, water and wildlife by taking your litter with you or using a bin.

**Poo in the loo**  
Please use a toilet when you see one. If you really can't wait, choose to poo away from people and waterways and cover it up when you've finished!

**Always be prepared**

- Plan your trip and tell someone where you are going.
- Pack the right gear, extra layers and plenty of food and water.
- Check the weather in advance as conditions can change fast.
- Know your limits – it's never too late to turn back.

Department of Conservation  
Te Papa Atātū  
tiaki  
New Zealand Government

Discover more at [doc.govt.nz](http://doc.govt.nz)

**Take your litter with you**

**Visit the Kiwi way**  
Food scraps and other litter can harm our wildlife and damage our environment.  
Find out more at [doc.govt.nz](http://doc.govt.nz)

Department of Conservation  
Te Papa Atātū  
tiaki  
New Zealand Government

### *Tourism Pressure Funding 2018/19*

As part of Budget 2017, DOC sought funding to meet the increased cost of tourism pressure at high-use sites. The additional funding (\$18.2 million over 5 years) enabled DOC to meet the increased costs of maintenance and servicing following over a decade of growth in visitor numbers. Of this, \$3.6 million of Tourism Pressure Funding was allocated in 2018/19 to help manage demand on infrastructure at popular sites.

A priority for the 2018/19 season was increased service and maintenance of amenities (such as toilets and campsites) – \$1.8 million was allocated for extra supplies, extra hours for rangers, and for contractors to clean amenities and remove waste from backcountry huts. This was successful in extremely popular sites like the Tongariro Crossing and Cathedral Cove, enabling DOC to maintain facilities to a high standard.

DOC also spent over \$750,000 on interpretation rangers at key sites such as Franz Josef Glacier/ Kā Roimata o Hine Hukatere, Urupukapuka Island and Aoraki/Mount Cook. These rangers convey the conservation story and provide historical and cultural insights, giving DOC the chance to directly engage with visitors.

### *Improving concession compliance*

Most DOC concession operators follow their concession conditions. Unfortunately, there are operators who breach concession rules, and some who operate without one at all. Not only is this unfair to concessionaires following the rules, it also poses a risk to our protected areas and the species within them.

DOC spent over \$850,000 in the 2018/19 summer season to improve recreation and concession compliance. Extra seasonal rangers were employed to ensure compliance on conservation land; they collected campsites fees, monitored freedom campers and ensured visitors did not litter or leave the designated tracks. Extra rangers were employed at tourism 'hotspots' in the South Island to check that operators parking and guiding on conservation land have the appropriate authorisation.

DOC rangers at Punakaiki, South Westland, Wanaka, Wakatipu and Te Anau carried out 3,542 compliance checks of concession operators between November 2018 and April 2019. Of these, 21.9 percent (776) of operators breached their conditions, and 4.3 percent (154) were allegedly operating illegally (without a concession).

In these cases, DOC sent operators a compliance letter that set out how to apply for the relevant concession or to vary an existing concession. Non-responsive operators or complex cases were escalated to the National Compliance Team for investigation. DOC will continue to monitor and enforce compliance with concession conditions.

### *Fair pricing for facilities and services: differential pricing*

In 2017/18, DOC spent \$155 million providing and managing tourism and recreational opportunities, compared with direct fee revenue from these facilities of about \$20 million a year. To partly address this imbalance, DOC introduced a differential pricing trial for four Great Walks this year, whereby prices are higher for international visitors. This trial will continue for 2019/20. DOC also increased campsite fees in 2019, for the first time in 3 years. This is expected to generate an extra \$440,000 in annual revenue.



### *Improving visitor risk processes: visitor risk assessment training*

In 2018/19, DOC completed a review of its Visitor Risk Management (VRM) system and integrated it with AMIS to make the way DOC manages visitor safety more consistent across the organisation. Visitor risk at all DOC-managed sites was previously assessed at a regional level. DOC also implemented a new hazard assessment tool, a user-friendly interface with the AMIS database that enables all hazard assessments to be recorded and viewed in the database.

Coinciding with this work was the serious incident at Cape Kidnappers in January 2019, when a large rockfall seriously injured two walking tourists. Although the rockfall was not on public conservation land, the investigation report shows the need to improve DOC's visitor risk processes. The identified contributing factors are being addressed to reduce the risk of similar events in future.

The initial system review and the rockfall incident identified the need for frontline rangers to reassess all hazards to visitors on public conservation land and ensure risks outside public conservation lands and waters are considered. Accordingly, frontline rangers were trained by the new Heritage and Visitors Unit on the reviewed VRM system and new hazard assessment tool.

We are also altering the way visitor risk is considered as part of any project, reviewing all Day Hike and Short Walk experiences, providing staff with extra training and undertaking robust quality assurance of visitor risk assessments. Training was rolled out throughout DOC from July 2018; by June 2019, over 250 staff had received training and staff had reassessed 83 percent of all hazards to visitors.

### Output class operating statement 2018/19: Management of recreational opportunities

	Actual 30/06/18 \$000	Budget 30/06/19 \$000	Revised budget 30/06/19 \$000	Actual 30/06/19 \$000
<b>Revenue</b>				
Crown	123,959	128,008	128,405	128,405
Other	33,733	28,677	35,377	35,168
<b>Total revenue</b>	<b>157,692</b>	<b>156,685</b>	<b>163,782</b>	<b>163,573</b>
Expenses	155,529	158,685	165,782	168,693
<b>Surplus/(deficit)</b>	<b>2,163</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(5,120)</b>

# Intermediate outcome: New Zealanders and international visitors contribute to conservation

DOC's engagement and partnerships model is focused on achieving two interrelated outcomes.

- Connecting New Zealanders to conservation and its social, cultural, economic and environmental values and benefits.
- Shifting our society towards personal responsibility for, and contributions to, conservation.

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Performance: maintained



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There is now a wide and growing community interest in conservation initiatives. Accordingly, DOC is revising its approach to measuring the success of its relationships and the way we engage with others to meet the great conservation challenges remaining. DOC is increasingly working with others in conservation, as shown by the expansion of Predator Free initiatives at a local level. We are seeing growth, both in community activity and the resulting conservation outputs.

## STRETCH GOAL

### 90% of New Zealanders' lives are enriched through connection to our nature and heritage

DOC works to ensure that New Zealanders can access and enjoy conservation experiences that enrich their lives and wellbeing, and can contribute to the protection and restoration of the country's natural, historical and cultural heritage. When people see our nature as an integral part of their lives, and experience its benefits, they will be more inspired to contribute to its conservation. This can happen in many forms, such as social media exchanges of information, using local open spaces, recreating on public conservation lands and waters, and taking part in conservation programmes.

## PERFORMANCE INDICATOR

### Change in the importance of conservation to New Zealanders

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New baseline



In 2019, 76 percent of New Zealanders reported that conservation was personally important (and 37 percent 'very important') to them. Due to a change in the survey method for this indicator, this year's result cannot be compared with previous years.

The 2019 Survey of New Zealanders found that 61 percent New Zealanders agreed (27 percent strongly agreed) with the statement 'my life is enriched when I visit Aotearoa New Zealand's cultural and historic areas'. Only 4 percent of respondents 'do not agree at all'.

This is the new baseline against which future views on how connecting with protected natural areas enriches people's lives will be measured.

## Connecting people to nature through learning in the natural environment

### *Education and skill sharing*

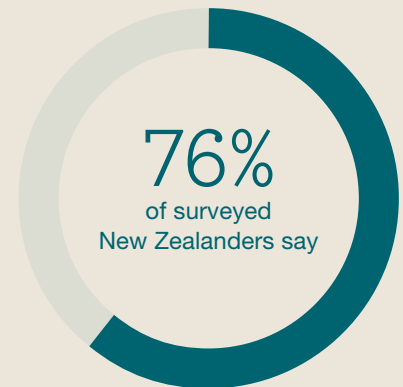
DOC looks for ways to remove barriers to participation – for example, by raising awareness about practical conservation actions that suit people's lifestyles and skills. The many and varied initiatives are reported each year as the number of unique programmes delivered by DOC, and those delivered by, or in partnership with, other providers.

The total number of education and skill-sharing initiatives was 223 fewer than the target of 780. There are three main reasons for this:

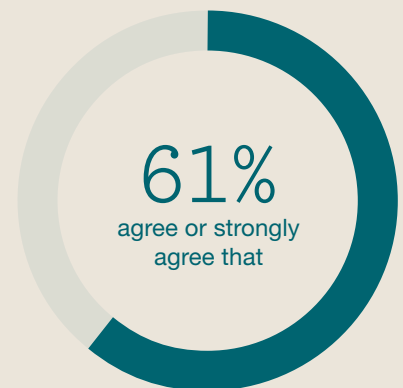
- eastern South Island districts now count only unique education programmes rather than repeated programmes, in line with the current definition used for reporting
- staff vacancies affect the programme in the central North Island
- the education programme tends to vary as opportunities arise during the year.

A selection of 1,857 participants in various knowledge and skill-sharing initiatives were surveyed about how effective these exercises were in meeting their objectives; 94 percent of respondents rated these as effective (target: 70 percent).

## 2019 Survey of New Zealanders



**conservation is 'important'  
or 'very important'**



**'My life is enriched when  
I visit New Zealand Aotearoa's  
cultural and historic areas'**



Table 11: Education and skill-sharing initiatives

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Target 2018/19
Engagement – number of knowledge and skill-sharing initiatives	960	717	1,282	1,003	557	780
Percentage of participants surveyed who rate the initiatives as partly effective or effective at meeting its objectives, with a target of 70%	87%	97%	71%	92%	94%	70%

### *Community Collaborative Education Model (CCEM)*

DOC is rolling out the Community Collaborative Education Model (CCEM) to increase the number of teachers, children and young people, and their whānau, connecting with nature in a meaningful way. The CCEM roll-out should see many new programmes set up in communities across New Zealand.

The Kids Greening Taupo CCEM programme has seen 14 schools and early childhood centres involved in the programme – connecting about 5,200 children to nature. Six of the schools have completed predator tracking and trapping.

Following the successful deployment in Te Anau, Taupō and Dunedin, five new projects are being established in Christchurch, Porirua, Masterton, Rotorua and Taranaki.

### *Toyota Kiwi Guardians*

Now in its fifth year, Toyota Kiwi Guardians has connected 28,270 New Zealand children and their families to nature through outdoor recreation conservation activities and events. Programme participants (our ‘Kiwi guardians’) have also constructed 492 lizard habitats and 412 wētā motels in backyards, and volunteered 988 days for weed control and rubbish removal.





## Case Study: Engaging online

New Zealanders are spending more time online, so our digital channels are central to influencing attitudes and behaviour. The Digital team employs a variety of content across DOC's digital channels – social media, webcams, podcasts and our website – to inspire our audiences to connect with and care for New Zealand's natural environment and heritage.

In the past year, our digital channels have had unprecedented engagement from New Zealanders connecting with conservation.

### Social media

DOC has a strong social media presence, and rates of 'engagement' (likes, comments and shares) continue to grow.

We run 10 national accounts on Facebook, Twitter, LinkedIn, YouTube and Pinterest. We use our social channels to raise awareness of our work, drive engagement and to have conversations about conservation with our online audience.

Our social media activity is engaging the public with our conservation work. In 2018/19 we:

- engaged 1.2 million people on social media
- reached 43.6 million screens
- received 85,000 private messages.

### Video

Our social media video content has been successful this year. Our video about predator control helping to increase mohua numbers in Landsborough valley had a reach of 48,372 with 8,000 engagements, 243 shares, 275 comments and 1,820 reactions.

### Royal Cam – webcam

Season four of Royal Cam, showcasing the life of a royal albatross chick at Tairaroa Head, continued its popularity.

Royal Cam had over 800,000 views on YouTube and is the most popular page on our website. It showcases the power of technology to bring nature into people's homes, workplaces and schools.



Photo: Sharyn Broni

### Podcast – Sounds of Science

In February 2019 we launched: the DOC Sounds of Science podcast, a new digital channel hosted by Nicola Toki that gives a behind-the-scenes look at DOC's scientific work. Each episode is delivered through interviews with our subject-matter experts. The podcast is a huge success – it has been downloaded over 3,900 times since its launch.

### Website

Our website is our public's chief source of information. It received 23 million page views over the year.

Website traffic increased 11.5 percent this year – over 5 million users visited the site in 2018/19 – against 5.3 million users in 2017/18. Over half our visitors access the website from mobile devices.

This year, we upgraded the website's content management system. The site now has the latest technology and new functionality, like the ability to personalise website content to website users.

**Community Collaborative Education**



**Kids Greening Taupo has connected 14 schools and early childhood centres**

and

**5,200**  
children to nature



**lizard habitats and wētā motels constructed in backyards with Toyota Kiwi Guardians**

**Connecting people to conservation values and experiences**

The 2019 research commissioned by DOC showed strong support for preservation of New Zealand's natural environment, with 95 percent agreeing with this objective (18 percent slightly agree, 44 percent agree and 33 percent strongly agree). Respondents also agree they enjoy spending time in the outdoors (94 percent; 21 percent slightly agree, 46 percent agree and 27 percent strongly agree).

*Volunteering – people connecting with our nature in a practical way*

Volunteers help DOC achieve more for conservation and can help us meet our Stretch Goal: '90% of New Zealanders' lives are enriched through connection to our nature.'

The effort of volunteers is recorded as 'workday equivalents' as this best describes the scale of volunteers' contributions. In 2018/19, 38,179 workday equivalents were reported by DOC offices, slightly down on the previous year.

Table 12: Engagement – volunteer workday equivalents

Significant output measures	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Target 2018/19
Engagement – volunteer workday equivalents	34,789	37,556	36,018	41,882	38,179	28,000

**PERFORMANCE INDICATOR**

## Change in the quality of DOC's engagement with key associates

### New baseline

DOC is implementing a new relationship management system that focuses on its strategic relationships. In mid-2019, 22 of DOC's key associates completed surveys about the quality of their organisation's relationship with DOC. The survey comprised an online questionnaire, followed by face-to-face interviews by an independent researcher with a subset of the surveyed associates.

Asked in the questionnaire to rate their agreement with a series of statements, respondents rated an average of 3.1 on the scale of 4 (0 = 'Do not agree at all' to 4 = 'Agree totally') for the statement 'Overall, over the past year or so my organisation's relationship with DOC has improved'. For the statement 'Overall, over the past year or so the quality of my organisation's relationship with DOC's National Office staff has been excellent' the average rating was 3.2 out of 4.

These ratings were reinforced by the interviewees, who reported steady improvement in their relationships with DOC.

### Partnerships to increase conservation

DOC is involved in a range of partnerships around New Zealand. These include relationships with our Treaty Partner, national and local government, non-government agencies, community groups, volunteers, innovators, philanthropic organisations and commercial enterprises.

Many relationships are formalised in Memorandums of Understanding or other forms of relationship agreement. An example is a joint relationship agreement between DOC and GNS Science to build closer links and a better understanding of joint needs and opportunities.

### Partnership numbers

For the purposes of this reporting measure, we now only include community partnerships formalised through a DOC Management Agreement or Community Agreement. This reflects the community-focused work of our operations staff, and tightens the reporting criteria to remove confusion over the kinds of relationship to report.

DOC is now managing 312 community partnerships. This reflects the tighter criteria being applied, not a reduction in the absolute number of DOC's relationships with others.

Table 13: DOC management and community partnerships

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Target 2018/19
Number of partnerships managed	901	887	777	NA	NA	820
Community partnerships	NA	NA	NA	450	312	820
Percent of partners surveyed who rate their contribution to conservation as moderate or significant, with a target of 80%	97%	69%	67%	88%	71%	80%
Number of partnerships involving tangata whenua	29%	26%	25%	7%	9%	30%

Partners are surveyed to gain an understanding of their views on contributing to conservation. Of the 312 community partners, 113 were invited to respond to a standard survey; 80 partners (71 percent) rated their contribution to conservation as 'moderate' or 'significant'. The target for a moderate or significant rating is 80 percent. This result is similar to those of the past 4 years, peaking last year. The ongoing maintenance of these relationships by DOC operations managers and staff now includes a focus on how community groups feel about partnering with DOC, and what influences their rating in the survey.

The number of community partnerships that include tangata whenua is now 9 percent of total community partnerships. This is less than the target (30 percent), due to the change in our methodology to exclude informal relationship arrangements – many of DOC's relationships with tangata whenua groups, although integral to DOC's district connection with our Treaty Partner and the community, are not formalised in management or community agreements and are therefore no longer counted against this measure.

#### Output class operating statement 2018/19: Management of conservation with the community

	Actual 30/06/18 \$000	Budget 30/06/19 \$000	Revised budget 30/06/19 \$000	Actual 30/06/19 \$000
<b>Revenue</b>				
Crown	37,293	31,291	38,984	38,984
Other	1,024	4,070	1,570	1,249
<b>Total revenue</b>	<b>38,317</b>	<b>35,361</b>	<b>40,554</b>	<b>40,233</b>
Expenses	33,630	35,361	40,554	39,355
<b>Surplus/(deficit)</b>	<b>4,687</b>	<b>0</b>	<b>0</b>	<b>878</b>

# Strategic Role 3

Contribute to New Zealand's economic,  
social and cultural success

# Contribute to New Zealand's economic, social and cultural success

Loss of biodiversity diminishes the integrity of natural ecosystems and challenges the integrity of New Zealand's culture and economy.

Since humans arrived here, our biodiversity has been in decline – through species extinction, loss and disruption of natural areas and ecosystems, and the effects of an increasing number and variety of introduced plant and animal pests.

This trend has slowed in part only by more active conservation and natural resource management over the last three decades. Without increased and more-targeted management efforts, with clear biodiversity goals, the decline in biodiversity will continue, with irreversible consequences.

Our natural heritage shapes our cultural identity. New Zealanders identify strongly with conservation lands and waters. But the benefits of conservation are even more widespread and penetrate more deeply into our economy, our prosperity and our wellbeing.

We base much of our economy on our biological resources and benefit from the services provided by healthy ecosystems. Sound management of the natural environment underpins tourism and delivers ecosystem services, such as quality fresh water and fertile soil, which support New Zealand's primary production sector – a foundation for New Zealanders' prosperity.

Conservation protects our natural capital and delivers the infrastructure that many of our key industries depend upon. Investing in conserving and protecting our natural resources is investing in New Zealand's long-term wellbeing and prosperity, and protecting its natural heritage for future generations.



Kōhahai River suspension bridge, Heaphy Track. Photo: Richard Rossiter

# Intermediate outcome: Whānau, hapū and iwi are enabled to carry out their responsibilities as kaitiaki of natural and cultural resources on public conservation lands and waters

DOC seeks to establish a proactive, sustainable approach to engaging with tangata whenua (whānau, hapū and iwi). We acknowledge that more is needed to enable DOC and our Treaty Partner to achieve mutually beneficial conservation outcomes.

## PERFORMANCE INDICATOR

### Change in the satisfaction of tangata whenua with the Department's activities to help them maintain their cultural relationship with taonga

New baseline being developed

Objectives:

- Develop and implement a best-practice engagement system
- Support the delivery of enduring Treaty settlements

A sustainable approach to engagement between DOC and our Treaty Partner is crucial. DOC aims to establish mechanisms that exemplify quality standards and protocols of engagement so that neither partner must rely solely on the goodwill and understanding of individuals.

DOC continues to work with our Treaty Partner on several pilot approaches underway with hapū and iwi in the Hawke's Bay region, and with hapū and iwi in the Nelson and Blenheim regions. The discussions relate to issues where the DOC regional management team can work more collaboratively with our Treaty Partner to advance mutual objectives – such as the concession process for Kahurangi National Park.

DOC has enhanced its operational capacity and capability to engage in Treaty implementation this year (for example, by increasing the number of rangers in the lower North Island dedicated to Treaty implementation) and is developing better ways to monitor our progress with Treaty settlement obligations.

DOC has established relationships with iwi and hapū across the country to manage local issues on an everyday basis. Some examples from Northland are:

- DOC and Te Roroa have workshopped how best to work together to develop agreed principles and values as a foundation for an ongoing relationship
- DOC is working with Ngāti Kahu ki Whangaroa in managing forest health and signage for access
- DOC provides support for Te Rarawa iwi conservation initiatives, such as the Warawara Whakaora Ake restoration project.

#### *Sentinel a Nuku (under development)*

An imperative under the principles of the Treaty of Waitangi is to raise whānau, hapū and iwi to a level of knowledge and expertise where they can successfully undertake environmental work on their own land and on public land. Sentinel a Nuku aims to provide the opportunity for all young New Zealanders to begin a career in ecological management and biodiversity work and in particular to increase the number of Māori ready for those opportunities. This project is at an early stage of development.

#### *Ngā Whenua Rāhui funding programme*

The goal of the Ngā Whenua Rāhui Fund is to provide incentives for voluntary protection of indigenous ecosystems on iwi-owned land that represent a range of natural diversity originally present in New Zealand. The committee also allocates funds to increase tangata whenua participation in managing biodiversity in ways consistent with mātauranga Māori (customary knowledge). The report on the activities of Ngā Whenua Rāhui for 2018/19 is in Appendix 5.

In April 2019, Owahaoko A East and A1B Blocks Trust (Owahaoko A), the Minister of Conservation, and Ngā Whenua Rāhui Komiti and staff, led by Tā Tumu Te Heuheu, gathered at Nukuhau Marae in Taupō to acknowledge a new kawenata (covenant) relationship.

This collaboration between Owahaoko A, Ngā Whenua Rāhui and DOC will develop landowners' capacity to support the work required of the kawenata. In turn, there is reciprocal intent for the work to support the connection of Owahaoko landowners back to their whenua.

With lands positioned central to the Kaimanawa and Kāweka forests and to other lands under kawenata, trustees have an incentive to protect their own indigenous biodiversity and that of their neighbours.

The long-term goal is to enhance, sustain and protect our indigenous biodiversity through multi-pest management with neighbouring properties to ensure protection of known taonga species in the area.

**PERFORMANCE INDICATOR**

### Increase in engagement of the commercial sector in conservation partnerships

Overcoming our urgent biodiversity challenges requires an all-of-New Zealand response. New Zealand's 500,000 businesses employ 2 million people; accordingly, it is part of DOC's strategy to work with business to galvanise this response. DOC is committed to a future in which every business restores our nature as a core part of operating sustainably. This is part of DOC's work with New Zealanders to create a future where our natural environment is positioned as the foundation for our economic, cultural and social success.

Performance: maintained



DOC's partnership approach is continuing to see growth in the contribution of businesses to conservation.

DOC works with business partners to:

- inspire and engage every New Zealand business to operate sustainably, and so to contribute to ecological restoration in a large-scale and planned way
- reach and influence new audiences to tell the conservation and business 'win/win story', together with the urgency of the issues we face
- acknowledge and celebrate those businesses going 'above and beyond' for conservation
- steer businesses towards conservation priorities, like Predator Free 2050 and landscape-scale partnerships
- broker business interest in conservation through to community groups
- increase the number of people taking part in recreation as our partners promote public engagement in outdoor activity
- increase biodiversity outcomes across New Zealand.



### Concession management

A concession is an authorisation, usually with operating conditions and charges, to conduct private or commercial activity on conservation lands. DOC allows commercial activities that are compatible with the natural, historic and cultural values present, the social setting and the facilities.

Commercial activity on public conservation lands and waters allows businesses to benefit from this direct association, and New Zealanders to benefit from concession fees and the associated conservation initiatives that concessionaires are involved with.

These business opportunities in conservation areas are broadly classified as recreational (for example, guiding or transport services for visitors) or other resource use (such as grazing, telecommunications or commercial filming). The number of active concessions managed by DOC is shown in Table 14.

The demand for concessions varies depending on wider market forces and is largely outside DOC's control.

Table 14: Number of concessions managed and monitored

	Actual 2014/15	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Target 2018/19
Active one-off recreation concessions managed	201	224	69	88	307	70
Active longer-term recreation concession permits, licences and easements managed	1,168	1,146	1,165	1,187	1,141	1,300
Active longer-term recreation concessions monitored (target 15%)	190	191	204	179	211 (23%)	195
Active one-off other resource use concession permits managed	253	263	112	213	332	120
Active longer-term other resource use concession permits, licences and easements managed	3,283	3,272	3,339	3,444	3,538	3,300
Active longer-term other resource use concessions monitored (target 15%)	190	191	246	179	324 (9%)	495

The number of applications for one-off concessions varies considerable over time, which is typical of this type of commercial activity.

The monitoring of longer-term other resource-use concessions covered only 9 percent of concessions, below the 15 percent target. The initial planning for

monitoring of concessions was insufficient to meet this target, despite the progress in monitoring concession holders in the Orongorongo valley in the lower North Island and telecommunications sites in the southern South Island.

### Revenue streams

Investment in conservation through commercial use of public conservation lands and waters continues to grow, with a 12 percent increase in concession fees. The financial contribution from commercial partnerships has grown to \$13.5 million, following an overall 5-year upward trend.

Table 15: Crown concession and DOC partnership revenue

Source of financial contribution	2014/15 Actual (\$000)	2015/16 Actual (\$000)	2016/17 Actual (\$000)	2017/18 Actual (\$000)	2018/19 Actual (\$000)	Change (%) from 2017/18
Concessions, leases and licences	15,262	16,951	19,874	24,406	27,276	11.8%
Sponsorship and partnership revenue	7,088	9,303	12,380	12,437	13,511	8.6%

#### PERFORMANCE INDICATOR

### Improvement in the level of return on investment for key DOC products and services

Participation in conservation and enjoying our natural and historic heritage brings many benefits to people, the economy and nature. Domestic marketing encourages New Zealanders to enjoy our nature across the range of experiences available.

Performance: maintained



Revenue from DOC products and services continues to grow, including from backcountry huts, which show an overall trend of 6 percent growth per year. Variations in the weather may account for changes between years.

Table 16: Revenue from key DOC products and services

Revenue received	2014/15 Actual (\$000)	2015/16 Actual (\$000)	2016/17 Actual (\$000)	2017/18 Actual (\$000)	2018/19 Actual (\$000)	Change (%) from 2017/18
Backcountry huts	1,751	2,025	2,095	2,062	2,345	13.7%
Conservation campsites	5,201	5,910	6,931	7,543	8,015	6.3%
Great Walks	5,605	6,261	6,481	7,320	9,612	31.3%
Visitor centre network – gross retail	2,367	2,624	2,900	3,198	3,227	0.9%

# Well-served government and citizens



# Well-served government and citizens

## DOC is a public service in a changing context

Serving government and citizens well reflects our foundational role as public servants. We work with a 'spirit of service', we serve the public and we serve those the public elects – the Government, and the Minister of Conservation appointed by that Government.

Ultimately, our performance as a public service is central to increasing the value of conservation for New Zealanders.

DOC is the primary advisor to the Government on conservation. We support Ministers with high quality, free and frank advice so they can make sound decisions for conservation. We help the Government implement its policies, in compliance with the law, while being politically neutral.

That role doesn't change – but the context in which we exercise our public service responsibilities continues to change.

- Pressures on the environment are increasing, as are public and political interest in conservation. Healthy ecosystems are widely recognised as important to New Zealand's success.
- Scrutiny of DOC's performance as a public service department is increasing. The State Services Commissioner holds high expectations of the public service and the Chief Ombudsman is active in encouraging good public administration. He has recently investigated the Official Information Act practices of DOC and other agencies in the natural resources sector.

## Key functions of the Government Services team

- We set policy, standards and guidance across DOC to build its performance in serving Parliament and citizens.
- We support the Minister of Conservation in their accountabilities to Parliament.
- We give the Minister advice and updates on conservation matters and on DOC's activities.
- We assist the Minister in meetings and in correspondence with the public.

Twice a year, DOC provides support to Select Committee reviews of the Estimates and the Annual Report. We also provide departmental support to Select Committees as required.

We help build the trust of citizens in government by meeting our obligations under the Official Information Act 1982 and the Privacy Act 1993. Our aim is to respond to all requests under these Acts on time and in a manner that supports open and accountable government. We lead DOC's work in providing transparency of DOC's functions and the proactive release of information on matters of public interest.

## Investment in government services to lift performance

DOC has invested in its Government Services team. We recognise that building organisational maturity in this work will help us meet our obligations to the public and to conservation.

The team is leading a shift across DOC – raising capability, awareness and visibility of what it means to be a respected, high-integrity public service.

## Policy advice

DOC's policy function provides advice and analysis that supports conservation outcomes and wider government priorities. It does this by working with other agencies, particularly where conservation issues affect, are affected by, or have synergies with, other government initiatives. The policy function is a key element of the support DOC provides to Ministers, and contributes to the development of DOC's strategic frameworks.

Following the allocation of funds to support DOC's policy capability under Budget 2018, DOC has continued to invest in its policy function, chiefly by increasing the number of specialist policy staff to match the expanding pace and scope of work.

Policy initiatives led by DOC's policy function in 2018/19 include:

- leading work on a refresh of the New Zealand Biodiversity Strategy, including through a nationwide process of early engagement with our Treaty Partner and stakeholders. This has culminated in the production of a discussion document for formal consultation that will lead to completion of the new strategy in 2019/20. The strategy will provide long-term direction and short-term priorities for public and private entities working on biodiversity issues in New Zealand.
- working with the Ministry for the Environment on the development of a National Policy Statement on Indigenous Biodiversity, which is also due for formal consultation and completion in 2019/20. This will be a key mechanism to deliver a consistent approach to protecting biodiversity on private land.
- working with the Ministry for Primary Industries and the Ministry for the Environment to support both Ministers' decision-making and cross-agency work to implement Sea Change, the Marine Spatial Planning process in the Hauraki Gulf. The composition of a Ministerial Advisory Committee to help guide the process was announced in July 2019.
- working with the Ministry for Business, Innovation and Employment to support the development of the New Zealand Aotearoa Government Tourism Strategy, released in May 2019; and of the International Visitor Conservation and Tourism Levy (IVL), which will be a significant funding source for conservation projects, the broad framework for which was confirmed in Budget 2019.

## Management planning

Conservation management planning is governed by a series of planning documents established by the Conservation Act 1987, the National Parks Act 1980 and various Treaty of Waitangi settlement Acts.

The requirements and processes for preparing 10-year Conservation Management Strategies (CMSs), national park management plans (NPMPs) and conservation management plans (CMPs) follows a public process set out in the relevant legislation. DOC seeks early collaboration with iwi in statutory planning processes to ensure iwi values are reflected in conservation management strategies and plans.

During the 2018/19 financial year, the Wellington CMS was approved. The following management planning processes began in the 2018/19 financial year.

- Te Tāpui Tokotoru CMP review.
- Te Pokohiwi and Wairua boulder bank CMP development.
- West Coast Te Tai-o-Poutini CMS amendment.
- Paparoa NPMP amendment.

The following management planning processes were placed on hold in the 2018/19 financial year.

- Review of the Aoraki/Mount Cook NPMP and Westland NPMP – at the request of Ngāi Tahu, following the Supreme Court's ruling in *Ngāi Tai ki Tāmaki Tribal Trust v Minister of Conservation*.
- West Coast Te Tai-o-Poutini CMS amendment.
- Paparoa NPMP amendment.
- Tāmaki Makaurau motu CMP development.

## Servicing statutory and ministerial bodies

DOC administers 30 statutory and ministerial bodies. Their responsibilities vary depending on legislation, so DOC staff engage with each one in various ways. DOC employs staff to service the running and operations of the 15 conservation boards and the New Zealand Conservation Authority (NZCA). The conservation boards are independent statutory bodies established under the Conservation Act 1987. Each board is responsible for a defined geographical area and is involved in conservation planning, policy and management advice.

The NZCA advises the Minister of Conservation and the Director-General of Conservation on issues of national conservation importance. It is also responsible for approving the General Policy for National Parks, conservation management strategies and national park management plans, which set objectives for DOC's management of public conservation areas.

In the 2018/19 year, the NZCA approved the Wellington Conservation Management Strategy, which became operative on 20 January 2019. This statutory document came together through the efforts of DOC and the Wellington Conservation Board. It provides for innovations like the integration of DOC's 2025 Stretch Goals with intermediate outcomes to provide an overarching focus on preserving cultural heritage and conservation within the Wellington region.

On 13 March 2019, the Minister of Conservation announced the 64,400-hectare addition of the Mōkihinui River catchment to the Kahurangi National Park. This follows the NZCA's recommendations for the addition in 2017 (Mōkihinui River catchment) and 2018 (Mōkihinui River bed).

DOC serves two ministerial bodies: the independent committees of Ngā Whenua Rāhui Fund and the Nature Heritage Fund. The Fund's role is to recommend land of high conservation value that is worthy of legal protection to protect indigenous ecosystems that represent the full range of natural diversity originally present in New Zealand. It seeks to do this by providing incentives for voluntary conservation.

The newly established Governance team helps DOC create and support statutory bodies. This includes the creation of a constitution, the right building blocks, the appropriate authority levels, and enabling them to deliver on their purpose. A major part of this function is to work on appointments alongside the Minister. Through these processes the Minister considers a range of factors for nominees, including gender, ethnicity, culture, age, geographical spread, skill sets and experience. Across the associated statutory bodies, female membership is at 45 percent in 2018, up from 37 percent in 2015.

### Outputs that contribute to this output class

Policy and government/ministerial services outputs contribute to all four intermediate outcomes as set out in Appendix 2. These are reported on below.

Table 17: Policy advice and services performance

2018/19 performance measures and targets	National commentary
<b>Policy advice</b>	
The satisfaction of the Minister of Conservation with the policy advice, as per common satisfaction survey (target: 80 percent).	The Minister rated her satisfaction with the policy advice at 90 percent.
Technical quality of policy advice papers, assessed by a survey and robustness assessment.	Technical quality score 6.7 out of 10.
<b>Ministerial servicing</b>	
It is expected that DOC's Government Services team will send 800–900 briefings to the Minister.	DOC sent 1,071 ministerial briefings and advice to the Minister.
Number of Official Information Act (OIA) requests received and actioned within statutory requirements, both ministerial and departmental.	DOC completed 1,154 OIA requests. 1,091 were actioned within the statutory deadline (94.5 percent of all actioned OIAs).
It is expected that DOC will receive 350–400 Parliamentary Questions with 100 percent meeting the ministerial deadline.	DOC provided draft responses to 562 Parliamentary Questions; 67 percent met the ministerial deadline.

## Output class operating statement 2018/19: Management of policy advice and services

	Actual 30/06/18 \$000	Budget 30/06/19 \$000	Revised budget 30/06/19 \$000	Actual 30/06/19 \$000
<b>Revenue</b>				
Crown	8,330	12,665	10,965	10,966
Other	126	566	166	291
<b>Total revenue</b>	<b>8,456</b>	<b>13,231</b>	<b>11,131</b>	<b>11,257</b>
Expenses	8,013	13,231	11,131	10,745
<b>Surplus/(deficit)</b>	<b>443</b>	<b>0</b>	<b>0</b>	<b>512</b>



# Capability



Ranger Tim Raemaekers works in kiwi conservation at Shy Lake in Fiordland. *Photo: DOC*

# Our business is supported by a capable workforce and sound systems

An increase in DOC funding over the past two Budgets and a clear direction in government priorities mean that DOC is undergoing a period of significant growth.

## GrowConservation

GrowConservation sets out how we will grow our organisation in line with these priorities, and where we will allocate new funding and resources to deliver more for conservation.

GrowConservation represents three conservation priorities for DOC's work.

- Addressing the crisis of declining indigenous biodiversity
- Supporting more communities to connect with nature and heritage
- Managing the increasing numbers of visitors to public conservation land.

Achieving these priorities will contribute to New Zealand's economic, social and cultural success, and will enhance visitors' wellbeing as they connect with and contribute to New Zealand's nature and heritage. It will also result in increased conservation services and leadership.

Meeting these priorities is a significant challenge. Internal and external collaboration is vital to the project's successes.

GrowConservation is enabled by a range of resources, including people, processes and funding. Sources of funding are:

- Budget 2017 (\$76 million over 4 years to manage visitor impacts to public conservation land)
- Budget 2018 (\$181.62 million over 4 years, including \$16.24 million for capability uplift and \$5.5 million to manage visitor impacts to public conservation land)
- Budget 2019 will include a portion of funds generated by the new IVL (\$40 million per annum).

Further detail on the progress of GrowConservation by funding stream is included on the next page.



### Predator control 2018

DOC has increased its:

- geospatial analysis capability (four Geospatial Analysts and one Geospatial Coordinator) to better focus its predator-control operations
- planning and logistical capability (12 logistics, operations or project management positions) to better organise its field-based predator-control staff
- communications staff resource to better address the increasing public debate on DOC's predator-control activities.

Many of these roles are in areas designated for regional growth, such as Manawatu, West Coast, Northland and Bay of Plenty.

### Mackenzie basin 2018

DOC is leading the development of a Drylands Heritage Area in the Mackenzie basin. A small team has been set up to work collaboratively with Ngāi Tahu, landholders and the wider community on this project.

### Biodiversity 2018

DOC has established around 50 new positions to enable implementation of the first 2 years of the Biodiversity 2018 programme, funded by Budget 2018. Most of these roles are science and technical advisors who lead the scientific research that guides DOC's operational efforts to protect biodiversity in the future. See page 90.

More field-based staff will be recruited in coming years. DOC is already recruiting eight new field based positions relating to freshwater biosecurity and restoring freshwater catchments. Some of these roles are in places designated for regional growth, including West Coast and Northland. DOC expects to increase ranger capacity by 20 full-time equivalent (FTE) roles in 2019/2020, although actual staff numbers may differ.

Several new positions have been created in DOC's Planning, Permissions and Land unit to provide advice on planning documents and consents relating to the RMA, and the Minister of Conservation's functions under both the RMA and the Marine and Coastal Area (Takutai Moana) Act 2011.

Other roles are working on creating training material for protecting island biosecurity and leading the programme to manage tahr.

## GrowConservation

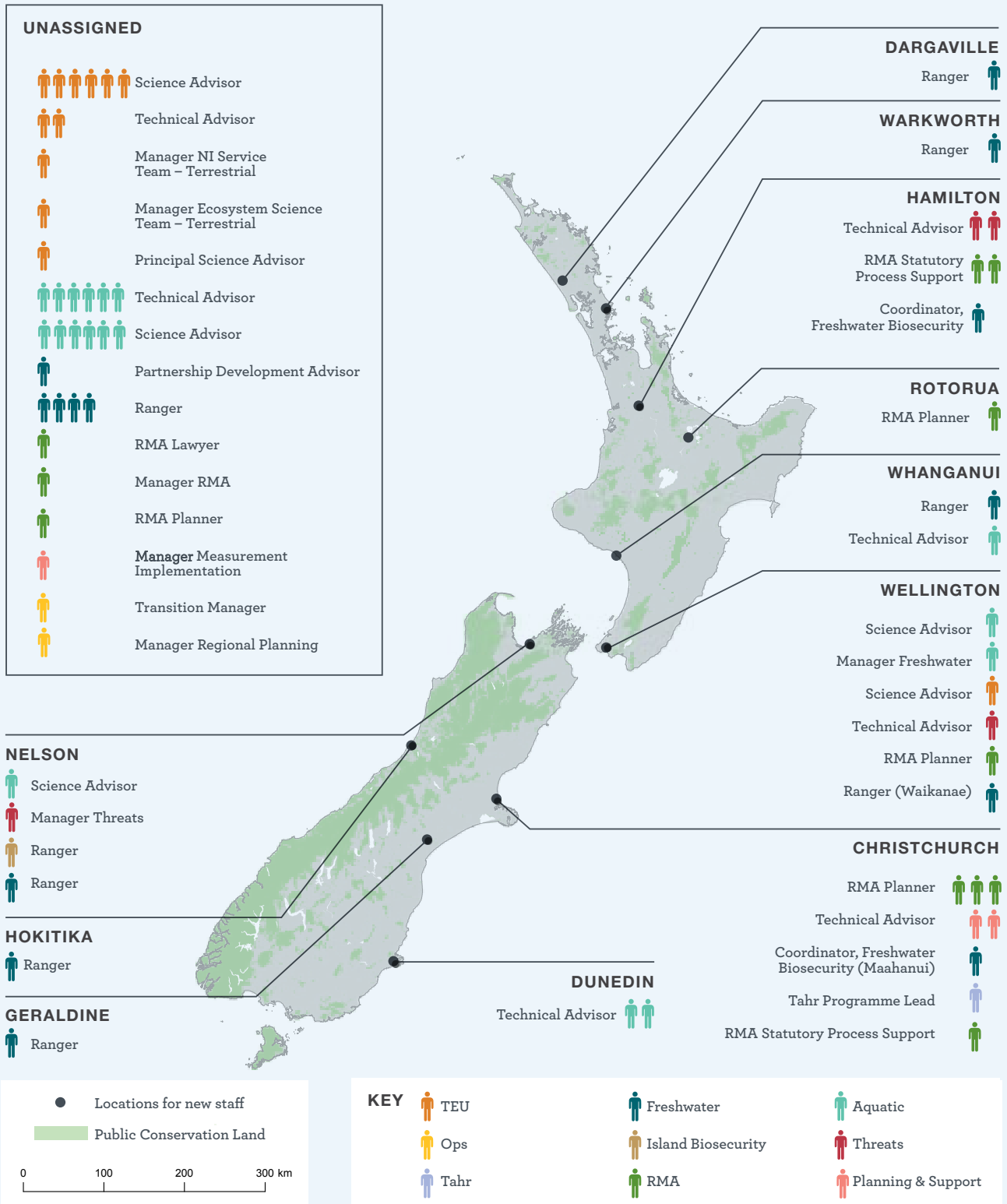
To work with others to increase the value of conservation for New Zealanders

WHY?	WHERE ARE THE FUNDS COMING FROM?
Address the crisis of declining indigenous biodiversity	Budget 2018 - (\$181.62m over four years)  Biodiversity contingency fund - (\$76m) to increase investment in initiative across land, freshwater, marine  Additional predator control - (\$81.28m)  Mackenzie - (\$2.6m)
Improve protection of the marine environment	
Enhance relationship with Treaty Partner	
Support more communities to connect to our nature and heritage	Budget 2018 - capability uplift (\$16.24m)  Managing the impact of visitors to Public Conservation Land Budget 2017 - (\$76m over 4 years) Budget 2018 - (\$5.5m)  International Visitor Levy (\$40m pa for DOC from 2019/20)
Manage the increasing numbers of visitors to public conservation land	Other funding sources: <ul style="list-style-type: none"> <li>· Increased concessions revenue (\$40m pa)</li> <li>· Provincial Growth Fund - (Billion Trees, regional infrastructure)</li> <li>· Treaty settlement funds</li> <li>· Visitor revenue (huts/campsites)</li> </ul>

WHAT ARE WE DOING?	HOW?	OUTCOMES
<ul style="list-style-type: none"> <li>▶ Implementation of 492 priority ecosystem and species management units</li> </ul>	<p><b>Our direction</b></p> <ul style="list-style-type: none"> <li>▶ Clear Strategic Focus – The DOC story</li> <li>▶ DOC operating model and four year plan</li> </ul>	<p>Provide conservation services and leadership to protect and enhance New Zealand's natural and historic heritage</p>
<ul style="list-style-type: none"> <li>▶ Management of 14 priority river catchments</li> </ul>	<p><b>Our way of working</b></p> <ul style="list-style-type: none"> <li>▶ Committed to health, safety and wellbeing</li> <li>▶ High Performance Engagement</li> <li>▶ Team Process</li> <li>▶ Strong operating discipline</li> <li>▶ Reporting on our delivery</li> </ul>	<p>Contribute to New Zealand's economic, social and cultural success</p>
<ul style="list-style-type: none"> <li>▶ 40% of established marine reserves are fully managed and remaining are partially managed</li> </ul>	<p><b>Our people</b></p> <ul style="list-style-type: none"> <li>▶ Our people do meaningful work and are proud to work for DOC</li> </ul>	<p>Enhance wellbeing of New Zealanders and international visitors, by encouraging and enabling people to connect and contribute to New Zealand's nature and heritage.</p>
<ul style="list-style-type: none"> <li>▶ Development and implementation of amarine bycatch reduction project</li> </ul>	<p><b>Our enabler</b></p> <ul style="list-style-type: none"> <li>▶ Build capability where it is needed</li> <li>▶ Support to make it happen:                             <ul style="list-style-type: none"> <li>· Induction</li> <li>· Education</li> <li>· Accommodation and Fleet</li> <li>· Technology</li> <li>· Recruitment</li> <li>· Flexible Working</li> </ul> </li> </ul>	<p>Enhance wellbeing of New Zealanders and international visitors, by encouraging and enabling people to connect and contribute to New Zealand's nature and heritage.</p>
<ul style="list-style-type: none"> <li>▶ Scientific research across 30 threatened species to inform efforts to protect them</li> </ul>	<p><b>Our partners</b></p> <ul style="list-style-type: none"> <li>▶ Iwi</li> <li>▶ PSA</li> <li>▶ Community/NGO's</li> <li>▶ Commercial partners</li> <li>▶ Volunteers</li> </ul>	<p>Enhance wellbeing of New Zealanders and international visitors, by encouraging and enabling people to connect and contribute to New Zealand's nature and heritage.</p>
<ul style="list-style-type: none"> <li>▶ Prevent, eradicate or contain terrestrial invasive species</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Reinvigoration of advocacy activity</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Implementation of Tahr control plan</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Increasing freshwater site management and monitoring</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Controlling and eradicating predators in target locations</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Creation of Mackenzie Drylands Park</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Uplift in policy advisory</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Lifting our organisational development and capacity to support growth</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Improve asset management</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Tourism infrastructure projects e.g.                             <ul style="list-style-type: none"> <li>· Punakaiki - Dolomite Point redevelopment</li> <li>· Roading upgrades</li> </ul> </li> </ul>		
<ul style="list-style-type: none"> <li>▶ Historic and Visitor system refresh project – reshaping and expanding the work in this unit</li> </ul>		
<ul style="list-style-type: none"> <li>▶ Investing in visitor management e.g. interpretation rangers</li> </ul>		

Intermediate Outcomes and 2025 Stretch Goals

## Biodiversity 2018/19 – additional staff



### Tourism 2017

Visitor growth (both domestic and international) is putting pressure on some parts of public conservation land and waters (PCLW), with risks to conservation and/or visitor experiences. Some costs increase as visitor use increases, like cleaning toilets, collecting rubbish or undertaking compliance activity. Other costs occur when infrastructure at key sites needs to be renewed to cope with increased visitor demand.

Budget 2017 was designed to meet the immediate pressures from this increased demand. Budget 2018 focused on building the systems and services needed to create and maintain quality and sustainable visitor experiences.

The visitor-related funding from Budget 2017 enabled DOC to create 63 FTEs to support new investment in tourism infrastructure or enhance its ability to respond to increased visitor numbers. These are a mix of seasonal, permanent and fixed-term roles.

### Other organisational capacity and capability improvements

DOC has established 19 new roles when it reshaped its Heritage and Visitor, and Pricing and Economics teams, to provide better strategy, planning and systems support for senior managers and for operations.

DOC has also increased its capability and capacity in the policy area with extra policy advisors, and with extra roles in the Government Services team to manage OIA and Privacy Act issues. This will increase DOC's ability to give quality advice to Ministers and manage the workload from the extra scrutiny of DOC's predator-control operations.

DOC's other centralised functions have grown to support frontline activities and operations more efficiently. These include fleet management, information technology, property, finance, legal services and human resources. DOC has recruited seven staff in accounting, recruitment and payroll to support the process of recruiting and bringing new staff into the organisation.

To support organisational growth while maintaining a positive organisational culture, DOC has increased its organisational development capacity and capability. This includes additional training resource and roles to:

- deliver High Performance Engagement with the PSA
- increase our focus on wellbeing
- provide hands-on support to DOC's leaders.

Extra positions have also been created in the Human Resources team to help the team to support DOC's larger workforce resulting from the Government's increased investment in DOC.

### DOC's future capability needs



Introduction to Predator Trapping Methods course for community groups – a collaboration between Predator Free 2050, DOC Capability Development, and NMIT. Photo: DOC

Several other factors will enable DOC to grow, achieve its Stretch Goals, and to be central to the delivery of the Government's conservation, environmental and regional development programmes. This year we have continued to focus on the main levers in our Conservation Outcomes Model: leadership, our core management disciplines, working with Māori, partnering and collaborating with others, and safety and wellbeing.

An essential ingredient in DOC's successful growth is enhanced capability. We need to attract and develop people who can deliver conservation work in a healthy and safe manner while maintaining their wellbeing. DOC's people need to have the cultural awareness to nurture strong and inclusive relationships with whānau, hapū and iwi. Our people need to be excellent at partnering across government and with community groups, and to embrace diversity within the organisation and externally.

To increase our capability, DOC's leaders need to be able to build a safe and healthy workplace that is flexible and inclusive for a diverse workforce, and embed strong operating disciplines across the organisation. Over the past year we have delivered leadership and management training programmes to strengthen our principal management disciplines. Over the coming year we will enhance and refine these programmes to make sure our leaders have the skills to make our growth successful.



Training leaders. Photo: Steve Tully

## Diversity

Our people need to embrace diversity, both within DOC and externally. Greater diversity and inclusion will help us grow conservation by introducing new thinking and new experiences – which can help us discover new solutions to conservation problems.

DOC continues to work towards its key measures around workplace diversity and inclusion. DOC has committed to gender balance across its leadership roles by 2022, as part of public service milestones in the Gender Pay Gap 2018–20 Action Plan.

A joint working group with the PSA found no trend within DOC of gender bias across roles or salary bands. The working group found that the main driver of DOC's gender pay gap is the under-representation of women in leadership roles.

We are working to understand the reasons for this under-representation, and have made good progress over the past 12 months – women now hold 46 percent of leadership roles, up from 43 percent in 2017/18, and the gender pay gap has reduced from 4.3 percent to 2.6 percent.

DOC has carried out significant activities over the last year. These include:

- extending the delivery of unconscious bias training to all supervisors and team leaders to support better decision-making through recruitment and other management processes
- developing a Rainbow Action Plan to ensure DOC is a safe and inclusive place to work for members of the LGBTTQI+ community
- rolling out flexible-working pilots across DOC to support a move to default flexible work arrangements by the end of 2020.

A priority for the next financial year will be to work on DOC's recruitment systems to better support our ability to attract, recruit and retain a diverse workforce.



## Health, safety and wellbeing

Emphasis for our Health and Safety system in 2018/19 has been on three main areas:

- leadership and governance
- critical-risk management
- worker engagement.

The DOC strategic governance model for health, safety and wellbeing (and visitor safety) has been reviewed and overhauled, and a strengthened governance model is being implemented. We have been working on improving the data and information available to senior leaders, and ensuring that there are better links between the governance entities and the worker engagement system.

Our critical risk management continues to develop. It prioritises low-frequency/high-consequence incidents (such as on-road driving and working with helicopters) that present the most risk to staff, contractors and volunteers. This year we have worked to develop critical-risk controls, and processes to make sure these controls are in place and managing risk effectively; the development of Critical Control Checklists is part of this work.

In 2018/19, we continued to focus on worker engagement. A refreshed and redesigned Worker Engagement System was deployed in the 2017/18 year in partnership with the High Performance Engagement (HPE) team - a DOC/PSA co-created initiative to provide direct worker involvement in key areas such as health, safety and wellbeing. In 2018/19, we built on this by helping local, regional and national Safe Home Committees work effectively. DOC has focused on ensuring worker contributions and ideas move through the engagement system to relevant safety governance entities within DOC.

New metrics ('incident reporting - unsafe acts' and 'near miss - no injury') are now being used to track DOC's health and safety performance.

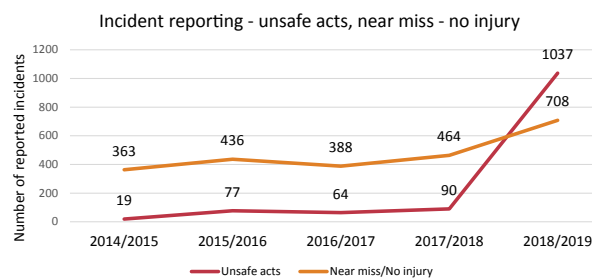


Figure 6: Unsafe act/near miss reporting (5-year trend)

The significant increase for 2018/2019 is a result of increased harassment and threat incidents, including social media posts by people objecting to DOC's 1080 use and tahr control activities.

Table 18: Number of serious incidents requiring full investigations

	2017/18	2018/19
Serious incidents requiring full investigation	53	42
Safety and wellbeing courses	14	0
Health and safety short courses	94	95

## Staff security

### Protective security requirements

DOC, like other government agencies, is subject to the mandatory requirements of the Protective Security Requirements (PSR). A DOC security task force governs DOC’s physical, informational and personnel security functions. Policy and guideline documents have been created to help staff follow higher-security practices.

Physical security is the highest risk, a result of the already mentioned protest action in 2018 (and threats and harassment of staff) against the use of 1080. The dispersed and remote nature of DOC’s workforce creates risks, and there is a small but increasing opposition to DOC and its operations. DOC staff can no longer rely on the positive social licence they enjoyed in the past.

DOC has responded by creating a National Security Team to improve physical security of staff, visitors and assets. In the face of anti-DOC incidents, DOC also received clear and unequivocal support from the Prime Minister, the Minister of Conservation and the State Services Commissioner. The Commissioner expressed his support for DOC’s work and his concern for its staff, as state servants who simply carry out the Government’s wishes.

As threats to information systems are also a significant risk, cybersecurity is a priority for DOC. The Department has a dedicated team of IT professionals who keep the information and knowledge asset base secure.

DOC has also carried out significant work around emergency and business continuity planning.

## DOC’s procurement and supply

In 2018/19, DOC spent \$126.9 million with suppliers in delivering conservation services – 80 percent of its budget for this period.

Key categories of supplier spend are in Table 19.

Table 19: Supplier types and expenditure 2018/19

Contract supplier type	Total spend 2018/19 (\$m)
Helicopters	15.7
Ground-based pest control	13.7
Construction and maintenance of visitor assets (capital)	23.4

### Helicopter expenditure

DOC’s helicopter expenditure covers aerial pest control and transport of people and goods.

The distributed nature of our operations means we usually engage New Zealand’s helicopter operators to deliver services close to the site of operations to avoid unnecessary transit flight hours. We have recently formalised these engagements through an open competitive process and formal contracting arrangements.

For aerial pest-control operations in 2018/19, we worked with several helicopter companies to deliver toxic and non-toxic baits to ensure unexpected disruptions had minimal impact on operations.

### Ground-based pest control expenditure

DOC’s ground-based predator control supplier costs occur across three main activities: ground-based pest treatment, pest traps and ground-based weed treatment.

We engage with ground control and pest-control operators at sites across the country to deliver these services. An aggregation strategy has not been pursued for commissioning this control work because of the distributed nature of the services.

The supply market for pest traps is varied, with strong competition for some trap types (such as DOC100 traps) and single providers for other types, such as self-resetting traps. To encourage emerging technologies and technical improvements in this field, DOC has engaged with the commercial sector through the Predator Free 2050 Tools to Market process to identify technologies that will most improve trapping methodologies and to assist their funding.

### Visitor assets expenditure

DOC's construction and maintenance of visitor assets expenditure is distributed all over the country and includes a range of infrastructure, such as huts, shelters, bridges, tracks, boardwalks and historic assets. Many of these construction projects are in remote areas and are low cost compared with urban projects. DOC expects suppliers to have experience working in remote locations and to follow suitable health and safety standards. As with local ground-based predator control operations, the distributed nature of construction projects does not suit a strategy of aggregated contracted work. DOC seeks to give suppliers advance notice of all construction and maintenance work by publishing upcoming projects in its Annual Procurement Plans.

## Departmental capital and asset management

DOC manages \$6 billion in capital assets, over 91 percent of which is Crown-owned assets (predominately public conservation land). DOC is therefore classified as a 'Tier 2 - Investment Intensive' agency. The remaining asset value (nearly 9 percent) is comprised of DOC-owned assets (predominantly visitor assets, such as tracks, huts and structures) needed to deliver conservation services.

DOC employs strong capital asset management and investment management practices to ensure the Government receives the best value for money from these assets.

### Performance of physical assets

For recreation assets, condition reporting is undertaken through output reporting for huts, tracks and structures. Track-counter reporting has now been incorporated into this to help DOC measure the utilisation of key tracks, and therefore to inform priority setting and scheduling for asset maintenance and replacement.

### Output class operating statement 2018/19: Other expenses

	Actual 30/06/18 \$000	Budget 30/06/19 \$000	Revised budget 30/06/19 \$000	Actual 30/06/19 \$000
<b>Revenue</b>				
Crown	0	0	0	0
Other	0	0	0	0
<b>Total revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenses	0	0	1,425	1,419
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>(1,425)</b>	<b>(1,419)</b>

#### Loss on disposal arising from the transfer of assets to Fire and Emergency New Zealand (FENZ)

In 2018/19, DOC transferred its fire management assets to Fire and Emergency New Zealand (FENZ). DOC incurred a loss of \$1.419 m as a result.

**Land assets**

DOC is responsible for managing about a third of New Zealand’s land area. The profile of that land is more mountainous than the rest of New Zealand and much of it was available for formal protection for conservation purposes, because it was not suitable for other uses and it retained biodiversity and cultural values.

As there is much greater competition for lowland areas, natural ecosystems at these lower altitudes have received less conservation protection. An area for

further work is to quantify the value of natural capital when making decisions to establish more land and water ecosystem protection.

**Asset profile**

The asset profile information in Table 20 is for Crown and DOC assets combined. The information is presented by asset group. Asset group owners develop and use asset management plans (AMPs) to communicate planned management and performance of assets, and inform replacement and investment decisions.

Table 20: Department of Conservation asset profile 2018/19 (Crown and Departmental assets combined)

Asset group	Asset class	Carrying amount* (\$m)	Depreciation (\$m)	Capital expenditure† (\$m)
Information and Communications Technology	Computer software	7.2	2.1	3.0
Fleet	Vessels	2.4	0.4	0.5
	Motor vehicles	11.1	1.5	1.5
Property	Furniture and fittings	5.9	1.2	1.5
	Buildings	66.2	2.2	0.5
	Infrastructure assets	36.7	1.0	0.4
	Plant and equipment	7.8	2.4	3.0
Visitor and Historic (Cultural) assets	Visitor and Historic assets	398.0	17.3	23.4
Land (Crown and DOC)	Land (Crown and DOC)	6,630.4	NA	1.0
Fencing	Fencing	38.7	5.9	0.5
<b>TOTAL</b>		<b>7,204.4</b>	<b>34.0</b>	<b>35.3</b>

\*Includes assets under construction

†Excludes transfers between departments

**Improving asset management**

DOC has implemented a programme to increase its asset management maturity and capability as part of the Government’s Investor Confidence Rating (ICR) framework. The focus has been on improving AMPs and asset performance and benefit reporting, as well as a refresh of DOC’s Project Management Framework. The next ICR assessment (held every 3 years) begins in September 2019.





## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF THE DEPARTMENT OF CONSERVATION'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Auditor-General is the auditor of the Department of Conservation (the Department). The Auditor-General has appointed me, Brent Manning using the staff and resources of KPMG, to carry out, on his behalf, the audit of:

- the financial statements of the Department on pages 103 to 129, that comprise the statement of financial position, statement of commitments and statement of contingent liabilities as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in taxpayers' funds, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Department for the year ended 30 June 2019 on pages 10 to 96;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2019 on pages 140 to 144;
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 130 to 139 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities as at 30 June 2019;
  - the schedules of expenses; and revenue for the year ended 30 June 2019;
  - the statement of trust monies for the year ended 30 June 2019; and
  - the notes to the schedules that include accounting policies and other explanatory information.

#### Opinion

In our opinion:

- the financial statements of the Department on pages 103 to 129:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2019; and
    - its financial performance and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information of the Department on pages 10 to 96:
  - presents fairly, in all material respects, for the year ended 30 June 2019:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
  - complies with generally accepted accounting practice in New Zealand.



- the statements of expenses and capital expenditure of the Department on pages 140 to 144 are presented fairly, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 130 to 139 present fairly, in all material respects, in accordance with the Treasury Instructions:
  - the assets; liabilities; commitments; and contingent liabilities as at 30 June 2019; and
  - expenses; and revenue for the year ended 30 June 2019; and
  - the statement of trust monies for the year ended 30 June 2019.

Our audit was completed on 27 September 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Director-General and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

#### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of the Director-General for the information to be audited**

The Director-General is responsible on behalf of the Department for preparing:

- financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Department, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Department on behalf of the Crown.

The Director-General is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Director-General is responsible on behalf of the Department for assessing the Department's ability to continue as a going concern. The Director-General is also responsible for



disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

The Director-General's responsibilities arise from the Public Finance Act 1989.

### **Responsibilities of the auditor for the information to be audited**

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Department's statement of intent.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director-General.
- We evaluate the appropriateness of the reported performance information within the Department's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Director-General and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Director-General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Director-General is responsible for the other information. The other information comprises the information included on pages 10 to 96 and 146 to 156, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Independence**

We are independent of the Department in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Department.

A handwritten signature in black ink, appearing to be 'Brent Manning', with a long horizontal line extending to the right.

Brent Manning  
KPMG  
On behalf of the Auditor-General  
Wellington, New Zealand



# Financial statements



# Statement of responsibility

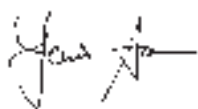
In accordance with the terms of section 45C of the Public Finance Act 1989, I am responsible, as Director-General of the Department of Conservation, for the preparation of the Department's financial statements, statements of expenses and capital expenditure and for the judgements made in the process 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.

I have the responsibility for ensuring that end-of-year performance information on each appropriation administered by the Department is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report.

I am responsible for the accuracy of any end-of-year performance information prepared by the Department, whether or not that information is included in the Annual Report.

In my opinion, these financial statements fairly reflect the financial position and operations of the Department for the year ended 30 June 2019 and the forecast financial statements fairly reflect the forecast financial position and operations of the Department for the year ending 30 June 2020.



**Lou Sanson**

Director-General  
Department of Conservation  
27 September 2019

# Departmental financial statements

## Statement of comprehensive revenue and expense for the year ended 30 June 2019

30/06/18		Notes	30/06/19	30/06/19	30/06/19	30/06/20
Actual \$000			Actual \$000	Budget* \$000	Revised Budget* \$000	Forecast* \$000
<b>Revenue</b>						
335,817	Revenue Crown	2	373,321	341,105	373,321	439,210
55,594	Other revenue	2	56,294	56,189	59,739	58,289
<b>391,411</b>	<b>Total revenue</b>	<b>2</b>	<b>429,615</b>	<b>397,294</b>	<b>433,060</b>	<b>497,499</b>
<b>Expenses</b>						
172,064	Personnel costs	3	195,438	165,200	165,200	165,200
141,019	Operating costs	4	158,512	161,927	195,305	262,127
34,151	Depreciation, amortisation and impairment expense	9,10	33,758	31,196	33,584	31,321
37,190	Capital charge	5	38,112	40,971	40,971	40,851
64	Finance costs		41	-	-	-
220	Net loss on disposal of property, plant and equipment		3,863	-	1,425	-
<b>384,708</b>	<b>Total expenses</b>		<b>429,724</b>	<b>399,294</b>	<b>436,485</b>	<b>499,499</b>
<b>6,703</b>	<b>Net surplus/(deficit)</b>		<b>(109)</b>	<b>(2,000)</b>	<b>(3,425)</b>	<b>(2,000)</b>
<b>Other comprehensive revenue and expense</b>						
11,514	Gain on property revaluations		18,498	-	-	-
<b>18,217</b>	<b>Total comprehensive revenue and expense</b>		<b>18,389</b>	<b>(2,000)</b>	<b>(3,425)</b>	<b>(2,000)</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.  
Refer to Note 1 for an explanation of major variances between Actual and Revised Budget.

Statement of financial position  
as at 30 June 2019

30/06/18		Notes	30/06/19	30/06/19	30/06/19	30/06/20
Actual			Actual	Budget*	Revised	Forecast*
\$000			\$000	\$000	Budget*	\$000
<b>Taxpayers' funds</b>						
461,425	General funds	13	460,327	507,855	504,747	532,648
172,745	Property, plant and equipment revaluation reserves	13	188,540	162,342	172,745	172,745
<b>634,170</b>	<b>Total taxpayers' funds</b>		<b>648,867</b>	<b>670,197</b>	<b>677,492</b>	<b>705,393</b>
Represented by:						
<b>Current assets</b>						
28,416	Cash		19,256	21,895	29,884	15,289
1,760	Prepayments		1,268	2,000	2,000	2,000
2,140	Inventories		1,284	1,000	1,000	1,000
10,490	Trade and other receivables	7	11,095	13,728	13,728	13,728
3,371	Non-current assets held for sale		3,371	-	-	-
130,565	Debtor Crown	8	130,000	130,000	130,000	160,000
<b>176,742</b>	<b>Total current assets</b>		<b>166,274</b>	<b>168,623</b>	<b>176,612</b>	<b>192,017</b>
<b>Non-current assets</b>						
548,333	Property, plant and equipment	9	561,709	546,978	553,229	566,139
6,336	Intangible assets	10	7,221	3,278	4,122	3,703
<b>554,669</b>	<b>Total non-current assets</b>		<b>568,930</b>	<b>550,256</b>	<b>557,351</b>	<b>569,842</b>
<b>731,411</b>	<b>Total assets</b>		<b>735,204</b>	<b>718,879</b>	<b>733,963</b>	<b>761,859</b>
<b>Current liabilities</b>						
17,422	Trade and other payables		25,617	10,082	17,871	17,866
3,262	GST payable		2,894	5,000	5,000	5,000
22,335	Employee entitlements	11	17,055	12,500	12,500	12,500
332	Finance leases		281	600	600	600
16,184	Provisions	12	2,797	-	-	-
8,269	Return of operating surplus to the Crown	6	4,631	-	-	-
12,322	Revenue in advance		13,983	5,000	5,000	5,000
<b>80,126</b>	<b>Total current liabilities</b>		<b>67,258</b>	<b>33,182</b>	<b>40,971</b>	<b>40,966</b>
<b>Non-current liabilities</b>						
15,657	Employee entitlements	11	18,244	15,000	15,000	15,000
425	Finance leases		144	500	500	500
1,033	Provisions	12	691	-	-	-
<b>17,115</b>	<b>Total non-current liabilities</b>		<b>19,079</b>	<b>15,500</b>	<b>15,500</b>	<b>15,500</b>
<b>97,241</b>	<b>Total liabilities</b>		<b>86,337</b>	<b>48,682</b>	<b>56,471</b>	<b>56,466</b>
<b>634,170</b>	<b>Net assets</b>		<b>648,867</b>	<b>670,197</b>	<b>677,492</b>	<b>705,393</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

Refer to Note 1 for an explanation of major variances between Actual and Revised Budget.

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

### Statement of changes in taxpayers' funds for the year ended 30 June 2019

30/06/18		Notes	30/06/19	30/06/19	30/06/19	30/06/20
Actual \$000			Actual \$000	Budget*	Revised Budget**	Forecast*
			\$000	\$000	\$000	\$000
<b>623,754</b>	<b>Balance at 1 July</b>		<b>634,170</b>	<b>626,754</b>	<b>634,170</b>	<b>677,613</b>
<b>18,217</b>	<b>Total comprehensive revenue and expense</b>		<b>18,389</b>	<b>(2,000)</b>	<b>(3,425)</b>	<b>(2,000)</b>
	<b>Distributions to Crown</b>					
(17)	Asset transfers		(537)	-	-	-
-	Capital repayments		(263)	-	-	-
(8,269)	Return of operating surplus	6	(4,631)	-	-	-
	<b>Contributions from Crown</b>					
485	Asset transfers		435	-	-	-
-	Capital contributions		1,304	45,443	46,747	29,780
<b>634,170</b>	<b>Balance at 30 June</b>		<b>648,867</b>	<b>670,197</b>	<b>677,492</b>	<b>705,393</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.  
Refer to Note 1 for an explanation of major variances between Actual and Revised Budget.

## Statement of cash flows for the year ended 30 June 2019

30/06/18		30/06/19	30/06/19	30/06/19	30/06/20
Actual		Actual	Budget*	Revised	Forecast*
\$000		\$000	\$000	Budget*	\$000
				\$000	
	<b>Cash flows – operating activities</b>				
338,628	Receipts from Revenue Crown	373,886	291,105	373,321	409,210
61,438	Receipts from other revenue	57,350	56,189	60,279	58,289
(170,995)	Payments to employees	(197,585)	(162,700)	(172,964)	(162,700)
(151,838)	Payments to suppliers	(165,037)	(145,346)	(221,750)	(264,643)
(37,190)	Payments for capital charge	(38,112)	(40,971)	(40,971)	(40,851)
<b>40,043</b>	<b>Net cash flow from operating activities</b>	<b>30,502</b>	<b>(1,723)</b>	<b>(2,085)</b>	<b>(695)</b>
	<b>Cash flows – investing activities</b>				
1,415	Receipts from sale of property, plant and equipment	704	-	-	-
(26,134)	Purchase of property, plant and equipment	(29,825)	(32,964)	(34,268)	(42,680)
(1,682)	Purchase of intangibles	(2,981)	(1,000)	(1,000)	(1,000)
<b>(26,401)</b>	<b>Net cash flow from investing activities</b>	<b>(32,102)</b>	<b>(33,964)</b>	<b>(35,268)</b>	<b>(43,680)</b>
	<b>Cash flows – financing activities</b>				
-	Capital contributions	1,304	45,443	46,747	29,780
(355)	Finance lease payments	(332)	-	343	-
-	Capital repayments	(263)	-	-	-
(6,970)	Return of operating surplus to the Crown	(8,269)	-	(8,269)	-
<b>(7,325)</b>	<b>Net cash flow from financing activities</b>	<b>(7,560)</b>	<b>45,443</b>	<b>38,821</b>	<b>29,780</b>
6,317	Net increase/(decrease) in cash	(9,160)	9,756	1,468	(14,595)
22,099	Opening cash balance	28,416	12,139	28,416	29,884
<b>28,416</b>	<b>Closing cash balance</b>	<b>19,256</b>	<b>21,895</b>	<b>29,884</b>	<b>15,289</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

Refer to note 1 for an explanation of major variances between Actual and Revised Budget.

The Goods and Services tax (net) component of operating activities has been included under supplier payments and reflects the net GST paid to and received from Inland Revenue. The GST components have been presented on a net basis as the gross amounts do not provide meaningful information for financial statement purposes.

### Reconciliation of net surplus to net cash flow from operating activities for the year ended 30 June 2019

30/06/18 Actual \$000		30/06/19 Actual \$000
6,703	<b>Net surplus</b>	(109)
	<b>Add non-cash items</b>	
34,151	<b>Depreciation, amortisation and impairment expense</b>	33,758
	<b>Add items classified as investing or financing activities</b>	
220	<b>Net loss on disposal of property, plant and equipment</b>	3,863
	<b>Add/(less) working capital movements</b>	
330	(Inc)/dec in prepayments	492
(1,470)	(Inc)/dec in inventories	856
3,865	(Inc)/dec in trade and other receivables	(605)
2,811	(Inc)/dec in debtor Crown	565
(550)	Inc/(dec) in trade and other payables	6,811
(1,056)	Inc/(dec) in GST payable	(368)
971	Inc/(dec) in employee entitlements	(2,693)
(7,915)	Inc/(dec) in other provisions	(13,729)
1,983	Inc/(dec) in revenue in advance	1,661
<b>(1,031)</b>	<b>Net movement in working capital</b>	<b>(7,010)</b>
<b>40,043</b>	<b>Net cash flow from operating activities</b>	<b>30,502</b>

## Statement of commitments

as at 30 June 2019

30/06/18 Actual \$000		30/06/19 Actual \$000
<b>Commitments by category</b>		
<i>Capital commitments</i>		
7,412	Property, plant and equipment	7,693
<b>7,412</b>	<b>Total capital commitments</b>	<b>7,693</b>
<i>Operating commitments</i>		
77,509	Non-cancellable accommodation leases	72,976
1,817	Other non-cancellable leases	1,729
<b>79,326</b>	<b>Total operating commitments</b>	<b>74,705</b>
<b>86,738</b>	<b>Total commitments</b>	<b>82,398</b>
<b>Commitments by term</b>		
16,263	Less than 1 year	16,901
8,606	1–2 years	8,576
20,347	2–5 years	20,956
41,522	Greater than 5 years	35,965
<b>86,738</b>	<b>Total commitments</b>	<b>82,398</b>

### Capital commitments

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

### Non-cancellable operating lease commitments (accommodation and other)

The Department leases property, plant and equipment in the normal course of its business. The majority of these leases are for premises, motor vehicles and computer hardware and have non-cancellable leasing periods ranging from 3 to 15 years. The Department's non-cancellable operating leases have varying terms, escalation clauses and renewal rights. There are no restrictions placed on the Department by any of its leasing arrangements.



## Statement of contingent liabilities as at 30 June 2019

The public liability claims relate to claims against the Department and are disclosed without prejudice. As at 30 June 2019 there are 62 proceedings and potential claims, of which 8 are quantifiable. The remaining 54 claims cannot be quantified. (2018: 55 proceedings and potential claims, of which 13 were quantifiable). The Department's quantifiable contingent liabilities are broken down as follows:

30/06/18 Actual \$000		30/06/19 Actual \$000
<b>Court and Tribunal proceedings and other potential claims:</b>		
1,290	Claims for damage caused by events originating from DOC land	1,562
1,750	Earthquake strengthening of DOC buildings	1,750
1,967	Other quantifiable proceedings and potential claims	1,841
<b>5,007</b>	<b>Total court and tribunal proceedings and other potential claims</b>	<b>5,153</b>

The Department is aware that further sites requiring remediation (due to mining, asbestos, pollution or other means) may exist throughout New Zealand and could require remediation at some point. As these potential sites are unknown, the Department does not currently have a commitment to restore the sites, thus no provision or contingent liabilities are recognised in their regard at 30 June 2019.

The Healthy Homes Guarantee Act 2017 came into effect on 1 July 2019. The Department is reviewing its residential accommodation portfolio in relation to this Act to determine whether any potential remediation is required to comply with the requirements of the Act.

The Department is also reviewing its portfolio of residential accommodation for a potential tax liability relating to the calculation of allowances connected to this work. No provision has been recognised for the aforementioned matters as the reviews have not yet progressed enough to reliably measure the potential liability.

### Contingent assets

The Department has no contingent assets (2018: nil).

### 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 the public and the staff of the Department with access to land managed by the Department.

No new indemnities were granted in 2018/19 for staff access to conservation land (2017/18: nil).

# Statement of accounting policies

## Reporting entity

The Department of Conservation (the Department) is a government department as defined by section 2 of the Public Finance Act 1989. The relevant legislation governing the Department's operations includes the Public Finance Act and the Conservation Act 1987. The primary objective of the Department is to provide services to the public rather than making a financial return. For financial reporting purposes, the Department is a public benefit entity (PBE).

## Reporting period

The reporting period for these financial statements is for the year ended 30 June 2019. The forecast financial statements are for the year ending 30 June 2020. The financial statements were authorised for issue by the Director-General of the Department on 27 September 2019.

## Basis of preparation

The financial statements have been prepared on a going concern basis, and in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP), and the Treasury instructions. The Department has applied the suite of *Tier 1 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS)* in preparing the 30 June 2019 financial statements.

The statements have been prepared on a historical cost basis, modified by the revaluation of certain items of property, plant and equipment. The accounting policies have been applied consistently to all periods presented in these financial statements. These financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Department is New Zealand dollars.

## Significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note and which materially affect the measurement of financial results, the financial position and output statements are outlined below.

## Budget and forecast figures

The budget, revised budget and forecast figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial schedules. They have also been prepared in accordance with *PBE Financial Reporting Standard 42: Prospective Financial Statements*. The budget, revised budget and forecast financial schedules are not subject to audit.

The budget figures for 2018/19 are those included in *The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2019*. The revised budget figures for 2018/19 are those included in *The Supplementary Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2019*.

The forecast figures for 2019/20 are those included in *The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2020*. The forecasts have been prepared in accordance with the Public Finance Act 1989 and reflect the existing government and ministerial policies at that time, in addition to the Department's purpose, strategic intentions and activities based on the estimates and assumptions that might occur in the 2019/20 year.

## Cost allocation

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

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.

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

For the year ended 30 June 2019, direct costs were 58 percent of the Department's costs and indirect costs were 42 percent of the Department's costs (2018: direct 58 percent and indirect 42 percent).

## Cash on hand

Cash on hand includes petty cash and the amount in the current account bank balance.

## Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

## Trade and other payables

Short-term trade and other payables are recorded at their face value.

## Goods and Services Tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of goods and services tax (GST), except for receivables and payables that are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

## Income tax

Government departments are exempt from income tax as public authorities. Accordingly, no charge for income tax has been provided for.

## Critical accounting estimates and assumptions

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

The Department has adopted PBE IFRS 9 Financial Instruments from 1 July 2018 replacing PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Under the transition options of PBE IFRS 9 the Department has assessed the impact on its financial statements and there has been no material impact.

# Notes to the financial statements for the year ended 30 June 2019

## Note 1: Significant variances between Actual and Revised Budget

### Statement of comprehensive revenue and expense

Revenue was \$3.4 million less than the Revised Budget mainly due to contingent revenue budgets not being achieved, with operating cost savings to match.

Actual expenses for the year were \$6.8 million less than the Revised Budget, mainly due to a deferral of field operations costs to the 2019/20 year and the operating cost savings resulting from contingent revenue budgets not being achieved.

### Statement of financial position

Current assets were \$10.3 million less than the Revised Budget, mainly due to increased purchases of property, plant and equipment as well as intangible assets, which reduced planned cash reserves. Current liabilities were \$26.3 million more than the Revised Budget, mainly due to higher than anticipated payables provisions at year end, employee leave entitlements, and the provision for return of operating surplus to the Crown.

### Statement of cash flows

Net cash flow from operating activities was \$32.6 million more than Revised Budgets, due to lower payments to suppliers as a result of the deferral of field operations, partially offset by greater than anticipated employee payments. Consultation delays with communities and iwi prior to commencing a number of biodiversity programmes, as well as unfavourable weather conditions, were the main reasons for the deferral of the costs of field operations.

Net cash flow from financing activities was \$46.0 million less than the Revised Budget, mainly as a result of capital contributions not being utilised until a review of the long-term capital investment programme and funding is completed.

## Note 2: Total revenue

The Department derives revenue through the provision of outputs to the Crown, for services to third parties, and from sponsorships, donations, bequests and grants. Revenue is recognised when earned, reported in the current financial period and measured at the fair value of the consideration received. With the exception of revenue received in the form of donations and bequests, all revenue from other income has been classified and treated as exchange revenue. The nature of exchange revenue streams is that approximate equivalent value is given in exchange.

### Revenue Crown

Revenue from the Crown is measured based on the Department's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Department can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

## Note 2: Total revenue (continued)

### Other revenue

30/06/18 Actual \$000		30/06/19 Actual \$000
19,478	Recreational and tourism charges	22,650
13,952	Donations and sponsorships	15,687
11,152	Administration cost recoveries	9,847
3,689	Leases and rents	831
3,536	Retail sales	3,634
2,456	Permissions cost recoveries	2,969
1,331	Resource sales	676
<b>55,594</b>	<b>Total other revenue</b>	<b>56,294</b>

Revenue from sponsorships is initially recorded as revenue in advance and subsequently recognised as revenue when the conditions of the sponsorship are satisfied.

Certain operations of the Department are reliant on services provided by volunteers. Volunteer services are not recognised as revenue or expenditure by the Department.

## Note 3: Personnel costs

Salaries and wages are recognised as an extra expense as employees provide services.

30/06/18 Actual \$000		30/06/19 Actual \$000
157,664	Salaries and wages	177,566
5,160	Superannuation subsidies	5,867
2,053	Annual, long service and retiring leave provisioning	3,763
609	ACC Partnership Programme	1,213
549	Uniforms	1,260
441	Termination entitlements	253
5,588	Other	5,516
<b>172,064</b>	<b>Total personnel costs</b>	<b>195,438</b>

## Note 4: Operating costs

Operating expenses are recognised in the period to which they relate.

30/06/18 Actual \$000	30/06/19 Actual \$000
43,959 Operational contractors	46,635
18,230 Professional fees	22,895
16,140 Communications and computer expenses	18,793
11,961 Field supplies	16,614
10,568 Lease expenses	11,799
8,248 Travel	8,980
7,828 Grants	12,138
5,839 Accommodation	6,666
5,032 Motor vehicle and vessel expenses	5,796
1,967 Office supplies	2,276
1,558 Purchase of goods for retail sale	1,619
1,478 Printing	1,526
898 Insurance	1,063
Fees paid to auditors:	
273 Fees for financial statement audit	317
7,040 Other	1,395
<b>141,019 Total operating costs</b>	<b>158,512</b>

### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. The Department leases vehicles, office premises and office equipment. As all the risks and benefits are retained by the lessor, these leases are classified as operating leases and are expensed in the period in which the costs are incurred.

## Note 5: Capital charge

The Department pays a capital charge to the Crown twice a year on the balance of taxpayers' funds, including revaluation reserve, as at 1 July and 1 January. The capital charge rate for the 6-month periods ending 31 December 2018 and 30 June 2019 was 6.0% (2018: 6.0%).

## Note 6: Return of operating surplus to the Crown

30/06/18 Actual \$000		30/06/19 Actual \$000
6,703	Net surplus for the year	(109)
	<b>Add/(less)</b>	
756	Remeasurement losses on long service and retirement leave	2,248
(1,190)	Third party contribution towards construction of assets	(516)
	- Third party contribution from kākāpō	(411)
	- Asset transfer to FENZ	1,419
2,000	Other expenses	2,000
<b>8,269</b>	<b>Total return of operating surplus to the Crown</b>	<b>4,631</b>

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

## Note 7: Trade and other receivables

Short-term trade and other receivables are recorded at face value, less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the Department will not be able to collect amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the amount expected to be received on settlement. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

30/06/18 Actual \$000		30/06/19 Actual \$000
8,011	Trade receivables	6,651
(106)	Less provision for impairment	(182)
<b>7,905</b>	<b>Net trade receivables</b>	<b>6,469</b>
2,585	Accrued revenue	4,626
<b>10,490</b>	<b>Total trade and other receivables</b>	<b>11,095</b>

## Note 8: Debtor Crown

The Debtor Crown balance of \$130.0 m (2018: \$130.6 m) consists of operating funding (GST inclusive) not drawn down as a result of the timing of cash requirements.

## Note 9: Property, plant and equipment

	Land \$000	Buildings \$000	Plant and equipment \$000	Infrastructure \$000	Fencing \$000	Vessels \$000	Motor vehicles \$000	Furniture and fittings \$000	Visitor and cultural assets \$000	Land formation \$000	Total \$000
<b>Cost or valuation</b>											
Balance at 1 July 2017	13,071	166,119	36,410	40,997	97,346	8,782	24,568	17,475	726,948	116,601	1,248,317
Additions	-	1,193	2,013	471	1,101	280	3,592	2,175	15,600	803	27,228
Revaluation movement	1,363	-	-	-	-	-	-	-	34,592	-	35,955
Disposals	(290)	(846)	(1,804)	-	(50)	(803)	(2,367)	-	(2,622)	-	(8,782)
<b>Balance at 30 June 2018</b>	<b>14,144</b>	<b>166,466</b>	<b>36,619</b>	<b>41,468</b>	<b>98,397</b>	<b>8,259</b>	<b>25,793</b>	<b>19,650</b>	<b>774,518</b>	<b>117,404</b>	<b>1,302,718</b>
Balance at 1 July 2018	14,144	166,466	36,619	41,468	98,397	8,259	25,793	19,650	774,518	117,404	1,302,718
Additions	-	470	3,001	366	926	528	1,548	1,473	22,796	582	31,690
Revaluation movement	508	14,954	-	2,927	7,821	-	-	-	23,476	-	49,686
Disposals	(670)	(1,533)	(890)	(1,102)	(364)	-	(3,765)	-	(9,608)	-	(17,932)
<b>Balance at 30 June 2019</b>	<b>13,982</b>	<b>180,357</b>	<b>38,730</b>	<b>43,659</b>	<b>106,780</b>	<b>8,787</b>	<b>23,576</b>	<b>21,123</b>	<b>811,182</b>	<b>117,986</b>	<b>1,366,162</b>
<b>Accumulated depreciation and impairment losses</b>											
Balance at 1 July 2017	-	102,098	28,624	18,317	51,505	6,429	14,013	12,797	471,632	-	705,415
Depreciation expense	-	2,184	2,519	880	5,854	375	1,134	1,245	17,466	-	31,657
Revaluation movement	-	-	-	-	-	-	-	-	24,441	-	24,441
Disposals	-	(676)	(1,777)	-	(33)	(751)	(1,854)	-	(2,037)	-	(7,128)
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>103,606</b>	<b>29,366</b>	<b>19,197</b>	<b>57,326</b>	<b>6,053</b>	<b>13,293</b>	<b>14,042</b>	<b>511,502</b>	<b>-</b>	<b>754,385</b>
Balance at 1 July 2018	-	103,606	29,366	19,197	57,326	6,053	13,293	14,042	511,502	-	754,385
Depreciation expense	-	2,234	2,381	873	5,888	351	1,454	1,174	17,307	-	31,662
Revaluation movement	-	9,567	-	1,448	5,131	-	-	-	15,042	-	31,188
Disposals	-	(1,089)	(842)	(736)	(273)	-	(2,278)	-	(7,564)	-	(12,782)
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>114,318</b>	<b>30,905</b>	<b>20,782</b>	<b>68,072</b>	<b>6,404</b>	<b>12,469</b>	<b>15,216</b>	<b>536,287</b>	<b>-</b>	<b>804,453</b>
<b>Carrying amounts</b>											
At 30 June 2017	13,071	64,021	7,786	22,680	45,841	2,353	10,555	4,678	255,316	116,601	542,902
At 30 June 2018	14,144	62,860	7,253	22,271	41,071	2,206	12,500	5,608	263,016	117,404	548,333
At 30 June 2019	13,982	66,039	7,825	22,877	38,708	2,383	11,107	5,907	274,895	117,986	561,709



## Note 9: Property, plant and equipment (continued)

Property, plant and equipment consists of land, buildings, plant and equipment, infrastructure, fencing assets, vessels, motor vehicles, furniture and fittings, visitor assets and cultural assets. Land, buildings, infrastructure, fencing and visitor assets are measured at fair value, with all other assets measured at cost less accumulated depreciation and impairment losses.

Assets under construction are recognised at cost and are not depreciated. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in surplus or deficit. When a revalued asset is sold, the amount included in the property, plant and equipment revaluation reserve in respect of the disposed asset is transferred to general taxpayers' funds.

Depreciation is provided on a straight-line basis on all property, plant and equipment – other than land, formation assets, cultural assets and assets under construction – at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

## Note 9: Property, plant and equipment (continued)

The useful lives of property, plant and equipment have been estimated as follows:

Asset class	Estimated Useful Life in years
<b>Buildings</b>	
Administrative buildings	20–40
<b>Plant and equipment</b>	
Plant and field equipment	10
Radio equipment	5–10
<b>Infrastructure</b>	
Industrial fire equipment	45
Landscaping	44
Roads	10–100
Sewerage	64
Stream control	98
Water supply	60
<b>Fencing</b>	
<b>Vessels</b>	
Engines	10
Hulls	15
<b>Motor vehicles</b>	
Passenger (30% residual applied)	4
Utilities (40% residual applied)	5
<b>Furniture and fittings</b>	
Furniture, computers and other office equipment	5
<b>Visitor and cultural assets</b>	
Buildings/huts	35–65
Campsite, amenity areas and car parks	10–50
Roads (surface only)	25
Signs	10
Structures	25–100
Tracks	8

In accordance with PBE IPSAS 17 Property, plant and equipment, the useful lives of property, plant and equipment are assessed annually to determine whether they are appropriate, and the future depreciation charge adjusted accordingly. In some circumstances, and particularly for the revalued assets, this may lead to instances where the estimated useful lives vary, but not materially, from the standard policy presented above.

## Note 9: Property, plant and equipment (continued)

### Revaluations

The carrying values of revalued assets are assessed annually to ensure that this amount does not differ materially (a threshold of 7.5% is used) from their fair value and they are revalued at least every 5 years. If there is a material difference between carrying value and fair value, the off-cycle asset classes (or sub-classes in the case of visitor assets) are revalued. Additions between valuations are recorded at cost. Aside from land, the Depreciation Replacement Cost method and indexation model are used for asset classes measured at fair value.

The indexation model uses the appropriate capital goods index published by Statistics New Zealand to determine the movement in asset values over the intervening period. Land is valued using assessments conducted in accordance with the Rating Valuations Act 1998.

The net revaluation results are charged to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit will be recognised first in surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### Basis of valuations

Valuations for assets other than land within asset classes valued at fair value effective as at 30 June 2019 have been determined using the Depreciation Replacement Cost method and an indexation model. When applying the indexation model the appropriate capital goods index as published by Statistics New Zealand has been used.

Due to the nature, location and purpose of the Department's assets, fair value is determined using depreciated replacement cost because no reliable market data is available.

Significant assumptions applied in deriving depreciated replacement cost include:

- historical cost adjusted by movements in the appropriate capital goods price index reflects the present replacement cost
- the remaining useful life of assets is estimated
- straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

## Note 9: Property, plant and equipment (continued)

### *Land and buildings*

Land is initially recognised at cost and is revalued annually, based on rateable valuations provided by Quotable Value Limited. Individual land lots are only updated every 3 years by Quotable Value Limited using a mass appraisal process. Land not matched to an assessment is valued using an average per hectare rate. These values were certified by an independent registered valuer and are effective as at 30 June 2019.

Land and buildings were valued at fair value, effective as at 30 June 2019, with individual assets revalued at fair value where a change in the use of a building has occurred.

### *Visitor assets*

A number of different asset classes are included under the grouping 'Visitor assets', including tracks, structures, buildings (predominantly huts), and signs. Visitor assets are revalued on a rolling basis with all assets valued at a minimum every 5 years.

Buildings and tracks were valued at fair value effective as at 30 June 2018. Structures, campgrounds/amenity areas/car parks and signs were valued as at 30 June 2019. Roads was revalued as at 30 June 2016.

### *Other property, plant and equipment*

Fencing and infrastructure assets were valued at fair value effective as at 30 June 2019. The land formation cost of tracks, car parks and roads (\$117.9 m as at 30 June 2019) have been included as a separate class in the financial statements and are not depreciated or revalued.

### **Property, plant and equipment under construction**

The total amount of property, plant and equipment under construction is \$21.4 m (2018: \$11.0 m).

### **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 assets - Crown as administered by the Department of Conservation'. Typically, this land includes the national, conservation and forest parks as well as Crown reserve land.

## Note 10: Intangible assets

All intangible assets are measured at cost, including those not yet in use, and are reviewed for impairment at balance date. Any impairment in the value of an intangible asset is included in the surplus or deficit.

Costs that are directly associated with the development of software for internal use by the Department are recognised as an intangible asset.

Computer software is the largest category within intangible assets and is amortised on a straight-line basis over a period of 5-7 years.

30/06/18 Actual \$000		30/06/19 Actual \$000
<b>Cost or valuation</b>		
32,831	Balance at 1 July	34,514
1,683	Additions	2,981
-	Disposals	(1,897)
<b>34,514</b>	<b>Balance at 30 June</b>	<b>35,598</b>
<b>Accumulated depreciation and impairment losses</b>		
25,684	Balance at 1 July	28,178
2,494	Amortisation expense	2,096
-	Disposals	(1,897)
<b>28,178</b>	<b>Balance at 30 June</b>	<b>28,377</b>
<b>6,336</b>	<b>Carrying amount as at 30 June</b>	<b>7,221</b>

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

## Note 11: Employee entitlements

### Short-term employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are measured at nominal values, based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Other employee entitlements include accrued annual leave, time off in lieu, vested long service leave and a provision for sick leave.

30/06/18 Actual \$000		30/06/19 Actual \$000
<b>Current portion</b>		
1,536	Accrued salaries and wages	1,795
2,286	Long service and retiring leave	2,049
18,513	Other employee entitlements	13,211
<b>22,335</b>	<b>Total employee entitlements (current portion)</b>	<b>17,055</b>

### Long-term employee entitlements

Employee entitlements due to be settled beyond 12 months of balance date in which the employee renders the related service, such as long service leave and retiring leave, are calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlements information and the present value of the estimated future cash flows.

30/06/18 Actual \$000		30/06/19 Actual \$000
	<b>Non-current portion</b>	
15,657	Long service and retiring leave	18,244
<b>15,657</b>	<b>Total employee entitlements (non-current portion)</b>	<b>18,244</b>

The measurement of the retirement and long service leave obligations depends on factors that are determined on an actuarial basis using a number of assumptions. Two key assumptions used in calculating this liability are the salary growth factor and the discount rate. Any changes in these assumptions will affect the carrying amount of the liability.

Discount rates and salary growth rates used in the actuarial valuation are as specified by the Treasury for valuations of this type and are effective for valuations as at 30 June 2019. A decrease in the discount rates used in the actuarial valuation has resulted in an increase of \$2.2 m in the value of the retirement and long service leave liability.

The demographic assumptions used are based on New Zealand population mortality and the experience of superannuation arrangements in New Zealand and Australia.

The table below shows the impact that varying the assumed rate of salary growth and discount rates has on the valuation result if all other assumptions are constant.

	Increase in surplus/(decrease in deficit) (\$000)	
<i>Key assumption</i>	<i>1% below assumed</i>	<i>1% above assumed</i>
Salary growth	1,739	(2,032)
Discount rates	(2,051)	1,722

### Note 12: Provisions

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

## Note 12: Provisions (continued)

30/06/18 Actual \$000		30/06/19 Actual \$000
	<b>Current portion</b>	
15,811	Environmental	1,600
270	Onerous contracts	421
103	ACC Partnership Programme	776
<b>16,184</b>	<b>Total current portion</b>	<b>2,797</b>
	<b>Non-current portion</b>	
589	Environmental	691
216	Onerous contracts	-
228	ACC Partnership Programme	-
<b>1,033</b>	<b>Total non-current portion</b>	<b>691</b>
<b>17,217</b>	<b>Total provisions</b>	<b>3,488</b>
	<b>Movements in provisions:</b>	
	<b>Environmental</b>	
24,332	Balance at 1 July	16,400
(13,260)	Provision utilised or reversed during the year	(14,822)
5,328	Provision made during the year	713
<b>16,400</b>	<b>Balance at 30 June</b>	<b>2,291</b>
	<b>Onerous contracts</b>	
569	Balance at 1 July	486
(389)	Provision utilised or reversed during the year	(339)
306	Provision made during the year	274
<b>486</b>	<b>Balance at 30 June</b>	<b>421</b>
	<b>ACC Partnership Programme</b>	
231	Balance at 1 July	331
-	Provision utilised or reversed during the year	(9)
100	Provision made during the year	454
<b>331</b>	<b>Balance at 30 June</b>	<b>776</b>
<b>17,217</b>	<b>Total provisions</b>	<b>3,488</b>



## Note 12: Provisions (continued)

Below is a summary of the significant environmental provisions.

### Waikato-Tainui Waikato River Conservation Accord

Provision was made in the 2014/15 financial year for \$0.8 m as the Department's share of the costs associated with the obligations arising under the above accord. This was increased by a further \$0.2 m to \$0.9 m in 2017/18 to reflect the work plan over the next 5 years. To date, net costs of \$0.1 m have been incurred against the provision.

### Cleaning-up contaminated sites

Provision has been made for remediation work relating to the decontamination of the mine on Rangititoto Island since 2003/04. This was increased by \$0.4 m in 2017/18 due to funding assistance obtained from the Ministry for the Environment. The total provision now stands at \$0.8 m to reflect the work plan expected to be completed by 30 June 2020. Completing the work will exhaust all provision funding and when completed, the public will regain access to historic areas that are currently off limits for safety reasons.

A make good provision of \$0.3 m has also been provided on the Tokaanu Hot Pools returned to local iwi during the year.

### Lake Whangape restoration

Under a multi-agency agreement, the Department has committed to a programme of work to improve Lake Whangape's habitat and water quality. A provision of \$0.3 m has been set aside for this project. The work is a 5-year initiative.

## Note 13: Taxpayers' funds

Taxpayers' funds represent the Crown's investment in the Department and are measured as the difference between total assets and total liabilities. Taxpayers' funds are disaggregated and classified as general funds and property, plant and equipment revaluation reserves. The latter relate to the revaluation of fixed assets to fair value.

30/06/18 Actual \$000		30/06/19 Actual \$000
	<b>General funds</b>	
461,412	Balance at 1 July	461,425
6,703	Net surplus/(deficit) for the year	(109)
1,111	Transfers from revaluation reserve on disposal	2,703
-	- Capital repayments to the Crown	(263)
-	- Capital injection from the Crown	1,304
(8,269)	Return of operating surplus to the Crown	(4,631)
468	Asset transfers between Department and Crown	(102)
<b>461,425</b>	<b>Balance at 30 June</b>	<b>460,327</b>
	<b>Property, plant and equipment revaluation reserves</b>	
162,342	Balance at 1 July	172,745
11,514	Revaluation gains	18,498
(1,111)	Transfer to general funds on disposal	(2,703)
<b>172,745</b>	<b>Balance at 30 June</b>	<b>188,540</b>
<b>634,170</b>	<b>Total taxpayers' funds at 30 June</b>	<b>648,867</b>
	<b>Property, plant and equipment revaluation reserves consist of:</b>	
13,278	Land revaluation reserve	13,378
40,347	Buildings revaluation reserves	44,828
109,468	Visitor assets revaluation reserves	116,432
9,652	Other revaluation reserves	13,902
<b>172,745</b>	<b>Total property, plant and equipment revaluation reserves</b>	<b>188,540</b>

## Note 14: Financial instrument risks

Financial assets are initially measured at fair value plus transaction costs.

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

### Credit risk

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

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

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

### Liquidity risk

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

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

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

	Less than 6 months \$000	Between 6 months and 1 year \$000	Between 1 and 5 years \$000	Over 5 years \$000
<b>Liquidity risks</b>				
<b>2018</b>				
Trade and other payables	17,422	-	-	-
Finance leases	166	166	425	-
<b>2019</b>				
Trade and other payables	25,617	-	-	-
Finance leases	161	139	147	-

### Note 14: Financial instrument risks (continued)

The carrying amount of financial assets is represented by: Cash \$19.3 m (2018: \$28.4 m), Trade and other receivables \$11.1 m (2018: \$10.5 m) and Debtor Crown \$130.0 m (2018: \$130.6 m).

The carrying amount of financial liabilities is represented by: Trade and other payables \$25.6 m (2018: \$17.4 m) and Finance leases \$0.4 m (2018: \$0.8 m).

### Note 15: Related party transactions and key management personnel

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

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

Three employees of the Department are close family members of the Department's Senior Leadership Team. The terms and conditions of their employment contracts are no more favourable than the Department would have adopted if there was no relationship to that staff member. No other transactions were carried out with related parties of the Department's Senior Leadership Team.

30/06/18 Actual		30/06/19 Actual
\$3,250,000	Total key management personnel compensation	\$3,509,000
7	Total full-time equivalent staff	8

Key management personnel compensation comprises the Director-General and the Senior Leadership Team. Total compensation includes long service leave and retiring leave.

The Director-General of the Department of Conservation is a member of the Kiwi Trust Board (Kiwis for kiwi), Te Urewera Board and the Waikato University Hillary Scholarship Programme. An amount of \$1,387,261 was paid to Kiwis for kiwi (2018: \$930,802) and there is no balance outstanding at year end. No payments were made to Te Urewera Board this year (2018: nil). No payments were made to the Waikato University Hillary Scholarship Programme this year (2018: nil).

### Note 16: Capital management

The Department's capital is its equity (or taxpayers' funds), which comprises general funds and revaluation reserves. Equity is represented by net assets. The Department manages its revenues, expenses, assets, liabilities and general financial dealings prudently. The Department's equity is largely managed as a by-product of managing income, expenses, assets, liabilities and compliance with the Government Budget processes and with instructions issued by the New Zealand Treasury. The objective of managing the Department's equity is to ensure the Department effectively achieves its goals and objectives for which it has been established, while remaining a going concern.

### Note 17: Events after the balance sheet date

No significant events that may impact on the financial statements have occurred between year end and the signing of these financial statements (2018: none)

# Non-departmental financial schedules

## Schedule of revenue – Crown as administered by the Department of Conservation for the year ended 30 June 2019

30/06/18		Notes	30/06/19	30/06/19	30/06/19	30/06/20
Actual \$000			Actual \$000	Budget* \$000	Revised Budget* \$000	Forecast* \$000
<b>Revenue</b>						
24,406	Concessions, leases and licences	1	27,276	19,860	25,530	25,560
2,016	Other operational revenue		2,959	989	1,798	989
522	Gain on disposal of Crown PPE		-	-	-	-
<b>26,944</b>	<b>Total revenue</b>		<b>30,235</b>	<b>20,849</b>	<b>27,328</b>	<b>26,549</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

Non-departmental income is administered by the Department of Conservation on behalf of the Crown. As this income is not established by the Department nor earned in the production of the Department's outputs, it is not reported in the departmental financial statements.

## Schedule of expenses – Crown as administered by the Department of Conservation for the year ended 30 June 2019

30/06/18			30/06/19	30/06/19	30/06/19	30/06/20
Actual \$000			Actual \$000	Budget* \$000	Revised Budget* \$000	Forecast* \$000
<b>Vote Conservation</b>						
19,915	Appropriation for non-departmental output classes**		23,882	47,446	33,102	46,005
3,560	Appropriation for non-departmental other expenses		1,801	5,630	10,581	6,130
2,863	GST input on appropriations		3,308	3,432	5,175	6,524
(66)	Bad and doubtful debts credit		-	-	-	-
<b>26,272</b>	<b>Total expenses</b>		<b>28,991</b>	<b>56,508</b>	<b>48,858</b>	<b>58,659</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

\*\* Includes multi-category expenses and expenses in multi-year appropriations.

The Schedule of expenses – Crown as administered by the Department of Conservation summarises non-departmental expenses that the Department administers on behalf of the Crown. Further details are provided in the statement of expenses and capital expenditure incurred against appropriations on pages 140-142.

### Schedule of assets – Crown as administered by the Department of Conservation as at 30 June 2019

30/06/18		Notes	30/06/19	30/06/19	30/06/19	30/06/20
Actual \$000			Actual \$000	Budget* \$000	Revised Budget* \$000	Forecast* \$000
<b>Current assets</b>						
22,752	Cash		17,619	50,998	23,207	32,791
1,550	Prepayments		2,316	200	200	200
9,410	Trade and other receivables		11,865	28,998	17,888	23,688
10,900	Non-current assets held for sale	2	5,560	-	-	-
<b>44,612</b>	<b>Total current assets</b>		<b>37,360</b>	<b>80,196</b>	<b>41,295</b>	<b>56,679</b>
<b>Non-current assets</b>						
6,253,105	Property, plant and equipment	3	6,635,455	5,730,784	6,260,840	6,261,352
<b>6,253,105</b>	<b>Total non-current assets</b>		<b>6,635,455</b>	<b>5,730,784</b>	<b>6,260,840</b>	<b>6,261,352</b>
<b>6,297,717</b>	<b>Total assets</b>		<b>6,672,815</b>	<b>5,810,980</b>	<b>6,302,135</b>	<b>6,318,031</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

### Schedule of liabilities – Crown as administered by the Department of Conservation as at 30 June 2019

30/06/18		Notes	30/06/19	30/06/19	30/06/19	30/06/20
Actual \$000			Actual \$000	Budget* \$000	Revised Budget* \$000	Forecast* \$000
<b>Current liabilities</b>						
1,348	Trade and other payables		2,000	500	500	500
628	Revenue in advance		595	-	-	-
2,043	Provisions	4	1,911	-	-	-
<b>4,019</b>	<b>Total current liabilities</b>		<b>4,506</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>4,019</b>	<b>Total liabilities</b>		<b>4,506</b>	<b>500</b>	<b>500</b>	<b>500</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

Schedule of commitments – Crown as administered by the  
Department of Conservation  
as at 30 June 2019

30/06/18 Actual \$000		30/06/19 Actual \$000
600	Other non-cancellable operating leases	-
<b>600</b>	<b>Total commitments</b>	<b>-</b>
	<b>Commitments by term</b>	
600	Less than 1 year	-
-	1-2 years	-
<b>600</b>	<b>Total commitments</b>	<b>-</b>

Expenses yet to be incurred on non-cancellable contracts that have been entered into on or before balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Schedule of contingent liabilities and contingent assets – Crown as  
administered by the Department of Conservation  
as at 30 June 2019

30/06/18 Actual \$000		30/06/19 Actual \$000
77	Quantifiable liabilities	177
<b>77</b>	<b>Total contingent liabilities</b>	<b>177</b>

As at 30 June 2019 there were 33 claims against the Crown, 32 of which are not currently quantifiable (2018: 17 claims of which 16 were not quantifiable). Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

There were no contingent assets as at 30 June 2019 (2018: nil).



### Statement of trust monies for the year ended 30 June 2019

	As at 30/06/18 \$000	Contributions \$000	Distributions \$000	Net Interest \$000	As at 30/06/19 \$000
Bonds/Deposits Trust	7,025	331	(274)	198	7,280
Conservation Project Trust	2,445	816	(1,868)	40	1,433
National Parks Trust	182	127	(102)	3	210
NZ Walkway Trust	12	-	-	-	12
<b>Total</b>	<b>9,664</b>	<b>1,274</b>	<b>(2,244)</b>	<b>241</b>	<b>8,935</b>

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

Trust accounts are mainly used to hold bonds and deposits from operators working on public conservation land, including those contracted by the Department. These are repaid when the operators have been cleared of all obligations.

# Statement of accounting policies

## Reporting entity

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

These non-departmental balances are consolidated into the *Financial Statements of the Government of New Zealand for the year ended 30 June 2019*. For a full understanding of the Crown's financial position and the results of its operations and cash flows for the year, refer to the *Financial Statements of the Government of New Zealand for the year ended 30 June 2019*.

## Reporting periods

The reporting period for these financial schedules is for the year ended 30 June 2019. The forecast financial statements are for the year ending 30 June 2020.

The financial schedules were authorised for issue by the Director-General of the Department on 27 September 2019.

## Basis of preparation

The financial schedules have been prepared on a going concern basis, and in accordance with the *Tier 1 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS)*.

The statements have been prepared on a historical basis, unless otherwise stated. The accounting policies have been applied consistently to all periods presented in these financial statements.

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

## Budget and forecast figures

The budget, revised budget and forecast figures have been prepared in accordance with NZ GAAP using accounting policies that are consistent with those adopted in preparing these financial schedules. They have also been prepared in accordance with *PBE Financial Reporting Standard 42: Prospective Financial Statements*. The budget, revised budget and forecast financial schedules are not subject to audit.

The budget figures for 2018/19 are those included in *The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2019*. The revised budget figures for 2018/19 are those included in *The Supplementary Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2019*.

The forecast figures for 2019/20 are those included in *The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2020*. The forecasts have been prepared in accordance with the Public Finance Act 1989 and reflect the existing government and ministerial policies at that time, in addition to the Department's purpose, strategic intentions and activities based on the estimates and assumptions that might occur in the 2019/20 year.

## Goods and Services Tax (GST)

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

## Trade and other receivables

Short-term trade debtors and other receivables are recorded at their face value, less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the Crown will be unable to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired.

The carrying amount of the asset is reduced through the use of a provision for impairment account and the amount of the loss is recognised in surplus or deficit. Overdue receivables that are renegotiated are reclassified as current (that is, not past due).

## Trade and other payables

Short-term trade creditors and other payables are recorded at their face value.

# Notes to the schedules for the year ended 30 June 2019

## Note 1: 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, reported in the current financial period and is treated as exchange transactions.

30/06/18 Actual \$000		30/06/19 Actual \$000
5,246	Tourism occupations	5,785
4,996	Guiding	5,270
3,741	Aircraft landings	4,542
1,807	Telecommunications	1,833
1,794	Other occupations	1,360
1,675	Grazing	1,655
1,393	Ski areas	2,261
1,097	Boating	1,466
942	Residential/recreational	1,178
598	Vehicle transport	632
527	Easements	512
202	Filming	161
148	Miscellaneous	288
123	Extractions fees	181
117	Sporting and special events	152
<b>24,406</b>	<b>Total concessions, leases and licences</b>	<b>27,276</b>

## Note 2: Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than through continued use. Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. These assets are measured at the lower of their carrying amount and their fair value, less costs to sell. Valuation losses for write-downs are offset against the revaluation reserve. If that is exceeded, the balance is recognised in surplus or deficit.

30/06/18 Actual \$000		30/06/19 Actual \$000
10,900	Land	5,560
<b>10,900</b>	<b>Total non-current assets held for sale</b>	<b>5,560</b>

Total non-current assets held for sale comprise mainly land that has been identified for settlement of Treaty of Waitangi claims.

### Note 3: Property, plant and equipment

	Land \$000	Buildings \$000	Infrastructure \$000	Cultural assets \$000	Total \$000
<b>Cost or valuation</b>					
Balance at 1 July 2017	5,704,605	1,305	14,921	5,100	5,725,931
Additions	7,328	-	-	-	7,328
Revaluation movement	524,407	-	-	-	524,407
Disposals	(855)	-	-	-	(855)
Assets transferred to current assets	(1,596)	-	-	-	(1,596)
<b>Balance at 30 June 2018</b>	<b>6,233,889</b>	<b>1,305</b>	<b>14,921</b>	<b>5,100</b>	<b>6,255,215</b>
Balance at 1 July 2018	6,233,889	1,305	14,921	5,100	6,255,215
Additions	5,710	-	-	-	5,710
Revaluation movement	377,233	-	-	-	377,233
Disposals	(421)	-	-	-	(421)
Assets transferred to current assets	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>6,616,411</b>	<b>1,305</b>	<b>14,921</b>	<b>5,100</b>	<b>6,637,737</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance at 1 July 2017	-	1,115	822	-	1,937
Depreciation expense	-	11	162	-	173
Revaluation movement	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>1,126</b>	<b>984</b>	<b>-</b>	<b>2,110</b>
Balance at 1 July 2018	-	1,126	984	-	2,110
Depreciation expense	-	10	162	-	172
Revaluation movement	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>-</b>	<b>1,136</b>	<b>1,146</b>	<b>-</b>	<b>2,282</b>
<b>Carrying amounts</b>					
At 30 June 2017	5,704,605	190	14,099	5,100	5,723,994
At 30 June 2018	6,233,889	179	13,937	5,100	6,253,105
At 30 June 2019	6,616,411	169	13,775	5,100	6,635,455

Depreciation is provided on a straight-line basis at rates that will write off assets, less their estimated residual value, over their remaining useful life. Land and cultural assets are not depreciated.

### Note 3: Property, plant and equipment (continued)

For revalued assets, a revaluation change is recognised against the revaluation reserve for that class of assets. Where this results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

Land is initially recognised at cost and is revalued annually based on rateable valuations provided by Quotable Value Limited. Individual land lots are only updated every 3 years by Quotable Value Limited using a mass appraisal process. Land not matched to an assessment is valued using an average per-hectare rate. These values were certified as fair value by an independent registered valuer. The valuation is effective as at 30 June 2019.

Land lots not subject to revaluations based on the triennial rateable valuations are revalued applying an index determined using regional/district sales data for comparable land types provided by Quotable Value Limited.

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. Specific areas may be included in Treaty settlements if the Crown decides to offer those areas to claimants.

Historic buildings used for rental activities are stated at fair value using optimised depreciated replacement cost. The valuation is effective as at 30 June 2017.

Cultural assets are stated at fair value. These assets are not depreciated and were last valued as at 30 June 2012.

The Department has a number of heritage assets under its care due to the historical significance of these assets to New Zealand. The cost of heritage assets is not able to be reliably measured given the nature of these assets and, accordingly, these assets are not able to be recognised on the schedule of assets.

## Note 4: Provisions

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

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

### Environmental provisions

This is the estimated cost of rectifying the environmental damage in the following affected or contaminated sites that the Crown has an obligation to remedy.

- The tailings and tunnels in the Maratoto Mine, which may leach contaminants into the water.
- A number of abandoned coal mines, both underground and opencast, within the Benneydale, Mahoenui, Pirongia, Waitewhenua and Ohura coalfields. The risks of contamination are associated with the treatment ponds, tailing dams and underground drives.
- Removal of asbestos at the Rangitoto Island Controlled Mine base.

### Designations

There is a provision (\$0.1 million) relating to a designation on private land in Auckland to protect the property from development.

### Transfer of concession revenue

There is a provision of \$0.3 million for concession revenue payable to iwi relating to land transferred to them under Treaty settlements.

## Note 5: Events after the balance date

No significant events that may impact on the actual results have occurred between year end and the signing of these financial statements (2018: none).

# Additional financial information

## Statement of expenses and capital expenditure incurred against appropriations for the year ended 30 June 2019

30/06/18		30/06/19	30/06/19	30/06/19	Location of
Actual	Appropriation title	Actual	Budget*	Revised	end-of-year
\$000		\$000	\$000	Budget*	performance
				\$000	information
	<b>Departmental output expenses</b>				
178,130	Management of natural heritage	196,561	182,096	206,502	page 45
5,472	Management of historic heritage	7,365	6,630	7,850	page 52
155,529	Management of recreational opportunities	168,693	158,685	165,782	page 65
33,630	Conservation with the community	39,355	35,361	40,554	page 72
3,054	Crown contribution to regional pest management	2,995	3,291	3,241	page 45
<b>375,815</b>	<b>Total departmental output expenses</b>	<b>414,969</b>	<b>386,063</b>	<b>423,929</b>	
	<b>Departmental capital expenditure</b>				
28,911	Property, plant and equipment and intangible assets	34,671	33,964	35,268	
	<b>Non-departmental output expenses</b>				
4,436	Community Conservation Partnerships Fund	4,315	13,399	5,927	
868	Management services – natural and historic places	865	1,166	1,166	
23	Moutoa Gardens/Pākaitore	23	23	23	
93	Stewart Island infrastructure	292	-	292	
<b>5,420</b>	<b>Total non-departmental output expenses</b>	<b>5,495</b>	<b>14,588</b>	<b>7,408</b>	
	<b>Non-departmental other expenses</b>				
-	Compensation payments	-	60	60	
488	Mātauranga Māori fund	190	949	921	
241	Waikaremoana lakebed lease	241	241	241	
379	Subscriptions to international organisations	386	405	405	
780	Payment of rates on properties for concessionaires	796	839	839	
173	Depreciation	172	311	311	
-	Provision for bad and doubtful debts	16	100	100	
-	Loss on disposal of property, plant and equipment	-	2,525	600	
907	Vesting of reserves	-	150	3,718	
3,555	Impairment of public conservation land	-	50	1,386	
592	Pike River Mine site	-	-	-	
-	Payment to facilitate transfer of assets as part of Treaty of Waitangi settlements	-	-	2,000	
<b>7,115</b>	<b>Total non-departmental other expenses</b>	<b>1,801</b>	<b>5,630</b>	<b>10,581</b>	



30/06/18		30/06/19	30/06/19	30/06/19	Location of
Actual	Appropriation title	Actual	Budget*	Revised	end-of-year
\$000		\$000	\$000	Budget*	performance
				\$000	information
	<b>Non-departmental capital expenditure</b>				
-	Crown land acquisitions	-	2,000	4,240	
1,323	Purchase and development of reserves	1,003	1,800	5,967	
-	Pike River Memorial and Museum	-	921	-	
<b>1,323</b>	<b>Total non-departmental capital expenditure</b>	<b>1,003</b>	<b>4,721</b>	<b>10,207</b>	
	<b>Multi-category expenses and capital expenditure</b>				
	Identification and implementation of protection for natural and historic places MCA				
	<i>Non-departmental output expenses</i>				
1,288	Nature Heritage Fund	1,133	3,983	1,787	
4,892	Ngā Whenua Rāhui	6,614	9,280	10,393	
3,812	Legal protection Queen Elizabeth II	3,412	3,412	3,412	
167	South Island Landless Natives Act 1906	19	5,595	600	
<b>10,159</b>	<b>Total identification and implementation of protection for natural and historic places MCA</b>	<b>11,178</b>	<b>22,270</b>	<b>16,192</b>	
	Policy advice, statutory planning, and services to Ministers and statutory bodies MCA				
	<i>Departmental output expenses</i>				
2,088	Policy advice	2,015	9,231	3,351	page 84
5,925	Statutory planning, services to Ministers and statutory bodies	8,730	4,000	7,780	page 84
<b>8,013</b>	<b>Total policy advice, statutory planning, and services to Ministers and statutory bodies MCA</b>	<b>10,745</b>	<b>13,231</b>	<b>11,131</b>	
<b>18,172</b>	<b>Total multi-category expenses and capital expenditure</b>	<b>21,923</b>	<b>35,501</b>	<b>27,323</b>	
<b>436,756</b>	<b>Total annual and permanent appropriations</b>	<b>479,862</b>	<b>480,467</b>	<b>514,716</b>	
	<b>Other appropriations</b>				
	<b>Departmental output expenses</b>				
-	Loss on asset transfers to other entities	1,419	-	1,425	
-	<b>Total other appropriations</b>	<b>1,419</b>	<b>-</b>	<b>1,425</b>	
<b>436,756</b>	<b>Total annual and permanent appropriations</b>	<b>481,281</b>	<b>480,467</b>	<b>516,141</b>	

## Statement of expenses and capital expenditure incurred against appropriations (continued) for the year ended 30 June 2019

30/06/18		30/06/19	30/06/19	30/06/19	Location of end-of-year performance information
Actual \$000	Appropriation title	Actual \$000	Budget* \$000	Revised Budget* \$000	
	<b>Multi-year appropriations</b>				
	<b>Non-departmental output expenses</b>				
4,336	Predator Free New Zealand (MYA)	7,209	10,588	9,502	
<b>4,336</b>	<b>Total non-department output expenses</b>	<b>7,209</b>	<b>10,588</b>	<b>9,502</b>	
<b>441,092</b>	<b>Total annual and permanent appropriations and multi-year appropriations</b>	<b>488,490</b>	<b>491,055</b>	<b>525,643</b>	

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

Actual expenditure for an individual category may exceed the revised budget for that category but must not exceed the revised budget for the multi-category.

### Expenses and capital expenditure incurred in excess of appropriation

The management of recreational opportunities output class incurred costs of \$2.911 million in excess of the appropriation. This was mainly due to asset write off costs resulting from the West Coast storm event at the end of March 2019 (2018: nil).

Expenses and capital expenditure incurred without, or in excess of, authority  
Nil (2018: nil).

## Statement of departmental capital injections for the year ended 30 June 2019

30/06/18		30/06/19	30/06/19	30/06/19
Actual \$000		Actual \$000	Budget* \$000	Revised Budget* \$000
<b>485</b>	<b>Department of Conservation – capital injection</b>	<b>1,739</b>	<b>45,443</b>	<b>46,747</b>

\* The statement of accounting policies provides explanations of these figures, which are unaudited.

Intra-departmental fencing assets transferred to the Department from Land Information New Zealand (LINZ) during the current budget year represent a capital injection from the Crown. During the current financial year the Department received \$0.4 million of fencing assets from LINZ.

## Summary of output class expenditure by output for the year ended 30 June 2019

30/06/18 Actual \$000		30/06/19 Actual \$000
	<b>Vote: Conservation</b>	
	<i>Management of natural heritage</i>	
13,145	Species persistence	19,509
76,956	Ecosystems conservation	86,911
9,338	Local treasure natural heritage partnerships	8,518
78,691	Lands held for now and future generations	81,623
<b>178,130</b>	<b>Total management natural heritage</b>	<b>196,561</b>
5,472	<i>Management of historic heritage</i>	7,365
<b>5,472</b>	<b>Total management of historic heritage</b>	<b>7,365</b>
	<i>Management of recreational opportunities</i>	
44,087	More visitors to iconic destinations	51,974
33,930	More New Zealanders enjoy gateway destinations	34,328
27,487	Locally treasured destinations	28,415
21,588	More people enjoy the backcountry	22,947
28,437	Accessing public conservation land	31,029
<b>155,529</b>	<b>Total management of recreational opportunities</b>	<b>168,693</b>
	<i>Conservation with the community</i>	
6,001	Effective implementation of Treaty settlements	9,046
10,357	Conservation identity/values	11,547
15,799	Conservation activity achieved by others	16,835
878	Conservation investment in NZ prosperity	518
13	Conservation outcomes from business partnerships	40
582	DOC products/services/brand	1,369
<b>33,630</b>	<b>Total conservation with the community</b>	<b>39,355</b>
	<i>Policy advice and ministerial servicing</i>	
2,088	Policy advice	2,015
5,925	Statutory planning, bodies, ministerial services	8,730
<b>8,013</b>	<b>Total policy advice and ministerial servicing</b>	<b>10,745</b>
<b>3,054</b>	<b>Crown contribution to regional pest management</b>	<b>2,995</b>
	<i>Other expenses</i>	
-	Asset transfer to FENZ	1,419
<b>383,828</b>	<b>Total output expenses</b>	<b>427,133</b>

Summary of output class expenditure by output (continued)  
for the year ended 30 June 2019

30/06/18 Actual \$000		30/06/19 Actual \$000
756	Unrealised remeasurement losses	2,248
124	Office of Treaty Settlements – Memo of Understanding	-
-	Provincial Growth Funding – Memo of Understanding	310
-	Te Arawhiti Funding – Memo of Understanding	33
<b>384,708</b>	<b>Total expenses per statement of comprehensive revenue and expenses</b>	<b>429,724</b>

# Appendices



# Appendix 1: DOC's responsibilities

DOC manages about 8.6 million hectares of land, 44 marine reserves (covering 1.77 million hectares), and 8 marine mammal sanctuaries (covering approximately 2.8 million hectares). A large proportion of the land is, however, snow and ice, and much of DOC's work is focused on relatively small areas of land or water where conservation values are high, whether that is for natural heritage reasons or in support of visitor experiences or community engagement.

DOC is responsible for encouraging recreation on the lands and waters it manages. Accordingly, it provides and manages historic sites and visitor facilities, including walking, biking and 4WD tracks, huts, campsites and visitor centres.

DOC works with tourism operators and other third-party activities on public conservation lands and waters using a statutory concessions framework. These activities include grazing, mining and the use of sites for telecommunications.

DOC supports the Minister of Conservation in exercising responsibilities under the RMA for the coastal and marine environment. This includes providing advice to the Minister and input into local government policies, plans and consent applications regarding the coastal and marine environment.

DOC also contributes to all-of-government activities in response to the Government's stated priorities for the public sector.

The Government's 2018/19 priorities for conservation were to protect New Zealand's natural capital; reverse the loss of indigenous biodiversity by developing a plan to deliver Predator Free 2050; contributing to a new plan for kauri dieback; and meeting our confidence and supply commitments. These commitments include:

- reducing the extinction risk for 3,000 threatened plant and wildlife species
- increasing predator control and protection of habitats
- improving water quality
- safeguarding the healthy function of marine ecosystems
- piloting alternatives to 1080
- countering myrtle rust and kauri dieback.

DOC's mandate and context is set by a statutory planning framework that supports the overarching legislation: Conservation General Policy, the National Parks General Policy, and the strategies and plans that flow from these policies. A series of conservation management strategies (CMSs) identify the places that DOC manages on behalf of New Zealanders. These CMSs establish 'outcomes at places' and high-level objectives that guide DOC's management of, and reporting on, public conservation lands and waters.

DOC is also responsible for implementing conservation-related redress in approximately 63 legislated Treaty settlements. Activities include land transfers to iwi, detailed relationship agreements, co-management arrangements (which can include enhanced involvement in statutory management planning processes), and changing DOC's day-to-day management of sites of importance to iwi to reflect iwi values.

DOC manages protected species and public conservation lands and waters to deliver economic, social and environmental benefits which, in combination, are key contributors to New Zealanders' prosperity and wellbeing.

# Appendix 2: Departmental outputs

DOC's work (the outputs it delivers) to achieve each of the intermediate outcomes is shown below.

Table A2.1: Output classes and main outputs that contribute to DOC's intermediate outcomes

Intermediate outcome	Output classes	Main outputs
<b>Intermediate outcome 1: Natural heritage</b> The diversity of New Zealand's natural heritage is maintained and restored across New Zealand	Management of natural heritage	Fire control Conservation Services Programme <sup>1</sup> Restoration Pest and weed control Legal protection of areas and marine protection Species management
	Crown contribution to regional pest management strategies	Regional Pest Management Strategies
	Conservation with the community	Participation Education and communication
	Policy advice, statutory planning, and services to Ministers and statutory bodies	Policy advice Ministerial servicing
<b>Intermediate outcome 2: Historic heritage</b> New Zealand's history is brought to life and protected	Management of historic heritage	Historic and cultural heritage restoration
	Management of recreational opportunities	Asset management Recreation opportunities management Recreation concessions
	Conservation with the community	Participation Education and communication
	Policy advice, statutory planning, and services to Ministers and statutory bodies	Policy advice Ministerial servicing
<b>Intermediate outcome 3: Recreation</b> New Zealanders and international visitors are enriched by their connection to New Zealand's nature and heritage	Management of historic heritage	Historic and cultural heritage restoration
	Management of recreational opportunities	Asset management Recreation opportunities management Recreation concessions
	Conservation with the community	Participation Education and communication
	Policy advice, statutory planning, and services to Ministers and statutory bodies	Policy advice Ministerial services
<b>Intermediate outcome 4: Engagement</b> New Zealanders international visitors contribute to conservation	Conservation with the community	Participation Education and communication
	Management of natural heritage	Fire control Conservation Services Programme Restoration Pest and weed control Legal protection of areas and marine protection Species management
	Management of historic heritage	Historic and cultural heritage restoration
	Management of recreational opportunities	Asset management Recreation opportunities management Recreation concessions Other resource use concessions
	Policy advice, statutory planning, and services to Ministers and statutory bodies	Policy advice Ministerial services

<sup>1</sup> The Conservation Services Programme undertakes research into the interactions between commercial fishing and marine protected species. Final reports can be found on DOC's website [www.doc.govt.nz/csp-reports](http://www.doc.govt.nz/csp-reports)

# Appendix 3: Quality assurance

Quality assurance for this work is managed through DOC's development and implementation of best practice and standard operating procedures. Where external standards are not available, and/or DOC is the only agency undertaking work in New Zealand, DOC uses an internal peer-review process to ensure its best practice remains up to date. This process is shown in Figure A3.1.

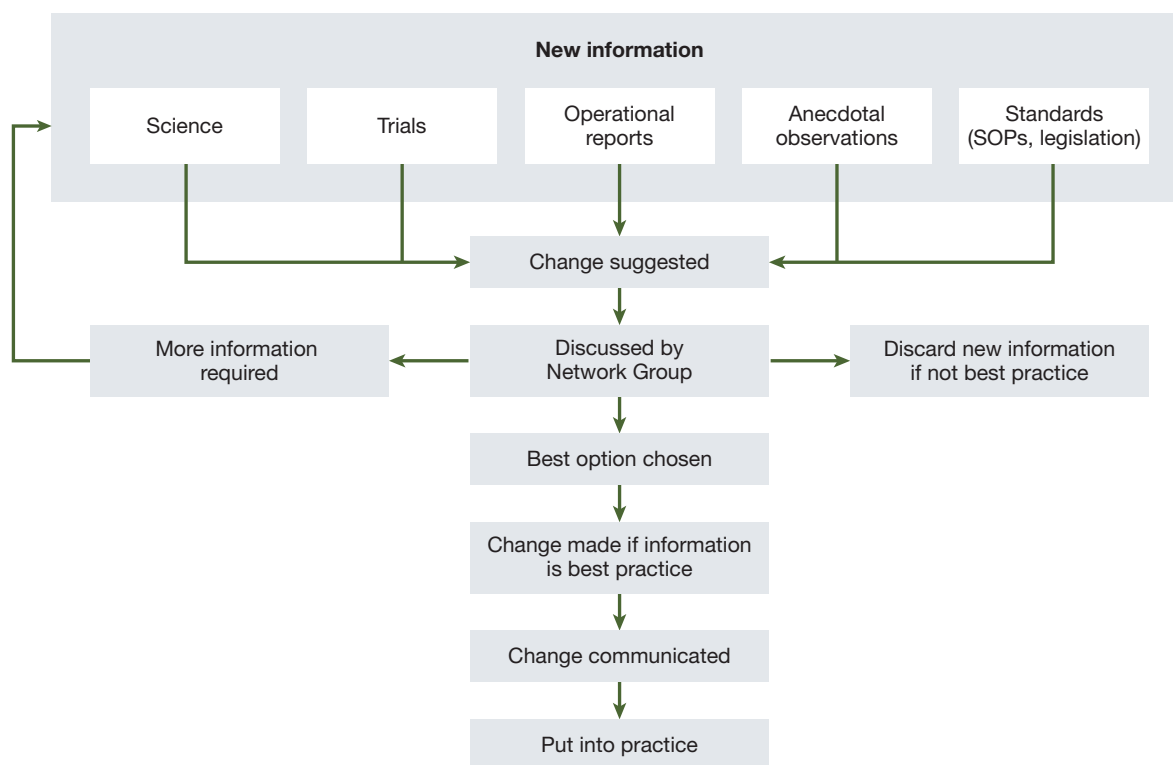


Figure A3.1: DOC's internal peer-review process



# Appendix 4: Marine protection

Table A4.1: Percentage of each of New Zealand's coastal marine biogeographic regions that is protected within marine reserves

Coastal biogeographic region	Area of biogeographic region (km <sup>2</sup> ) <sup>2</sup>	Total area of marine reserves (NZTM) (km <sup>2</sup> )
<b>Bioregional planning carried out</b>		
Kermadec Islands	7,675	7,675
West Coast South Island	13,112	174
Fiordland	10,247	104
Subantarctic Islands	11,924	9,408
<b>Bioregional planning not yet completed<sup>2</sup></b>		
Three Kings Islands	2,219	0
Northeastern	38,100	85
East Coast North Island	11,621	29
West Coast North Island	14,572	33
North Cook Strait	13,656	30
South Cook Strait	12,250	39
East Coast South Island	11,081	111
Southern	20,964	11
Chatham Islands	12,125	0
Snares Islands	2,142	0
EEZ (Exclusive Economic Zone)	3,964,500	0

<sup>2</sup> Rounded to nearest km<sup>2</sup>. As calculated for DOC and Ministry of Fisheries (2011).

<sup>3</sup> A similar sub-regional process has been completed in Te Whata Kai o Rakihouia i Te Tai o Marokura-Kaikōura Marine Area (part of the East Coast South Island region).

Table A4.2: Marine mammal sanctuaries in New Zealand as at 30 June 2019

Marine mammal sanctuary	Date gazetted	Area (km <sup>2</sup> ) <sup>4</sup>
Banks Peninsula Marine Mammal Sanctuary	1988	4,067.1
Auckland Islands Marine Mammal Sanctuary	1993	5,057.1
Te Waewae Bay Marine Mammal Sanctuary	2008	348.8
Catlins Coast Marine Mammal Sanctuary	2008	653.9
Clifford and Cloudy Bay Marine Mammal Sanctuary	2008	1,385.8
West Coast North Island Marine Mammal Sanctuary	2008	11,934.5
Te Rohe o Te Whānau Puha Whale Sanctuary	2014	4,690.6
Ōhau Point New Zealand Fur Seal Sanctuary	2014	0.04
<b>Total area</b>		<b>28,137.8</b>

Table A4.3: Summary of marine areas managed by DOC

Marine protection approach	As at 30 June 2019	
<b>Marine reserves</b>	Total area	17,697 km <sup>2</sup>
	Percentage of NZ territorial sea	9.8%
	Percentage of NZ marine area	0.4%
<b>Marine Mammal Sanctuaries</b>	Total area	28,138 km <sup>2</sup>
	Percentage of NZ territorial sea	14.2%
	Percentage of NZ marine area	0.7%
<b>Combined coverage of marine reserves and marine mammal sanctuaries<sup>5</sup></b>	Total area	40,634 km <sup>2</sup>
	Percentage of NZ territorial sea	21.1%
	Percentage of NZ marine area	1.0%

<sup>4</sup> The Exclusive Economic Zone (EEZ) is not a bioregion, but is dealt with separately by the MPA Policy. The Marine Reserves Act 1971 does not provide for marine reserves in the EEZ.

<sup>5</sup> These combined figures serve to avoid double counting of those areas where marine reserves overlap with marine mammal sanctuaries (in the vicinity of Taranaki, Kaikōura, Banks Peninsula and Auckland Islands).

# Appendix 5: Conservation achieved by others

## Ngā Whenua Rāhui

This funding programme exists to protect the natural integrity of Māori land and preserve mātauranga Māori. The Ngā Whenua Rāhui Fund provides protection for Māori landowners with 25-year reviewable kawenata (covenants).

Table A5.1: Achievements in the identification and protection of biodiversity and indigenous ecosystems on iwi-owned land

Output measures	2018/19 Target	2018/19 Actual	Variance explanation
Number of restoration programmes meeting the criteria for success set out in their programme plan	10	10	
Hectares of land receiving treatment for possums	21,000	19,534	The 21,000 hectare target was not reached due to the changes in operational boundaries.
Number of possum operations meeting their targets for operational success	22	8	Target not reached due to: <ul style="list-style-type: none"> <li>• changes in operational standards</li> <li>• equipment upgrades.</li> </ul>
Hectares of land receiving treatment for goats	118,000	131,369	
Number of other terrestrial animal pest operations meeting the criteria for success set out in their programme plan	9	9	
Number of acutely threatened species that have improved security for one or more populations as a result of active species conservation programmes	4	4	
Number of agreements where Biodiversity Impact Monitoring is undertaken to measure the effectiveness of the agreement	40	17	The target was not reached because of staff shortages. Staff turnover and health issues have limited the scale of work that could be achieved.
Hectares of land receiving Biodiversity Impact Monitoring to measure the effectiveness of the agreement	20,000	1,668	Staff shortages and health issues, as noted above, affected the output result.
Number of kawenata approved in each of the three most threatened LENZ environments	No target set	14	Individual kawenata can provide protection across more than one LENZ environment. Three kawenata were partly or completely in the 'acutely threatened' ecosystem category, five were partly or completely 'chronically threatened', and nine were partly or completely 'at risk'.

## South Island Landless Natives Act (SILNA)

This funding is for the purpose of identifying and implementing the protection of indigenous ecosystems in Māori ownership on South Island Landless Natives Act (SILNA) land.

Table A5.2: Protection of indigenous ecosystems achieved through South Island Landless Natives Act (SILNA)

Output measures	2018/19 Target	2018/19 Actual	Variance explanation
Number of SILNA blocks protected	1	0	This complex project is still under negotiation. It is likely to be concluded early in 2019/2020.
Hectares of indigenous ecosystem protected	738	0	The protection of this 738-hectare area depends on this SILNA block being protected.

**Note:** The process of establishing protection of land under this Act includes confidential negotiation, and details of the projects are only released once the protection process is complete.

## Community Conservation Funds (DOC Community Fund)

The fund is directed at practical, on-the-ground projects. These projects will maintain and restore the diversity of our natural heritage and enable more people to participate in recreation, enjoy and learn from our historic places, and engage with and value the benefits of conservation.

The DOC Community Fund currently has 183 active projects with signed deeds of grant in place. All grantees with signed deeds are meeting their reporting requirements.

Table A5.3: DOC Community Fund projects meeting deed and reporting standards

Assessment of Performance	2018/19 Target	2018/19 Actual
Percentage of projects funded that meet deed and reporting standards	95%	100%

Since the DOC Community Fund was launched in 2014, there have been four contestable rounds for funding, allocating approximately \$25.5 million over 430 initiatives. More information about the DOC Community Fund can be found on the DOC website at [www.doc.govt.nz/doc-community-fund](http://www.doc.govt.nz/doc-community-fund).

# Appendix 6: Monitoring activities in marine reserves

Table A6.1: Examples of monitoring activities conducted or supported by DOC in marine reserves during 2018/19

Marine reserve	Type of monitoring	Partner
Taputeranga Marine Reserve	Paua, kina, lobster and habitat surveys: long-term monitoring	Victoria University of Wellington
Kapiti Marine Reserve	Invertebrate, fish and habitat; ongoing 4-yearly monitoring	Waikato University Air New Zealand
Tuhua (Mayor Island) Marine Reserve	Fish, lobster, habitat and Undaria surveys; ongoing annual surveying	Toi Ohomai Institute of Technology
Whanganui A Hei (Cathedral Cove) Marine Reserve	Baited underwater video surveys, lobsters and benthic community surveys; ongoing biannual monitoring	Contracted to eCoast
Ulva Island – Te Wharawhara Marine Reserve	Blue cod, otolith ageing; ongoing every 3–4 years	NIWA contracted by MPI
Te Angiangi Marine Reserve	Lobster and blue cod	No present partner
Te Tapuwae o Rongokako Marine Reserve	Lobster monitoring	No present partner
Akaroa Marine Reserve	Baited underwater video surveys of fish and surveys of fishing pressure around the marine reserve; ongoing monitoring	University of Otago support through summer scholarship
Pohatu Marine Reserve	Baited underwater video surveys of fish and surveys of fishing pressure around the marine reserve; ongoing monitoring	University of Otago support through summer scholarship
Tonga Island Marine Reserve	Lobster and habitat surveys: long-term monitoring	Contracted to Davidson Environmental Ltd
Long Island – Kokomohua Marine Reserve	Lobster and habitat surveys: long-term monitoring	Contracted to Davidson Environmental Ltd
Horoirangi Marine Reserve	Lobster and habitat surveys: long-term monitoring	Contracted to Davidson Environmental Ltd
Hikurangi Marine Reserve	Intertidal and subtidal surveys	Contracted to University of Canterbury
Poor Knights Islands Marine Reserve	Fish, benthic	Auckland University
Long Bay–Okura Marine Reserve	Cockles Benthic invertebrates – Okura Estuary Subtidal rocky reef algae and invertebrates Catchment hydrology and sediment discharges Coastal water quality – Long Bay Benthic invertebrates – Okura estuary	DOC Auckland NIWA contracted by Auckland Council Auckland University contracted by Auckland Council Boffa Miskell Ltd contracted to Williams Capital Ltd

# Appendix 7: Management planning

DOC operates in a statutory planning framework required by the Conservation Act 1987, National Parks Act 1980 and various Treaty of Waitangi settlement Acts requiring the preparation of conservation management strategies and plans. Public engagement and consultation is a central part of all statutory management planning processes.

## Conservation management strategies

A conservation management strategy (CMS) provides a 10-year strategy for the integrated management of all lands and marine areas administered by DOC in a region, with final approval resting with the New Zealand Conservation Authority (NZCA).

During the 2018/19 financial year the Wellington CMS was approved.

## National Park management plans

The National Parks Act 1980 requires a management plan for every national park. These 10-year plans are approved by the NZCA. Reviews of national park management plans (NPMPs) are scheduled based on their 10-year review dates and any crucial policy change issues occurring prior to those dates.

In the 2018/19 financial year, the Paparoa NPMP amendment and reviews for the Aoraki/Mount Cook NPMP and Westland NPMP were placed on hold.

## Conservation management strategy content and management plans resulting from Treaty settlement legislation

Work has continued with Te Rūnanga a Rangitāne o Wairau on the Treaty settlement conservation management plans for Te Pokohiwi and Boulder Bank historic reserves; the plans will be jointly approved by Rangitāne o Wairau and the Nelson Marlborough Conservation Board. Two projects to jointly review Treaty settlement conservation management plans are on hold at the request of iwi:

- Tāmaki Makaurau motu (Tūpuna Taonga o Tāmaki Makaurau Trust and the Auckland Conservation Board)
- Kapiti Island (Kapiti Island Strategic Advisory Committee and the Wellington Conservation Board).

Work with Ngati Porou is underway for the Nga Whakahaere Takirua chapter of the East Coast/Hawke's Bay Conservation Management Strategy. Early work is also underway for the Te Hiku Conservation Management Strategy in northern Northland, which is a requirement of the Ngāi Takoto/Ngāti Kuri/Te Aupouri/Te Rarawa Claims Settlement Acts 2015.

# Appendix 8: Performance of reserve boards as at 30 June 2018

Details are dated 30 June 2018 as they are usually based on audited reports often not available until after the DOC Annual Report deadlines. Reserve boards are appointed under the Reserves Act 1977 where the Board manages a reserve that is public conservation land, vested in the Reserve Board for management purposes. DOC publishes summary annual financial statements of these reserve boards annually.

Table A8.1: Financial summary details from reserve board annual financial statements

Reserve Board	Type	Revenue \$	Expenditure \$	Cash in bank accounts \$	Significant resources (asset valuations) \$
<b>Northland</b>					
Oakura	Recreation	12,960	5,156	15,420	354,197
Waikiekie	Recreation	4,521	6,484	22,556	162,000
Ruakaka Central	Hall	13,215	11,384	44,708	790,000
Waipu Cove	Recreation	1,313,765	1,133,656	230,406	3,360,134
Ruakaka*	Recreation				
Whatitiri	Recreation	5,109	2,373	27,430	170,000
Taurikura	Hall	2,931	8,287	79	170,000
Coates Local	Local purpose	1,290	742	897	250,000
<b>Auckland</b>					
Glorit*	Hall				
<b>Bay of Plenty</b>					
Awakaponga	Hall	7,308	7,867	9,420	119,209
<b>Wanganui</b>					
Ruakaka*	Recreation				
Whatitiri	Recreation	5,109	2,373	27,430	170,000
Taurikura	Hall	2,931	8,287	79	170,000
Coates Local	Local purpose	1,290	742	897	250,000
<b>Wellington</b>					
Lake Horowhenua	Recreation	7,545	3,319	312,442	13,111
Ruawhata	Hall	3	40	4,306	21,000

Table A8.1: Financial summary details from reserve board annual financial statements (continued)

<b>Nelson/Marlborough</b>					
Homewood	Hall	120	113	6,464	60,205
Kaiteriteri	Recreation	6,247,193	6,252,898	393,788	9,442,122
<b>West Coast</b>					
Charleston	Hall	7,205	756	7,880	205,000
Millerton	Hall	8,143	8,714	8,216	49,000

\*No financial records have been received from these reserve boards.





