

# Annual Report

For the Year ended 31st March 2014



*Waiapu*  
*Fisheries & Wildlife*  
HABITAT ENHANCEMENT TRUST



**Trustees and Craigs Investment Partners Advisers on field trip to the Whitebait Project, Waiau Mouth, February 2014.**

*Left to Right: Julian Morris (Financial Adviser, Craigs), Peter Sutton (Trustee), Cam McCulloch (Trust Chairman), Jan Riddell (Trust Planner), Andrew Feierabend (Trustee), John Whitehead (Trustee), Jason Kennedy (Financial Adviser, Craigs), Fred Inder (Trustee), Glenys Dickson (Trustee).*

# Table of Contents.

## The People - Trustees and Trust Services

### Executive Summary

#### 1. Introduction.

- 1.1 The Trust Objects.
- 1.2 The Strategic Plan.

#### 2. Summary of Income and Expenditure.

- 2.1 Investment of the Trust Fund.
- 2.2 Investment Results.
- 2.3 Summary of Expenditure

#### 3. Statement of Service Performance

##### A) Project Expenditure and Achievements (Inputs and Outputs)

- 3.1 Output A – Habitat Enhancement Projects.
- 3.2 Output B – Access Projects.
- 3.3 Output C – Research Projects.
- 3.4 Output D – Education, Information and Consultation.
- 3.5 Output E – Databases.
- 3.6 Output G – Duncraigen Weir.
- 3.7 Output J – Project Investigation and Advice.
- 3.8 Output H – Project Management.
- 3.9 Output H - Trust Servicing.

##### B). Compliance, Outcomes and Long-Term Performance.

- 3.10 Compliance with Governing Legislation – Charitable Trusts Act 1957, Trustees Act 1956, Trustees Amendment Act 1988
- 3.11 Compliance with the Trust Deed.
- 3.12 Outcomes - Performance in Relation to Deed Objects and the Strategic Plan.

#### 4. Summary of the Year and Future Operation of the Trust.

#### 5. 2013/14 Report and Financial Statements.

#### Front Cover:

*The Lady Burn stream, Glen Echo Station, Te Anau Basin. Protected since 2010, this is a very productive small stream fishery.*

Visit our Website: [www.waiaustrust.org.nz](http://www.waiaustrust.org.nz)

All photographs in this report were taken by Mark Sutton, Trust Field Officer, unless stated otherwise.

## **The People - Trustees and Trust Services:**

### **The Trustees are:**

**Mr C.A. McCulloch (Chairman)** - Accountant of Invercargill, joint nominee of the Fish and Game New Zealand, Southland Region and the Department of Conservation.

**Mrs G. Dickson** – Secretary of Gore, nominee of the Department of Conservation.

**Mr J.D. Whitehead** – Retired farmer of Te Anau, nominee of the Department of Conservation.

**Mr A Feierabend\*** – Statutory and Compliance Strategy Manager, Meridian Energy Ltd, of Christchurch, nominee of Meridian Energy Ltd.

**Mr F.H. Inder** - Retired Garage Proprietor of Te Anau, nominee of the Fish and Game New Zealand Southland Region

**Mr Peter Sutton\*** – Real Estate Agent of Invercargill, nominee of the Fish and Game New Zealand, Southland Region.

**Mr M. O'Brien** – Farmer of Monowai, joint nominee of the Fish and Game New Zealand Southland Region and the Department of Conservation representing the rural community in the Waiau Catchment.

All Trustee terms expired at the beginning of this Financial Year. The re-appointment process was completed in April 2014. Long-serving Trustee, Roger McNaughton chose to retire. The Trust is extremely grateful for the contribution, support and commitment Roger made to the Trust over a period of 10 years.

Peter Sutton\* replaced Roger McNaughton.

Andrew Feierabend\* of Meridian Energy Ltd replaced Sheila Watson. Although Sheila's time with the Trust was short, we appreciated her input and interest in the Trust.

### **Trust Services:**

Independent contractors Mark Sutton and Jan Riddell continue to provide field and planning services, respectively. Fish and Game New Zealand, Southland Region continue to provide secretarial services to the Trust. Cheryl Mason is the key person involved in this contract.

## **Executive Summary:**

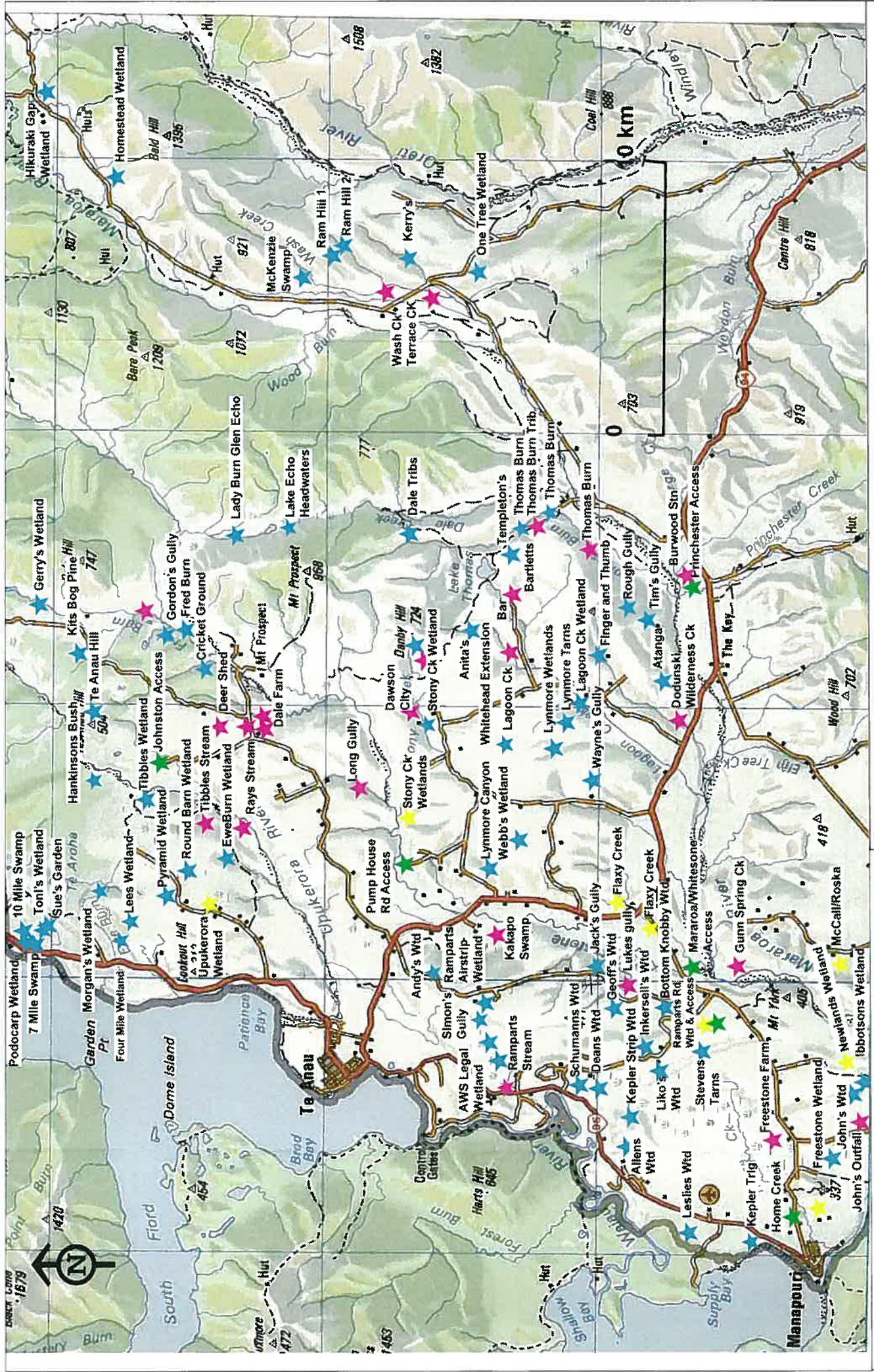
The seventeenth full year of operation of the Waiau Fisheries and Wildlife Habitat Enhancement Trust has resulted in further advancement of the Trust's Objects. Project and administration expenditure for the year totaled **\$368,703**. Income for the year was **\$368,640**.

The Trust completed its review of the management of the Trust Fund, during the year. The Statement of Investment Policy and Objectives (SIPO) continued to focus on investment types designed to provide certainty of cash flow, as well as providing for long-term growth of the Fund. The investment rose by 10.36% for the year.

The following is a list of achievements the Trust considers to be the highlights for the year:

- Approval and implementation of the Statement of Investment Policy and Objectives (SIPO).
- Appointment of 4 new Fund Managers.
- Ongoing filling and monitoring of the whitebait habitats (Whitehead Suite, built in March 2009 and the McCulloch Suite (constructed in March 2012), at the mouth of the Waiau River.
- Design and planning for the new Inder Wetland at the whitebait habitat project site.
- A repeat of the February 2013 baseline fish survey of the whitebait habitats in February 2014.
- Completion of 11 HEA projects protecting 10.9km of streams and their riparian margins.
- Completion of 6 joint Waiau Trust/QEII Trust projects protecting 76.6 ha of wetlands, streams and bush.
- Investigation of 12 new wetland and stream riparian protection projects.
- Maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Completion of the 5 yearly fish survey of the Rakatu Wetlands in March 2014
- Completion of the upgrade of the Trust website.
- The ongoing relationships between the Waiau Trust and the QEII National Trust, Landcorp Farming Ltd and Meridian Energy Ltd.

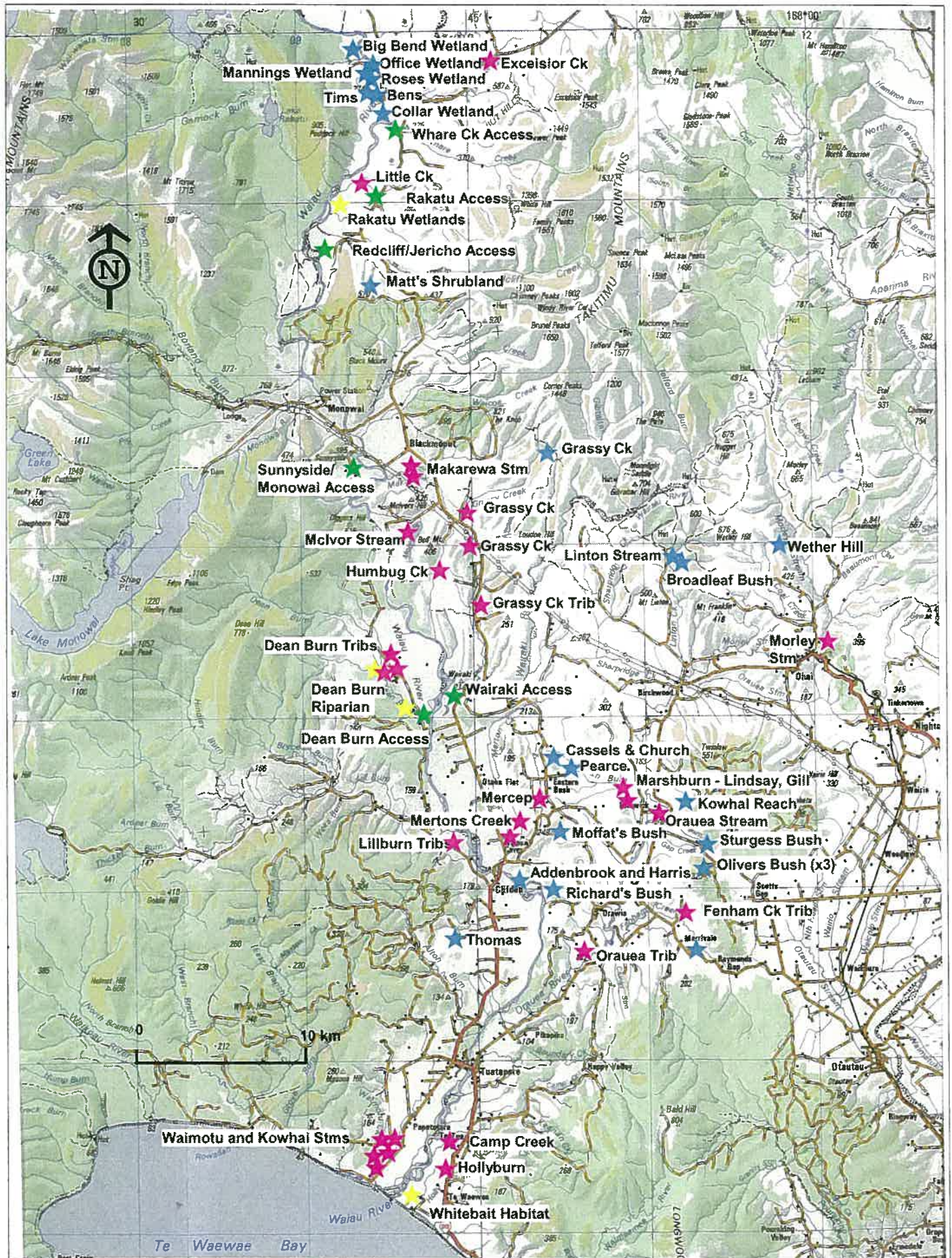
The following maps show the location of all the Trust's habitat enhancement and access projects, as at March 2014.



★ Habitat Enhancement Agreements (HEA)  
★ Joint Waiau Trust/QEII Trust Projects

★ Habitat Projects  
★ Access Projects

**Waiau Trust Projects: Te Anau Basin,  
 as at March 2014**



Waiau Trust Projects,  
below the Mararoa  
Weir, at March 2014

- ★ Habitat Projects
- ★ Habitat Enhancement Agreements (HEA)
- ★ Access Projects
- ★ Joint Waiau Trust/QEII Trust Projects

## 1. Introduction:

The Waiau Fisheries and Wildlife Habitat Enhancement Trust is pleased to present the seventeenth Annual Report.

The report is a Statement of Service Performance. It documents Inputs, Targets and Outputs in relation to established projects and new projects that arose during the year. The Output categories are derived from the Trust Deed Objects. It includes the mandatory Statement of Financial Performance.

It provides an assessment and evaluation of the Outputs in relation to the Trust Deed Objects and the Strategic Plan and expresses the Trust performance over time in terms of Outcomes.

This Annual Report also performs the important role of being an historical record of all Trust activities since inception in 1997.

### 1.1 The Trust Objects:

The document governing the Trust's activities is the Trust Deed.

The Trust Objects State:

“ The Settlor directs and the Trustees declare that the Trustees hold the Trust Fund upon the following trust, to be used to further the following charitable purposes and objects with the intent that the Trust Fund shall be expended on projects within the Waiau River catchment which, together with the minimum flow regime in the conditions of consent for the Manapouri Power Scheme, will create, enhance and maintain habitat for freshwater fish and wildlife to at least the quantity and quality which studies carried out for the Waiau Working party have identified as being the maximum achievable by flows of up to 30 cumecs from the Manapouri Lake Control Structure and to facilitate public access to the enhanced Waiau River, including:

- i. To identify and evaluate areas of the Waiau catchment worthy of protection, restoration, improvement, creation or procurement (primarily as fisheries and wildlife habitat) and to create habitat within the Waiau catchment.
- ii. In order to carry out the first purpose to negotiate, where appropriate the protection, restoration, improvement, creation or procurement of fisheries and wildlife habitat with landowners and to ensure the best possible public access to fisheries and wildlife resources.
- iii. To provide and maintain two access tracks for anglers' access in the vicinity of Whare Creek and Redcliff Creek confluences such that advantage can be taken of the fishery.
- iv. In accordance with the first and second purposes, to provide for the creation of additional areas of whitebait habitat on land owned by ECNZ<sup>1</sup> or held by the Minister of Conservation adjacent to the Waiau Lagoon as defined by studies carried out for the Waiau Working Party, as necessary.
- v. To provide for the rearrangement and ongoing maintenance of the rock weir immediately below the Duncraigen Bridge identified in studies carried out by ECNZ as necessary to enhance the habitat for fish and the aesthetic sense of landscape values of the river between the weir and the Manapouri Lake Control Structure at minimum flows.

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<sup>1</sup> ECNZ is now Meridian Energy Ltd.



- vi. To provide for a study over 5 years of freshwater fish in Lakes Manapouri and Te Anau to demonstrate the present state of the fisheries and present trends.
- vii. To provide or assist with the provision of information or facilities to enhance the understanding of the public of the values for which the Trust was established.
- viii. Such further or other measures which, in the opinion of the Trustees will better provide for the matters set out in sections 5(2)(a), 5(2)(c), 6(a), 6(d), 7(a), 7(c), 7(f) and 7(h) of the Resource Management Act 1991.

The objects or purposes of this Trust are or shall be charitable as approved by the Commissioner of Inland Revenue and shall be deemed not to include or extend to any matter or thing which is or shall be held or determined to be non-charitable and the powers and purposes of the Board and trusts hereby created shall be so restricted.”

### **1.2 The Strategic Plan.**

The Strategic Plan, reviewed and approved in 2005 provides the operational, ecological, investment and financial framework for the Trust. It is derived from the Trust Deed Objects and helps define Trust Outcomes.

## **2. Summary of Income and Expenditure:**

Detailed financial statements for 2013/14 are presented in Section 5 of this report.

### **2.1 Investment of the Trust Fund:**

The Trust completed the review of the Investment Strategy initiated in 2013. The fundamental principles are to create cash flow for the Trust in the short-term, and growth of the Fund, in the long-term. The revised Investment Strategy has established clearer objectives and operational parameters around both the fixed income and equity assets investments. The new Statement of Investment Policy and Objectives (SIPO) was adopted in June 2014.

A diversified portfolio is the key focus for the Trust, being a mix of cash, fixed interest, New Zealand and Australian property securities and New Zealand, Australasian and global equity investments. During the year four new Fund Managers were appointed – Craigs Investment Partners, Milford Asset Management, New Zealand Asset Managers and Rose Capital. The breakdown of the funds managed by each Fund Manager is given in Section 3 B) of this report.

### **2.2 Investment Results.**

The portfolio rose by 6.04% this year. Generally the global markets have experienced a strong year on the back of recovering major economies. NZ, due largely to strong dairy prices, continued to rate highly in terms of Global Financial Stability reports and economic growth, and this was reflected in our equity market performance, the commencement of interest rate tightening measures, and NZ currency strength. In contrast, our close neighbour Australia is languishing somewhat, resulting in their weaker currency, which is inhibiting investment returns to NZ investors.

The balance of the portfolio as at 31<sup>st</sup> March 2014 was \$6,210,793.

### **2.3 Summary of Expenditure.**

Project by project expenditure is outlined in Section 3 A) of this report.

For the year 2013/14 the Trust budgeted to spend **\$385,048**. Adjustments were made to project targets during the year and priorities changed as the year progressed. Actual expenditure for the year was **\$368,703**. Income for the year was **\$368,640**. Trust total project expenditure since inception now totals **\$4,912,929**. This compares to total revenue for the same period of **\$6,296,127**.



### **3. Statement of Service Performance**

#### **A) Project Expenditure and Achievements (Inputs and Outputs)**

In March 2013, the Trust considered and adopted the Annual Plan and Budget for the year ending 31 March 2014. The Plan is a project based operational work plan, supported by relevant budgetary information. This Plan is always flexible, given the opportunistic nature of some of our work, so revisions occur during the year, reflecting changing priorities.

This section only reports on the projects where expenditure was planned and budgeted for, in the Annual Plan. Achievement of project targets, variations from targets, project progress, any additional projects commenced during the year and a summary of budgeted and actual expenditure are reported on. All expenditure is GST exclusive.

#### **3.1 Output A – Habitat Enhancement Projects:**

The habitat enhancement projects fulfill Objects (i), (ii) and (iv) of the Trust Deed.

##### **A3 Home Creek Riparian Habitat.**

**Expenditure:** Budgeted - \$3,300 Actual - \$2,226

##### **Achievements and Progress:**

This 14 ha project is located 1 km east of Manapouri and is accessible via a sign-posted public road from the Manapouri-Hillside Road. The permanent protection, through fencing and removal of grazing animals, continues to benefit this unique meandering stream and its riparian habitat. The fencing (in 1997), removal of grazing, the re-vegetation and the pest plant control work are having positive physical impacts on the area. Visually the area continues to change, with the removal of crack willow and the growth of rank riparian vegetation, stream bank vegetation and in-stream macrophytes. The native restoration plantings are now particularly noticeable, with the red tussock and flax having become well established. Further native plantings were organized and carried out by Edith Jones in the Autumn, with help from Forest and Bird Southland Branch.

The 1.6km circular walking and biking track around the lower part of the property, is continuing to be popular with local people and visitors to the area. The track is maintained to a high standard.

The original concept of this area becoming an integral part of the Manapouri community “green belt” continues to be achieved.

The annual pest plant spray programme (the main maintenance expenditure item) continues and includes spraying the emergent broom seedlings and the walking track. Two sprayings were planned, but only one was needed.

In June 2013 we received from Land Information New Zealand (LINZ) the signed “Licence to Occupy” document, relating to the Trust management of the LINZ administered Crown land within the Home Creek property boundary. Having this in place provides greater future security, for our investment in the enhanced habitat.

##### **A4 Lower Waiau Whitebait Habitat.**

**Expenditure:** Budgeted - \$56,950, Actual - \$65,155

##### **Achievements and Progress:**



The meandering **Home Creek**, March 2013. The wide berms and riparian vegetation continue to change over time. Expansion of vegetation along the stream margins will be ongoing and enhance the habitat values of this fishery.



**Whitebait Project May 2013.** These wetlands are home to a variety of wildlife species as well as native fish. Pictured here are Royal Spoonbills, Pied Stilts, Shoveler and Mallard Ducks. These species are present in good numbers at different times of the year.



**Above and below: Whitebait Project.** In spring 2013, the permanent low gradient/low velocity outlet channel between the McCulloch Wetlands and the Waiiau Lagoon, was under construction. Holly Burn mouth behind digger. The 400m meandering channel provides crucial fish passage for all upstream and downstream migrating fish, particularly Inanga.



**General:**

This project is located on Meridian Energy Ltd (MEL) land and DOC administered land, adjacent to the Waiau Lagoon, at the mouth of the Waiau River. Between 1999 and 2004 the Trust carried out whitebait habitat enhancement in the area on a small, experimental scale, creating 6 ha of open water whitebait (*inanga*) rearing habitat. Monitoring of the ecological outcomes of that work and expert advice received gave the Trust confidence to expand the scale of this project. This expansion involves the creation of large open water wetlands (30 ha in total), hydrologically linked to the Waiau Lagoon, on the low lying flat paddocks adjacent to the Lagoon.

The Trust vision for the project is to:

*Enhance whitebait (predominantly inanga) habitat in the vicinity of the Waiau Lagoon and maximise opportunity for successful spawning and rearing of inanga, to benefit the whitebait fishery in the Waiau catchment.*

*In addition, maximise habitat benefits for other fish and wildlife species, as far as possible without detracting from the primary purpose. To also provide visitor facilities to enhance public use of the area and increase public understanding and appreciation of the habitat enhancement work at the site.*

**Wetland Progress:**

The first large set of wetlands, east of the Holly Burn and known as the “Whitehead Suite”, were constructed in March 2009. These have been supplied with pumped water from the Holly Burn since October 2009. Water levels fluctuate with the seasons and the volume of water pumped. They continue to provide valuable fish and bird habitat.

Construction of the dams (known as the “McCulloch Suite”) and the diversion of water from a backwater of the Waiau River into these wetlands were completed in autumn 2012. The diversion pipe and channel, which gravity feeds water to the wetlands, became operative on 15 April 2012.

The volume of water diverted into the McCulloch wetlands is calculated from a rating curve that has been developed between the pipe flow and Waiau River flows at the upstream Tuatapere water level recorder site. When the system first became operative in April 2012, the backwater and hence the diversion pipe operated when the Waiau River was flowing at more than about 45m<sup>3</sup>/s, and the pipe flowed full when the river was flowing at 130m<sup>3</sup>/s or more. The diversion pipe provides pulses of flows into the wetlands, depending on river flows. Last year we reported that the average volume of water diverted into the wetlands (from 15 April to 31 December 2012) was 130 l/s. This occurred as 30 fresh/flood events (with 55 pulses). The pipe flowed full for 79 days. There was a prolonged period of high spring flows during September, October and part of November. This long event was fortuitous for the new wetlands and they were at design levels for this length of time.

After the spring 2012 high flows we detected a minor shift in the relationship (rating curve) between the water diverted down the pipe and the Waiau River flows, with more water flowing down the backwater at lower flows in the river. In 2013 the change in the rating curve was cemented in with large channel forming flows in January, July and October (5 floods over 700m<sup>3</sup>/s).



**Whitebait project, McCulloch Wetlands, January 2014.** The wetlands in mid-picture link to the Waiau River and Waiau Lagoon, just behind the beach barrier. Te Wae Wae Bay is beyond the barrier. The green paddock in the foreground is the site where the new Inder Wetland will be built. (Photo by Bill Jarvie).



The consequence is that the backwater now carries more water than previously and the pipe flows full above about 80m<sup>3</sup>/s in the Waiiau, not 130m<sup>3</sup>/s, as it did in 2012. This change is very good for the wetland sustainability. 2013 was the first full year of flow data and the average volume of water diverted was **155 l/s**. This occurred as 40 fresh/flood events (with 61 pulses). The pipe flowed full for 117 days. There was however a prolonged dry spell during February, March and April 2013, when inflows were small and wetland water levels were quite low.

The Trust is required to report the volumes of flow diverted to Environment Southland, based on each calendar year. The table below shows the average volumes of water diverted to date on a seasonal and annual basis.

**Table: McCulloch Diversion – Average Volumes Diverted – litres/s.**

<b>Year</b>	<b>Annual</b>	<b>Summer •</b>	<b>Autumn</b>	<b>Winter</b>	<b>Spring</b>
<b>2012</b>	130.9*			86.7	197.2
<b>2013</b>	155	127.7	103.3	198.8	181

- Includes December of the previous year
- \* Part year only, 15 April to 31 December 2012

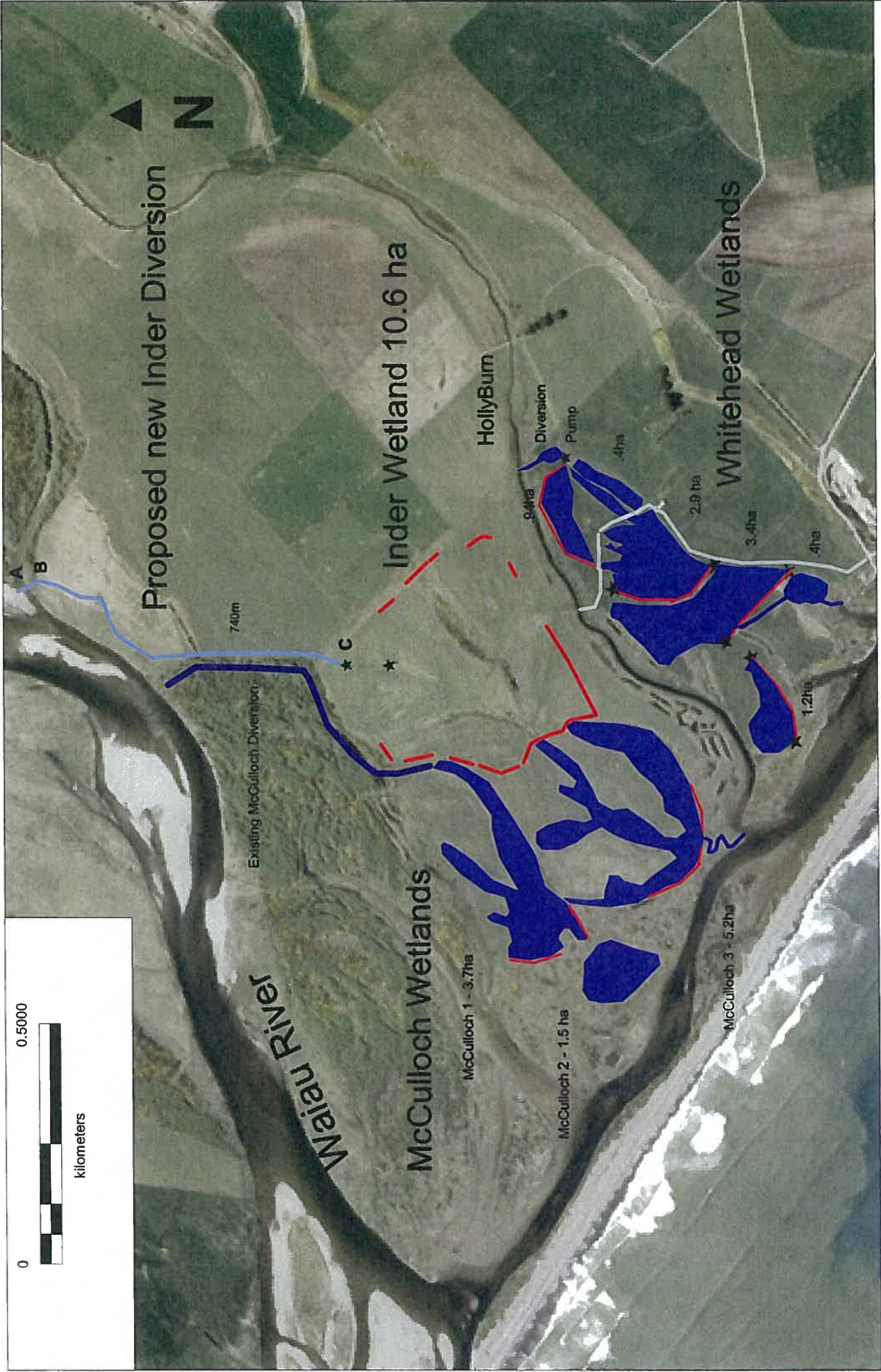
This, along with on-site observations, provides us with a good understanding of how the wetlands are operating and factors influencing their long-term sustainability.

During the spring of 2013 the permanent outlet channel for the McCulloch wetlands was constructed. This new channel provides the permanent linkage of the McCulloch Suite to the Waiiau Lagoon. Until then water had been flowing out of the wetlands via temporary outlets. This meandering, low velocity channel is working extremely well, providing fish passage for upstream and downstream migrating fish. The McCulloch Suite is now permanently linked at the top (at the diversion from the river) and bottom of the system (to the Lagoon).

#### **The New “Inder” Wetland:**

The success of the “McCulloch Suite” of wetlands provided encouragement to further explore the building of the Inder Wetland; the next major wetland in the original concept plan for the site (see the following map). This is at a higher elevation than those built to date. During the year we explored a number of alternative designs for water supplies for the proposed Inder Wetland. This involved more field and design work than budgeted. The best design option is a new diversion channel. It will divert water from the same backwater as the existing McCulloch diversion, but from 300m further upstream and with 0.5m of additional head. This enables the creation of 1 large (10ba) wetland and if adequate water is diverted, the potential to take the water across the Holly Burn bridge to supply the “Whitehead Suite”. This will mean the need to pump water can be minimised and will only be used as a “back up”, during dry periods.

During the year the Trust decided to proceed with this option. It will be a step-by-step process, with the Inder Wetland being built first and the supplying of the Whitehead Suite will occur once the Inder Wetland is operating satisfactorily.



**Whitehead and McCulloch Wetlands and the proposed new Inder Diversion and Inder Wetland.**

In February 2014 the Trust lodged a resource consent application with Environment Southland to divert water for the creation of the Inder wetland and for the rock work associated with the installation of the diversion pipe. These consents have now been granted.

Our ongoing experience with this project reinforces the need to be flexible. Minor adjustments to wetland design (outfall locations and their levels, wetland water levels and rate of water flow through wetlands and their connecting channels) ensure the best use of the available water, the maximisation of fisheries and wildlife benefits and ultimately sustainable wetlands.

**Maintenance:**

The nature of this project and its location, in a highly dynamic environment, means maintenance is an annual task. During the year, the high flows in the Waiiau River meant some maintenance has been required around the McCulloch diversion pipe, namely removal of sediment in the channel downstream of the pipe. The diversion channel from the Holly Burn and the pump pond for the Whitehead Suite also needed fine sediment removed to reinstate the original design levels. Pump maintenance work was also required this year.

**Monitoring:**

**a). Bird Surveys**

Only one bird count was undertaken at the Whitebait of wetlands this year, so the number of species recorded was less than previous years. The results are set out in the table below. The next table is a list of all the bird species recorded during the spring surveys of the past 4 years, plus the additional species recorded outside survey times.

This information shows a diversity of wildlife species is using the wetlands. Four species of waterfowl were recorded as breeding this year. A good diversity of water associated species also frequent the wetlands. The shallow shorelines and fluctuating water levels provide good food sources for waders in particular. Some of the species present are international migrants – the Eastern bar-tailed godwit and the Banded dotterel (some of which winter over in Australia). White heron often visit for a few weeks each year and an Australasian bittern is now resident. This year a Marsh crake was seen. One Asiatic tern was observed in spring, the occurrence of this migrant in Southern New Zealand is rare.

**Table: Results of 2013 Spring Bird Counts**

Date	Waterfowl	Water Associated Species	Other Species
17/12/2013	Mallard: 3 + 3 broods Shoveler Duck: 3 +3 broods Paradise Duck: 1 brood NZ Scaup: 2 + 1 brood	Royal Spoonbill:5 Black-fronted Dotterel:2 Pied Stilt: 13 White Faced Heron:1 Black Fronted Terns : 3 Black Shag: 1 Pukeko: 2	

**Table: Species Recorded over 4 years of Spring Surveys and General Observations:**

Waterfowl	Water Associated Species	International Migrants	Other Species	Total
Mallard Shoveler Duck Paradise Duck NZ Scaup Grey Teal	Pied Stilt White Faced Heron Black Fronted Terns Caspian Tern Black Shag Little Shag Royal Spoonbill Black-fronted Dotterel Pukeko White Heron Australasian Bittern NZ Dotterel SW Plover SI Pied oystercatcher Marsh Crake Black-billed Gull Southern Skua	Eastern Bar-tailed Godwit Banded Dotterel Asiatic Tern	Welcome Swallow Harrier Hawk NZ Falcon	
<b>5</b>	<b>17</b>	<b>3</b>	<b>3</b>	<b>28</b>

**b). Fish Survey**

In February 2013 the Trust, in collaboration with Andy Hicks of Environment Southland, undertook a baseline survey of fish of the Whitehead and McCulloch wetlands, plus the diversion channel. Twelve sites were sampled using fyke nets for large fish (eels) and G minnow traps for smaller species, including *inanga*. Standard methodologies were employed and all sites were GPSed. The final report was completed in August 2013. The report recommended purchase of fine meshed fyke nets as it was found the G minnow traps were not very efficient at catching *inanga*, even though they are present in large numbers. The Trust purchased 4 nets as part of the Environment Southland net order.

The Trust repeated the 2013 survey in February 2014, with the new fine mesh nets. Large numbers of fish were caught in 2013 and the number of shortfin eel caught was the highest abundance of eels encountered while monitoring lentic habitats in Southland (Hicks pers com). The February 2014 survey caught even greater numbers of fish. The fine mesh fyke nets appear to be more efficient at catching *inanga* and other small fish compared to the G minnow traps. The data from the 2014 survey has yet to be fully analysed. The table below shows the numbers of fish caught and the CPUE (catch per unit effort) for the 2013 and 2014 surveys. Given the use of coarse mesh fyke nets and G minnow traps in 2013, the results from the fine mesh fyke net survey of 2014 are not directly comparable. However facts to note at this stage are:

- The huge population of fish present in the 20 ha of wetlands
- The increase in the numbers of Longfin eel caught in 2014.
- The increase in the ratio of Longfin to Shortfin eels in 2014 (4.3% of total eel catch in 2013, 30% of eel catch in 2014).
- The presence of Common smelt in the 2014 catch.
- Black Flounder and Lamprey have also been observed in the diversion channel.

**Total Fish Caught and CPUE - 2013 and 2014 Fish Surveys (12 Sites)**

Species	Total 2013	CPUE	Total 2014	CPUE
Inanga	44	3.67	216	18
Common bully	229	19.08	2135	177.9
Brown trout	1		2	
Shortfin eel	332	27.67	460	38.3
Longfin eel	15	1.25	197	16.42
Common smelt	0	0	211	17.58
<b>TOTAL</b>	<b>621</b>	<b>51.75</b>	<b>3221</b>	<b>268.42</b>



**Whitebait Project, 4th March 2014.** The impressive sight of adult Inanga migrating down the new outlet channel, to the Waiiau Lagoon, in preparation for spawning. Spawning occurs on the spring tide in the dense vegetation around the margins of the Waiiau Lagoon.



**Whitebait Project February 2014.** Ecological response monitoring and 1 of the 12 fyke nets set overnight in the wetlands. The new fine mesh nets caught a large number of native fish, including Longfin and Shortfin eel, Inanga, Common bully and Common smelt.



**Whitebait Project, Fish Survey 2014:** An indication of the huge biomass of small fish (Common smelt, Common bullies and Inanga), living in these created and connected habitats. This catch was from 1 overnight net set.



**Whitebait Project, October 2014.** Flax planting around the shorelines of the wetlands continues as additional plants are sourced. The vision for this wetland complex is that it will become a flax dominated ecosystem.



**Above: Whitebait Project March 2014** - Consultation with Dean Whanga of Te Ao Marama (at left) and Donna Shepherd of DOC (at right) was an important part of the Resource Consent application for the new Inder Diversion. Their support is much appreciated. **Below: Mark Sutton** (Trust Field Officer) and Donna Shepherd discuss the finer points about the Inder Diversion intake and channel design.





**4<sup>th</sup> March 2014** - Mark Sutton standing at the McCulloch Diversion intake and backwater, from which wetland water is diverted. The Waiatu River was flowing at  $80\text{m}^3/\text{s}$  on the day. At this river flow the backwater, has more water flowing down it, than 12 months ago, due to a change in the backwater channel shape.



**June 2013**- a familiarisation tour of the Whitebait project by Meridian Energy personnel. L to R: Chris Thomson, Andrew Feierabend (Trustee) and Mark James (Consultant to Meridian).



CPUE is the “catch per unit effort” – fish/net/night. It is an expression of relative abundance of fish species present.

These spectacular results highlight how valuable these created habitats have become in a very short time.

#### **Land Management:**

During the winter, the Trust decided that the fairest way to sell the grass on the property was to tender it. A formal tender document was drawn up and tenders called, from a selection of neighbours and other local people who had expressed an interest. This formal process resulted in Colin Phillips of Tuatapere being the successful tenderer. It is intended to tender the grass on an annual basis. The Trust remains responsible for soil testing and fertiliser application.

During the year, the neighbouring, upstream property was sold. A small section of the proposed new Inder diversion channel will flow across part of the Meridian land leased to the new owner. We have reached agreement with Meridian Energy to provide easement for our new channel. We have worked closely with the lessee of that land to ensure disruption to their farming operation will be minimal. The remainder of the channel flows across DOC administered land. We have a management agreement in place with DOC which enables us to use this land to convey the water needed for the new Inder Wetland.

Some further capital, and follow up, spraying of gorse is required. Establishing flax around the wetlands remains a priority and additional flax material was sourced and stock piled for planting during the year and the coming year.

#### **The Future:**

The construction of the new Inder diversion and wetland is an exciting challenge for the coming year. The potential for taking the water across the Holly Burn to the Whitehead Suite is the next challenge. Achieving this will enhance the sustainability of the whole project and enable the Trust to minimise the need to pump water.

There is still considerable potential for further wetland enhancement at the site. Ultimately public access and education will be a large component of the project, once wetland enhancement is complete. The completion of the section of road to the Holly Burn bridge was a first step. Car parking, walking/cycling facilities around the wetlands and interpretative material about whitebait lifecycle and habitat requirements, are part of the overall project concept. The Trust expects this expanded whitebait project, once completed, to equal our Rakatu project in terms of its ecological significance.

#### **A10 Rakatu Wetlands.**

**Expenditure:** Budgeted - \$ 32,048 Actual - \$22,455.

#### **Achievements and Progress:**

Rakatu Wetlands has been open to the public since March 2006. The property is located adjacent to the Lower Waiau River along the Clifden - Blackmount Road, 17 km from Manapouri township and 7 km downstream of the Manapouri Lake Control Structure (Mararoa Weir).

The Trust's vision for the 278ha Rakatu property (purchased in June 2000) is:

*To create an ecologically sustainable wetland/small stream ecosystem complex, for the benefit of fisheries and wildlife in the Rakatu/Redcliff area of the Lower Waiau River catchment. The complex will incorporate and link with the existing Redcliff Wildlife Reserve.*

*To provide public access to facilitate the public's enjoyment, recreational use and aesthetic appreciation of the resources, and to educate and enhance the public understanding of the fisheries and wildlife habitat and the Waiau Trust's objectives.*

Key elements of the project are set out in the table below.

<b>Actions</b>	<b>Details</b>
<b>Natural wetland protection</b>	4 wetlands, totaling 65.5 ha de-stocked and protected allowing natural regeneration processes to re-establish. These natural areas link with, and incorporate, created wetlands.
<b>Wetland creation</b>	20 interconnected open water habitats created, totaling 49 ha, with 18km of shoreline. All fenced.
<b>Stream protection</b>	13.3 km of small stream habitat protected or incorporated into new wetlands.
<b>Forestry</b>	15.5 ha of forestry managed to provide ongoing income for the project.
<b>Native vegetation restoration</b>	Small areas to be trialed using natural regeneration processes, seed scattering techniques, native plantings and exotic plantings under planted by natives. Some amenity planting completed.
<b>Visitor facilities</b>	1.4km road and car park. 9.8 km of walking tracks, offering 4 different walking options, with stiles, bridges, toilet, lunch shelter, lookouts, signage and interpretative panels built.
<b>Pest Plant Control</b>	Annual spray programme to prevent spread on dry lands, wetland margins, access tracks and dams. Wetland water level design incorporates gorse/broom patches. Public walking tracks to be sprayed 2-3 times per year.
<b>Pest Animal Control</b>	Network of 35 DOC200 traps set around Rakatu and the neighbouring Redcliff wetlands. Checked on a monthly basis.

### **Forestry:**

Forestry Block 4 had the high prune and thin completed during the year.

Under the Emissions Trading Scheme (ETS), additional carbon units can now be accumulated and claimed in 2017 and the Trust has opted to do this.

### **Ongoing Maintenance:**

Ongoing ground maintenance spraying and grading of the road, walking tracks, dams, boundary fences and pockets of broom occurred in spring. Other tasks carried out this year included the regular toilet and lookout cleaning, minor track, drain and outfall maintenance and some dam wave lap repairs on the Rakatu Dam. The cost of this work was less than expected.

### **Monitoring:**

#### **a). Trap Network.**

The predator trap network installed around Rakatu and the neighbouring Redcliff Wetlands was checked and re-baited on 3 occasions during the year. The results for the 3 years the network has been running are set out below.

<b>Year</b>	<b>Stoats</b>	<b>Ferrets</b>	<b>Weasels</b>	<b>Hedgehogs</b>	<b>Rats</b>	<b>Cats</b>
1/4/2011- 31/3/2012	29	0	1	13	3	1
1/4/2012 – 31/3/2013	28	0	1	12	3	0
31/3/2013 – 13/02/14	29	0	1	10	8	0

The numbers of each pest species caught this year were similar to the last 2 years. The highest catch time for stoats and hedgehogs was in the February/March period.

We know a population of feral cat lives at the wetland complex, and we are investigating appropriate traps to address this pest issue. The network of traps is doing a good job killing stoats. Future trapping results will demonstrate if stoat populations can be significantly reduced. It will be interesting to see if numbers of waterfowl broods and other bird species increase over the coming years as the trapping and spring monitoring counts continue. The trap network complements all other restoration and enhancement work undertaken to date at the wetlands.

#### b). Spring Bird Counts.

The Trust has now been undertaking spring bird counts at Rakatu for five years. The table below is the summary of data from spring bird counts conducted during 2013. Two different wetland habitats were sampled. Three counts 28/11/2013, 10/12/2013 and 20/12/2013 were completed.

**Table: Results of 2013 Bird Counts at Rakatu – Species Present and Numbers.**

Dates	Waterfowl Species and numbers	Water Associated Species	Other
28/11/13	NZ Scaup: 33 + 5 broods, Shoveler : 9 + 1 brood Mallard : 72 + 1 brood Grey Teal : 4 Paradise Duck: 2 + 3 broods Grey Duck: 8 + 1 brood Black Swan: 3 + 1 brood Canada Geese: 3	Pukeko : 3 + 1 brood SI Pied Oystercatcher : 4 Spur-winged Plover : 9 Little Shag : 5 Pied Stilt : 25 Coot: 1 Fernbird: 1	Harrier Hawk: 4 Bellbird: 3 Welcome Swallow: 10
10/12/13	NZ Scaup : 37 + 3 broods Shoveler: 40 Mallard: 39 + 1 brood Grey Teal: 12 Paradise Duck: 4 broods Grey Duck 6 + 2 brood Black Swan: 8 + 1 brood Canada Geese: 2	Pukeko: 2 Little Shag : 7 Black Shag : 1 Pied Stilt: 11 Spur-winged Plover : 4 SI Pied Oystercatcher : 11 Fernbird: 1 BF Tern: 2 WF Heron: 1 B Billed Gull: 3	Harrier Hawk: 5 Grey Wabler: 2 Welcome Swallow: 10
21/12/2013	NZ Scaup : 68 Shoveler: 27 Mallard: 49 + 1 brood Grey Teal: 8 Paradise Duck: 3 + 1 broods Grey Duck 18 Black Swan: 7 Canada Geese: 15	SI Pied Oystercatcher : 14 Little Shag : 15 Pied Stilt : 2 Black-billed Gull: 17 WF Heron: 1	Harrier Hawk: 3 Bellbird: 1 Grey Wabler : 1 Welcome Swallow: 10

The table above shows a total of 8 waterfowl species and 12 water associated species were recorded this year. Species present are similar to those recorded in previous years. The number of waterfowl species is consistent from year to year.

During the year the Trust was contacted by Shawn Herron, a local ornithologist who has been undertaking bird counts at Rakatu. He has carried out 5 surveys to date (19/2/2012, 9/5/2013, 17/7/2013, 29/8/2013 and 14/9/2013). This data has been made available to the Trust and we are very appreciative of his work.

The table below summarises the total number of species recorded at Rakatu over the last 5 years and includes the counts of Shawn Herron.

The data shows a good diversity of species is now resident, resident and breeding or visiting the wetlands.



**Rakatu Wetlands April 2013:** The lower Rakatu dam has suffered some wave lap damage over the past 8 years (above). This was repaired by strategically placing flax and other vegetative material along the face of the dam to act as a natural buffer. **Below**, the job nearing completion.





**Redcliff/Rakatu March 2014:** The upgrade and replacement of older fences around the neighbouring Redcliff Reserve was organised and partly funded by the Trust. This will secure these valuable habitats for decades to come.



**Rakatu March 2014:** The fish survey of 8 wetlands (19 sites) confirmed the presence of Perch at Rakatu. This self introduction is disappointing on the one hand, but this species provides a food source for the Herons and Shags and the Longfin eel population.



**Rakatu Fish Survey:** The wetlands are dominated by a population of large Longfin eel. The largest recorded measured 1.05m and weighed 4kg. The 2007/08 survey produced a similar result, although more Shortfin eels were caught then. There is no doubt that habitats such as Rakatu are very important for the now threatened Longfin eel.



Waterfowl tend to dominate the wildlife population in terms of numbers of birds recorded. Numbers of individual species vary from year to year. All waterfowl species have been recorded as breeding on site, at some stage, over the 5 year sampling period.

The diversity of water associated species at Rakatu reflects the scale and types of habitat available. Shallow shorelines and pasture margins suit the waders. Regenerating native wetland vegetation suit Fernbirds, plus the secretive Australasian bittern and Marsh crake (and chicks) both of which have been observed outside the official survey times. The shag species and White-faced herons are clearly finding a food source within the open water habitats. We have noted an increase in Little shags, since 2009, when the numbers recorded were very low (1 bird over 3 surveys). In 2013 a total of 27 Little shags (over 3 surveys), averaging 9 birds, were recorded. This increase began in 2010 and it may very well correspond to the invasion and establishment of Perch in the wetlands.

The wetlands and their margins provide additional habitat and food source for the bush birds living in the wider area, including Fiordland National Park. The regeneration of wetland vegetation, particularly the flaxes and shrublands, are now visually noticeable and add to the biodiversity values of the wetland complex.

**Table: Species Recorded over 5 years of Spring Surveys, General Observations and the Herron Surveys:**

Waterfowl	Water Associated Species	Other Species	Total
Mallard	Pied Silt	Welcome Swallow	
Shoveler Duck	White Faced Heron	Bellbird	
Paradise Duck	Black Fronted Tern	Grey warbler	
NZ Scaup	Black Shag	Silveryeye	
Grey Duck	Little Shag	NZ Pipit	
Grey Teal	Pukeko	Fantail	
Black Swan	SW Plover	Tui	
Canada Goose	SI Pied Oystercatcher	NZ Wood Pidgeon	
Feral Goose	Australasian Bittern	Harrier Hawk	
	SI Fernbird	NZ Falcon	
	Marsh Crake	Blackbird	
	Black-billed Gull	Song Thrush	
	Black Backed Gull	Dunnock	
	Coot	Skylark	
		House Sparrow	
		Chaffinch	
		Redpoll	
		Goldfinch	
		Starling	
		Yellowhammer	
		Greenfinch	
		Magpie	
<b>9</b>	<b>13</b>	<b>22</b>	<b>44</b>

**c). Fish Surveys:**

In March 2014 the Trust undertook the 5-yearly fish survey of the Rakatu wetlands. It was not an exact replica of the previous summer of 2007/08 survey (Futter 2008), as fine mesh fyke nets were used instead of coarse mesh fyke nets and G minnow traps. Futter sampled 12 wetlands at 43 separate sites. The 2014 survey sampled 8 wetlands at 18 separate sites. Time and resources influenced the extent of the survey. The following table is a summary of the survey results

**Table: Total Number of Fish sampled and species richness of the 8 wetlands surveyed at Rakatu Wetlands (fyke nets), March 2014.**

Species	SS1 (2 sites)	SS2 (3 sites)	SSHP (1)	LCHP (2)	LC2 (2)	LC3 (3)	LC6 (2)	Rakatu (3)	TOTAL
Longfin eel	21	12	10	6	18	7	3	22	99
Shortfin eel	1	0	0	0	1	1	1	2	6
Common river galaxiid	0	0	0	2	0	0	0	0	2
Common bully	1	0	0	0	0	0	0	0	1
Perch	233	96	0	2	12	6	5	264	618
Brown trout	0	1	0	0	0	0	0	0	1
<b>GRAND TOTAL</b>	<b>256</b>	<b>109</b>	<b>10</b>	<b>10</b>	<b>31</b>	<b>14</b>	<b>9</b>	<b>288</b>	<b>727</b>
<b>Species Richness</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>

The survey found Rakatu Wetlands now has a population of introduced Perch (*Perca fluviatilis*). All Perch caught were cohorts of the year (75-110mm); no adult Perch were caught. Perch have probably been in Rakatu Wetlands for at least 3 years, noting that Futter (2008) did not record them in the summer of 07/08. This has been a natural colonisation process. This species is also present in the Waiiau Arm of Lake Manapouri and Lake Rakatu in Fiordland National Park. Their habitat preference is slow flowing or still waters, hence it is not surprising or unexpected they have colonised Rakatu. Their effect on the dynamics of the Rakatu ecosystem and on native fish species is not well understood. One positive is the food source they provide for species such as shags and herons and the eel population.

The native fishery at Rakatu is dominated by large Longfin eel. 99 were caught ranging in size from 40cm to 105cm. The largest Longfin (105cm) weighed 4kg. Only 6 Shortfin were caught. The total eel biomass (Longfin and Shortfin) was 107.1 kg. The average weight (93 eels) was 1.15kg. Further analysis of the fish data is pending.

#### **Vehicle and Visitor Numbers.**

Vehicle number monitoring commenced again in October 2013, after the counter had been used at another site. The vehicle counter operated from 11 October 2013 to 6<sup>th</sup> May 2014, This is the “tourist season” and vehicles averaged **7.6 vehicles per day**. This is within the range of values recorded (4.2-9.9 vehicles per day) for the previous tourist seasons (2006 – 2011).

Visitor numbers to Rakatu, (i.e. people who go walking at Rakatu) continue to be monitored. The visitation patterns reflect previous years, with greatest numbers during the “tourist” season (November to April). The **average number of people per day** over the whole year was **4.6**, ranging between **1.5** (during winter) to **5.4** (during the tourist season). These people mainly go to the Lookout and back to the car park. The Tourist season numbers were back on previous years and this is probably attributable to the very poor weather over the whole of December and January. The people counter installed along the long circular walking track at the southern end of the property (to capture numbers walking the whole of the track system) recorded an **average of 1 person per day** over the whole year. This is a similar result to the last 2 years.



**A5 Stony Creek/Whitestone Habitat Enhancement.**

**Expenditure:** Budgeted - \$1,630, Actual - \$303.

**Achievements and Progress:**

This Trust owned project is located in the mid-reaches of the Whitestone Catchment. Our objectives for this property include restoration of the natural river meander processes of the Whitestone River, wetland creation, protection of a small stream (Stony Creek) and protection of the native vegetation on the terrace escarpment. Two shallow water wetlands were constructed in Dec 2006. As expected these wetlands are largely seasonal, filling over the winter months or during large floods and drying out over summer and autumn. They are built on free draining soils and underlying alluvial sediments. Seasonal wetlands provide valuable habitat for specific wildlife species (waterfowl and waders) and provide diversity of habitat type. Seasonal wetlands are of lesser fishery value. When full, these wetlands have a combined open water area of 2.6 ha and shoreline length of 1160m. At some stage in the future we intend to carry out further field work to assess the potential of supplementing the water supply into the wetlands, thus enhancing their fisheries values.

The Trust is of the view that the purchase of this 17.6 ha property has met its original objectives, in that the floodplain section of the property is again part of the Whitestone River berm, negating the need for ongoing expenditure on the maintenance of the adjacent stop banks. The planned spraying of dam faces and other weed control was not required, hence savings were made.

**A7 Dean Burn Kowhai Riparian Habitat.**

**Expenditure:** Budgeted - \$700, Actual - \$0

**Achievements and Progress:**

The Dean Burn is a tributary of the Waiau River. It arises in Fiordland National Park and the Dean Forest and flows in a southeasterly direction before joining the Waiau River on the true right bank, 1.5km downstream of the Wairaki River.

This reach of the Dean Burn (1.5km) and the adjacent riparian habitat (5.9 ha) is protected, in perpetuity, by a QE II National Trust Covenant.

Under the QE II National Trust's Management Statement for the covenanted area, the Waiau Trust has an ongoing obligation to "progressively control or eradicate" the crack willow within the area, after consultation with the landowner. The 2008 willow removal work plus the 2009 follow up spray work has been successful. No further work at this project was required this year.

**A9 Flaxy Creek Riparian Habitat.**

**Expenditure:** Budgeted - \$5,000 Actual- \$895.

**Achievements and Progress:**

Flaxy Creek is a spring-fed tributary of the Mararoa River and flows parallel to SH 94, east of the Whitestone River, in the Te Anau Basin. Being predominantly spring-fed, it is an important contributor to low flows in the Mararoa River. It is a very stable stream, but grazing stock over the years (mainly deer) has impacted the bed, banks and riparian margins. The stream has significant fisheries values, which need to be protected and enhanced. The Trust identified this stream as being a high priority for protection and enhancement, by riparian fencing back in 1997.



**Ramparts Wetland October 2013:** This small open water habitat at the lower end of the wetland complex (constructed in 2011) has a permanent appearance and holds water throughout the year.



**Ramparts Wetland 2013.** An upgrade of the access way fence occurred this year. The car park is at the end of the short road. Beyond the red tussock margins of the wetland the bog pine in the wetland can be seen.

The total length of the main stem of Flaxy Creek from the confluence with the Mararoa River to the “Lynwood” property is about 9.7km. About 5.8km of the 9.7km length of Flaxy Creek is now fenced. The Trust has assisted with 2.94km of stream fencing, while 2.9km has been fenced by landowners themselves. The Trust has also provided grant money to fence an important spring-fed tributary.

Further fencing opportunities were budgeted for, but no new projects arose. The Trust provided some financial assistance with willow control work within the fenced riparian margin, upstream of SH94.

**A15 Ramparts Road Wetland and Riparian Habitat.**

**Expenditure:** Budgeted - \$2,520, Actual - \$3,490

**Achievements and Progress:**

This wetland property is located 9km northeast of Manapouri, along the Hillside-Manapouri Road. It is accessible to the public from Ramparts Road, via two easements and one main access road has been created on the easement at the lower end of the property.

The Trust has owned this 44 ha property of wetland habitat and associated riparian margins, including 0.4km of outlet stream, since September 2000. This wetland complex is located immediately downstream, and connected to, the 16 ha DOC administered Stevens tributary wetland. A second wetland, of 8 ha, on Landcorp’s Stuart Farm also lies upstream of the Ramparts Road wetland. This Trust project contributes significantly to habitat protection within this sub-catchment. The wetland complexes, lying in the valley floor of this small catchment, are significant habitats and play an important role in sustaining stream flows.

The wetland had been subject to fire, grazing and drainage over the years, resulting in considerable disruption to the ecosystem. Under Trust ownership, these activities no longer take place, so the natural restoration processes occur undisrupted. The native vegetation continues to flourish in the absence of grazing animals.

In 2011 a 1 ha open water wetland at the lower end of the property was constructed. Baseline spring bird counts were carried out in 2011 and 2012. The table below summarises the bird species recorded at the Ramparts open water wetland to date.

**Table: Summary of Ramparts Wetland Bird Species Recorded to Date.**

<b>Water Dependent Species</b>	<b>Water Associated Species</b>
Mallard NZ Shoveler Grey Teal NZ Scaup Paradise Duck	Pied Stilt Spur-winged Plover Black-billed Gull Welcome Swallow

Although a relatively small wetland, it has been colonised by 5 species of waterfowl and 4 water associated species. Colonisation has been rapid. Mallard Ducks and Grey Teal bred at the site in the first spring. This is a good result given the size, the marginal vegetation and the geographic location of the wetland. Its location within an intensively farmed landscape, disconnection from major rivers, lakes and native bush areas, means the diversity of species it will support is limited.

The pest plant control programme, designed to maintain the integrity of the wetland and the indigenous vegetation cover, continued this year. In addition some fence realignment and upgrading work, to ensure the integrity of the fences, was completed. Some minor maintenance around the open water habitat also occurred.

#### **A18 Newlands Wetland Complex.**

**Expenditure:** Budgeted - \$200, Actual - \$0

##### **Achievements and Progress:**

This project was completed in 2008. It is located on Landcorp's Freestone Farm, off the Hillside –Manapouri Road, 11 km from Manapouri township. A series of 5 wetlands were identified by Landcorp Farming Ltd as suitable for restoration. Over the years attempts had been made to drain these habitats, with little success, so it was decided to reverse that process. At the time some re-designing of farm infrastructure was taking place and the wetland habitat restoration was seen as part and parcel of that process. The original vegetation cover of these wetlands was a mix of wire rush beds and sphagnum moss, with red tussock and shrub margins.

Construction of the 5 small dams to restore water levels was completed in April 2007 and the fencing of the habitats and dam structures was completed in July 2007. The Trust contribution included the dam earthworks and 25% of the fencing cost. The 22 ha complex of wetlands (12.8 ha of open water) and their riparian margins are now protected, in perpetuity with a QEII National Trust Covenant. This Covenant provides adequate security over our investment in the restored habitats.

Wetland water levels are well on the way to re-establishing. The long term outcomes for this project will be open water habitat for water dependent bird species, regeneration of wetland plant species and riparian species. No expenditure was incurred on this project this year.

#### **A20 Kepler Trig Wetland**

**Expenditure:** Budgeted - \$1500, Actual - \$625

##### **Achievements and Progress:**

The Kepler Trig Wetland is a 2.0 ha wetland located on Landcorp Farming Ltd's Kepler Farm, between the Manapouri – Te Anau Road and Supply Bay Road. It overlooks Lake Manapouri. The wetland is within the new Landcorp Estates Ltd subdivision (16 house sites) developed during 2010/11. The Wetland itself has a QEII National Trust Covenant (registered on 16/1/2006) and as part of the subdivision consent process, Landcorp Estates Ltd offered to gift this parcel of land to the Trust. The Trust accepted the offer and the walking track and additional fencing were completed during the year as planned. The process of transferring the title of the wetland parcel of land to the Trust was completed in April 2012.

The wetland is a small 2.0ha tarn with a riparian margin, of regenerating native vegetation. Public access to the wetland is via one of the subdivision streets. A semi-circular walking track has been created with a further track leading toward Lake Manapouri and the DOC estate boundary. There is potential to join this track onto a potential new track within the DOC estate, next to Lake Manapouri. There would be benefits for public access to the Lake Manapouri shoreline. Preliminary discussions have been held, but this initiative has not been progressed, due to funding cuts and other priorities within DOC.

Long term, the cost of this to the Trust will be minimal and involve minor track maintenance and spraying from time to time. The only cost incurred this year was the removal of an old maimai next to the tarn. No track maintenance was required.

**A100 Habitat Enhancement Agreements and Joint Waiau Trust/QEII National Trust Projects.**

**Expenditure:** Budgeted - \$ 150,750 Actual - \$96,553

**Background:**

This aspect of the Trust work is split into two parts.

a). The first relates to the Trust's **Habitat Enhancement Agreements** (HEA). This Agreement is designed to provide grant monies to landowners for the fencing of stream and wetland habitats and their riparian margins. The signing of the Agreement by the landowner provides a degree of long-term security for the Trust's investment and security and protection for the enhanced habitat.

The philosophy behind this aspect of the Trust's work is to progressively achieve sub-catchment by sub-catchment wetland and stream enhancement from the headwaters to the confluence with main stem waterways. This results in restoring longitudinal (upstream to downstream) and lateral (riparian) ecological linkages and enhancing habitat for the benefit of fisheries and wildlife.

The Habitat Enhancement Agreement provides grant money as an interest free loan for a term of 20 years. At the 20 year point the grant money will be written off, if the Agreement has been complied with. The penalty for non-compliance during the 20 year period requires the repayment of the capital sum plus interest. If the land changes hands in the 20-year time frame, then the existing landowner must arrange for the new landowner to enter into a replacement agreement with the Waiau Trust. The 20-year term applies from the date of signing by the original landowner. The Trust has adopted the 20-year term, taking the view that riparian fencing will be standard practice within that time frame. Grants vary between 25 and 50% of the total cost of the fence, depending on the ecological value of the habitat.

b). The second part of this work is the **Joint Projects** we undertake with the QEII National Trust and landowners. Trust Field Officer, Mark Sutton is also the QEII National Trust representative for the Waiau Catchment. The joint approach of the Waiau Trust and QE II National Trust is an efficient use of resources, resulting in covenants over parcels of land with high conservation values and fisheries and wildlife habitat enhancement.

In practice the joint approach means parcels of land that meet QE II criteria are covenanted, while those wetlands/streams/riparian margins with specific fisheries and wildlife values continue to be protected by the Waiau Trust's Habitat Enhancement Agreement. From a financial perspective, the Waiau Trust has contributed to the fencing of a number of QE II Covenants, at a grant rate of 25% of the value of the fence. In these cases the Trust does not require the landowner to sign a Habitat Enhancement Agreement, as we are of the view that the QE II Covenant also secures the Trust's interests in protecting the habitat in perpetuity. This arrangement works well.



**Leslie's Wetland**, Kepler Farm, Landcorp Farming. A joint project with QEII Trust, this 3.1ha remnant is now covenanted. It is located in the Supply Bay area and drains to Lake Manapouri.



Joint WT/QEII Trust project – **Sturgess Block** on the Broughton property in the Orauea Catchment. This 4 ha red tussock and regenerating shrubland is now the 5<sup>th</sup> joint project completed on this property. A great effort.



Joint WT/QEII Trust project – “**Atanga**” on the Dodunski property, Te Anau Basin. This 45 ha Covenant of red tussock covered slopes (**above**) and headwater shrubland gullies (**below**) protects Wilderness Creek, a permanently flowing small tributary of the Mararoa River. It has significant native fishery values.





**Above:** Mt Prospect Station, Stony Creek Wetland. This joint WT/QEII project protects 15 ha of wetland in the upper Stony Creek catchment.



**Left:** Mt Prospect Station - Stony Creek as it flows out of the protected wetland. The well vegetated riparian margins enhance the fishery values of the stream and its water quality.

This Covenant adjoins the protected Dawson City complex. It will also link onto a new HEA (nearing completion) over the mid- reaches of Stony Creek on Mt Prospect Station.

This is a good example of the Trust's "headwaters to confluence" approach to habitat enhancement and restoring ecological linkages.



### **Achievements and Progress:**

This area of work remains a key focus for the Trust. Good progress continued to be made during the year. Interest in the Habitat Enhancement Agreement project scheme has continued, with eleven (11) projects being completed this year. Six (6) joint Waiiau Trust/QEII Trust projects were also completed. A further 12 potential new projects were investigated during the year.

Time to completion of these projects can take from a few months to 2 years, which makes annual budgeting difficult. Those not completed in the current financial year are carried over and this was the case this year.

### **HEA Projects:**

The table below documents the 11 projects completed under the HEA category during the year. Protection of 10.89 km of stream and 30.7 ha of riparian habitat was achieved. The Trust now has 59 such agreements on its books. It should be noted, riparian fencing projects are often completed section by section, over a number of years. HEAs are signed at the completion of each section and once the whole project is complete, the HEAs already signed are amalgamated into one new agreement. Two of the 11 projects came under this scenario.

**Table: Habitat Enhancement Agreements (HEAs) Signed This Year.**

<b>Landowner</b>	<b>Location/Stream</b>	<b>Length of Fence (m) Riparian Area (ha)</b>		<b>Stream Length Protected (m)</b>	<b>Capital Cost To Trust (\$)</b>
P & R Mercep	Clifden Caves Stream	4410	5.3	2126	3285
L&G Wilson	Dean Burn Trib	1000	0.7	500	3000
Burwood Station	Mararoa Trib	1840	1.5	622	5520
D Church	Merton Creek	170	0.3	170	531
D McGillray	Fenham Stream Tribs	660	4.8	410	2670
Landcorp Farming, Dale Farm	Whitestone Trib	1480	2.7	700	3870
Landcorp Farming, Dale Farm	Whitestone, Deer Shed	1380	2.5	690	5700
Landcorp Farming, Stuart Farm	Luke's Gully, Whitestone	630	4.8	650	3100
Landcorp Farming, Ewe Burn Farm	Ray's Stream, Upukeroa	2700	1.7	1380	12,825
G & R Cockburn, Mt Prospect	Stony Creek	3480	2.8	1740	3200
G & V Dyson, Motu	Dean Burn Trib	3800	3.6	1900	5700
<b>TOTAL</b>		<b>21550</b>	<b>30.7</b>	<b>10888</b>	<b>49,401</b>

### **Joint Waiiau Trust/QEII Trust Projects:**

The table below details the 6 joint Waiiau Trust/QEII National Trust projects completed this year, protecting 76.6 ha of habitat. These are mainly head water wetlands, gullies and stream systems with significant native vegetation cover, hence they met the QEII National Trust criteria. The Trust now has 81 Joint projects on the books.

The last item on the table below, relates to the upgrade and new fencing around the Redcliff and Rakatu Wetlands. This was a QEII National Trust initiative. They recognised the fact that some of the fencing around the QEII Covenanted Redcliff Reserve is up to 50 years old and in need of maintenance and replacement. The project was funded with contributions from 5 sources. These were the national Biodiversity Condition Fund, QEII National Trust, Fish and Game Southland (owners of the Redcliff Reserve), Whare Creek Station and the Waiiau Trust



An HEA project on Landcorp Farming's **Dale Farm**. A further 700m of the **Fred Burn** is now protected. It links onto previously completed reaches of this stream. Wide riparian margins reduce nutrient losses, protect stream water quality and enhance fish habitats.



This recently fenced tributary of the **Dean Burn** is on the **Wilson** property, Motu. It adjoins the Dean Burn QEII Kowhai Reach Covenant and a previously completed HEA, upstream.



**Burwood Station, Te Anau Basin.** This HEA protects 622m of this small tributary of the Mararoa River. It flows across the intensively farmed flats of the property.



**Luke's Gully on Landcorp's Stuart Farm.** This HEA completed this year protects 650m of stream and the Matagouri and Coprosma riparian margins. It drains to the lower reaches of the Whitestone River. The seed source of natives will result in good recovery of the 4.8 ha.

(both of whom neighbour the Redcliff Reserve). This was a very successful initiative. No additional areas of land were protected.

#### Joint Waiau Trust/QEII National Trust Projects completed this Year:

Landowner and General Location	Description	Fence Length (m)		Capital Cost To Trust (\$)
		Area Protected (ha)		
G & R Cockburn, Mt Prospect	Stony Creek Wetland, Whitestone	2300	15	2587
Landcorp Farming, Stuart Farm	Jack's Gully, Whitestone	3053	8	13707
Landcorp Farming, Kepler Farm	Leslie's Wetland, Lake Manapouri	1185	3.1	2880
GJ Broughton	Sturgess Block,	500	1.5	1500
JS & EZ Richards	Richards Bush,	1032	4	1696
Elya Holdings	"Atanga", Wilderness Creek	10700	45	10871
Fish and Game	Rakatu/Redcliff fencing			2620
<b>TOTALS</b>		<b>18770</b>	<b>76.6</b>	<b>35,861</b>

#### Waiau River Liaison Committee:

The Waiau River Liaison Committee, administered by Environment Southland, also run a stream riparian fencing programme. From time to time we are in contact, in order to catch up on progress, as our work is complementary. Such consultation ensures best use is made of limited resources and good environmental outcomes are achieved.

### 3.2 Output B – Access Projects.

The access projects fulfill Objects (ii), (iii) and (vii) of the Trust Deed.

**Expenditure:** Total for all Accesses: **Budgeted - \$8,100, Actual - \$3,455**

#### Achievements and Progress:

The Trust's efforts to provide public access to the Waiau River and its tributaries continues to be a priority and all accesses are fully operational. Public access to the resources is a broad concept and includes access for specific water based activities such as angling and harvesting the game bird resource, where appropriate. Important also is access for passive recreational pursuits, and in the case of our wetland properties, for education purposes.

The total number of Access Projects remains at 12; the budgets for 3 of these (Rakatu, Ramparts and Home Creek) are associated with and therefore accounted for under Habitat Projects. Key expenditure relates to the maintenance of these accesses, which involves grading, maintenance graveling and spraying of the carriage-way, road side verges and walking tracks from the car parks to the river, as required.

This year maintenance expenditure (in the form of road spraying) occurred at the Redcliff/Jericho, Ramparts, Whare Creek and Sunnyside/Monowai accesses. Grading of the Whare Creek access occurred. Maintenance costs for the other accesses were lower than expected, as spraying and grading is not always needed at every access every year.

The Dean Burn Access is in need of some upgrade work, but the Trust is putting off this work until such time as we further investigate the potential for wetland enhancement on the nearby DOC land.

The vehicle counter was installed on the Jericho access road from mid-November 2012 to May 2013 (173 days) to coincide with the angling season. Vehicle usage of the road averaged **2.2 vehicles per day**.

No new access projects were planned this year. The Trust has a number of potential access projects on the books, which will be investigated when funds allow.

The following table provides details for 9 of the 12 accesses.

### Waiau Trust Access Projects

Access	Location	To Where	Type	Purpose
<b>Whare Creek</b>	Lower Waiau, Blackmount-Redcliff Road. 4.2km d/s Mararoa Weir	Waiau River	1.5km gravel road to car park	Anglers. general recreation
<b>Dean Burn</b>	Lower Waiau, west side, 25km upstream of Tuatapere	Dean Burn & Waiau River	0.5 km gravel road to car park	Anglers. general recreation
<b>Wairaki</b>	Lower Waiau, east side, 25km upstream of Tuatapere	Waiau & Wairaki River	1km gravel road to car park	Anglers. general recreation
<b>Redcliff/Jericho</b>	Waiau. Blackmoun Redcliff Road, 12.6 km downstream of Mararoa Weir	Waiau River	1.62km gravel road to car park.	Anglers. general recreation
<b>Princhester Creek</b>	SH 94. 28 km east of Te Anau	Princhester Creek & Mararoa River	0.5km gravel road, then grassed walkway to river	Anglers. general recreation
<b>Rakatu</b>	Lower Waiau Blackmount -Redcliff Road, 8.8km downstream of Mararoa Weir	Waiau River and Rakatu wetlands	1.4km gravel road to car park. 9 km walking tracks round wetlands and to the Waiau River	Anglers. general recreation. walking, bird spotting, education
<b>Home Creek</b>	Manaponri- Hillside Road, 1.5km from Manapouri	Home Creek	0.8km gravel road, 1.6km circular walking track.	Anglers. general recreation. walking, education
<b>Johnston Access</b>	Dale Road Off Kakapo Road, 16 km from Te Anau	Upukerora River	1.2 km gravel road to car park	Anglers. general recreation.
<b>Pump House Road</b>	Pump House road, off Lynwood Road. 14 km from Te Anau	Whitestone River	0.4 km gravel road to car park	Anglers. general recreation.
<b>Ramparts Wetland</b>	Ramparts Road, off Hillside -Manapouri Road, 11.5 km from Manapouri	Wetland	0.2km gravel road to car park, freedom walking around wetland	General recreation, botanical interest.
<b>Mararoa-Whitestone</b>	Off Hillside-Manapouri Road, 13km from Manapouri and 17.8 km from Te Anau	Whitestone River, Mararoa River and Flaxy Creek	0.75km gravel road to car park	Anglers. general recreation
<b>Sunnyside-Monowai</b>	Off Sunnyside Road, 5km from Monowai Village	Lower Waiau River	0.32km gravel road to car park	Anglers. general recreation.

### **3.3 Output C – Research Projects.**

The research projects fulfill Object (vi) of the Trust Deed.

No expenditure occurred under this Output category this year.

**Expenditure:** Budgeted - \$0, Actual - \$0

### **3.4 Output D – Education, Information and Consultation.**

This Output fulfills Object (vii) of the Trust Deed.

**Expenditure:** Budgeted - \$8,000, Actual - \$5,612

#### **Achievements and Progress:**

Relationships within the community remain a top priority for the Trust. There is no doubt that the most important of all the people the Trust works with are landowners and farm managers. These are the people with whom we work to protect streams and wetlands and provide public accesses to the resources. We continue to work closely with the following organisations – QEII National Trust on protection of wetlands and streams, Landcorp Farming Ltd on protection of wetlands and riparian fencing of streams, Environment Southland (Land Sustainability Team) and the Southland District Council on riparian fencing and protection issues, and the Waiau Working Party. In our day-to-day business we have contact with Department of Conservation, LINZ, Waiau River Liaison Committee, Te Waiau Mahika Kai Trust, Te Ao Marama, Meridian Energy Ltd and Fish and Game NZ, Southland Region. These people and agencies help us progress projects. The Trust is grateful to all those people we have worked with, as their co-operation has enabled us to advance the objects of the Trust and good environmental outcomes in the Waiau catchment.

Our relationship with Meridian Energy Ltd is of particular significance to the Trust, given the role the Trust has in terms of mitigating and remedying the adverse effects of the Manapouri Power scheme on fisheries and wildlife habitat. It is important to keep the relevant Meridian staff up-to-date with Trust projects and progress.

Meridian Energy and the Waiau Working Party (of which the Trust is a member) are currently looking at ways of achieving additional environmental outcomes for the Waiau Catchment. The first step is to understand the current catchment issues, gaps in current research and monitoring programmes and then consider opportunities for aligning programmes to ensure better use of resources to achieve environmental outcomes in the future. This has particular relevance at this time, given the Government freshwater initiatives and will require a close working relationship with Environment Southland. In June 2013 the Waiau Working Party ran a major workshop, looking at the future direction of activities in the Waiau Catchment. The Waiau Trust made a presentation to that workshop about what we have achieved to date and how we see the future of habitat enhancement in the Waiau catchment. The Trust will have a significant part to play in this initiative.

During the year a number of other presentations about the Trust and our work have been made to various community groups. These include the Southern Institute of Technology Environmental Studies students, the Platinum Primary Producers Group and Te Anau Probus. Such opportunities are always taken up as they are a good vehicle for disseminating information about the Trust.

The revamped Trust's website; [www.waiautrust.org.nz](http://www.waiautrust.org.nz), is now live and worth a visit. Thanks go to Tim Mann from Tim Mann Design, Te Anau for helping complete this work.

Each year we print 120 copies of our Annual Report and this is circulated widely in Southland and around NZ. Annual Reports are always sent to the Tuatapere Amenities Trust and Te Waiiau Mahinga Kai Trusts, as required and to the Waiiau River Liaison Committee.

The Trust education policy initiative, of using contract students to carry out project monitoring/research work is viewed as an important aspect of Trust work. No contracts were let this year, but the following list of Trust commissioned reports/research are held by the Trust. Some can be made available upon request:

- a) **Kovacs, Ben (2000):** *"Survey Report for the Waiiau Fisheries and Wildlife Habitat Enhancement Trust Home Creek Protected Area"*.
- b) **Goldsmith, Ruth (2000):** *"Te Wae Wae Whitebait Habitat Survey"*.
- c) **Paterson, Rachel (2001):** *"Te Wae Wae Whitebait Habitat Survey 21-26 January 2001."*
- d) **Mason, Norm & Scott, Ben (2001):** *"A Baseline Survey of Upukerora and Ramparts Road Wetlands for Long-Term Monitoring."*
- e) **Paterson, Rachel & Goldsmith, Ruth (2002):** *"Te Wae Wae Whitebait Habitat Survey, March 2002 and Recommendations 2001–2002"*.
- f) **Stoffels, R.J. (2003):** *"Hierarchically Organised Littoral Invertebrate Communities in Large Oligotrophic Lakes"*. Thesis submitted for degree of Doctor of Philosophy, University of Otago.
- g) **Smith, Chelsea (2004):** *"Survey of Whitebait Habitat Enhancement Ponds at Te Wae Wae Lagoon"*. Report presented as partial fulfillment of the requirements for the Diploma of Environmental Management.
- h) **Paterson, Rachel (2006):** *"Wildlife Communities in Created and Natural Freshwater Wetlands of the Waiiau River catchment, NZ"*. Thesis submitted for degree of M.Sc (Wildlife Management), University of Otago.
- i) **Futter, Julie (2008):** *"Baseline Fish Community Surveys of the Rakatu Wetlands"* Report submitted as partial fulfillment of the requirements for Post-graduate Diploma in Wildlife Management, University of Otago.
- j) **Risk, Jim (2008):** *Dale Farm. Assessment of Riparian Management on Water Quality*. Report prepared by Environment Southland for Landcorp Farming Ltd.
- k) **Gross, Jetzabel, Hicks, Andy, Riddell, Jan & Sutton, Mark ( 2013):** *"Baseline Fish Survey of Constructed Whitebait Habitats at the Waiiau River Mouth, Southland"*.

### 3.5 Output E – Databases.

This Output fulfills Object (vii) of the Trust Deed.

**Expenditure:** Budgeted - \$4,500, Actual - \$2,782

#### **Achievements and Progress:**

The Habitat Enhancement Agreement and Joint WaiiauTrust/QEII Trust Project databases have been maintained during the year. Consistent effort is required to ensure the integrity of our databases. These databases are a very important tool, providing a record of all projects, GPS points, fence lengths and areas protected, expenditure and their progress. The extensive photographic record the Trust now has for all projects continues to be added to in both digital and hard copy form. The habitat enhancement ecological response monitoring reports commissioned by the Trust are also an important part of our information base.

All Waiiau Trust projects are recorded on the 1:50,000 map series. These are a great visual tool and show the extent of the protection of wetlands and streams on a catchment basis. These require constant updating as projects are completed.



### **3.6 Output G – Duncraigen Weir.**

This Output fulfills Object (v) of the Trust Deed.

**Expenditure:** Budgeted - \$0, Actual - \$0

**Achievements and Progress:**

No work was required at the Duncraigen Weir this year.

### **3.7 Output J – Project Investigation and Advice.**

This Output fulfills Objects (i), (ii), (iii) of the Trust Deed.

**Expenditure:** Budgeted-\$12,000, Actual- \$8,627

**Achievements and Progress:**

This output category covers expenditure on investigating new habitat and access projects and providing advice on habitat enhancement and protection. Several projects were investigated during the year.

The role of the Trust's Field Officer with the QEII National Trust requires clear delineation between the Waiau Trust and QEII National Trust interests. Initial project investigation involves a site visit, discussion with, and advice to, the landowner and assessment of the fisheries and wildlife habitat and conservation values. This then leads to a decision about proceeding with the project and if it is solely a Waiau Trust project, a QEII National Trust project or a joint project. The time involved in this process needs to be accounted for in a transparent manner.

This work is very preliminary in nature and often does not result in a project coming to fruition. Such preliminary investigations are often confidential in nature and involve discussions with individual landowners, so it is considered appropriate that recording and reporting expenditure should be under this general category. The Trust is of the view that reporting this expenditure in this manner is a good balance between transparency and the privacy of the Trust and individual landowners.

When potential projects progress to the stage of becoming a certainty, they are assigned separate project numbers.

### **3.8 Output H – General Project Management.**

#### **H3 General Planning.**

**Expenditure:** Budgeted - \$20,000, Actual - \$12,555

**Achievements and Progress:**

This output covers all general planning work, by Planner Jan Riddell, which cannot be readily attributable to a specific project. A number of projects have been worked on this year, in addition to the project planning work. The Annual Plan and Budget and the preparation of the Annual Report come under this output category, as does preparation of meeting agendas, meeting attendance and other day-to-day planning/management issues.

### **1). Monitoring:**

Implementing the Trust's Monitoring Strategy continued this year, with bird counts at Rakatu and Whitebait project sites, fish surveys in the Whitebait habitats and Rakatu and the pest trapping programme at Rakatu. The Strategy defines monitoring programmes that reflect the type and scale of our projects. Ecological response monitoring stems from the need to show the ecological benefits of habitat enhancement. It is a key accountability matter. The Trust hopes to maintain the momentum of this work in coming years.

### **2). Waiau Working Party and Meridian Energy Ltd (MEL):**

The Trust involvement in the Waiau Working Party (Community Consultative Group) continued during the year. The WWP continued to work on the implementation of the Memorandum of Understanding (MOU), signed by most members of the Waiau Working Party (including the Waiau Trust) in 2010. All agree the future focus needs to be on environmental outcomes for the Waiau River and catchment. There will be ongoing discussion around rationalizing the current monitoring programmes associated with the Manapouri Power Scheme and potentially re-directing funds into environmental outcomes. This is of great significance to the Trust as there is potential to pool resources and have a collaborative approach to monitoring. There is also potential for the better use of resources to enhance degraded wetland habitats along the main stem of the lower Waiau River and for other environmental outcomes in the catchment.

### **3). Southland District Proposed Plan:**

Late last year, the SDC released its new District Plan for public submission. The Biodiversity section of the Plan is most relevant for the Trust in terms of our work and Submissions have been lodged.

### **4). Conservation Management Strategy for Southland:**

The Conservation Management Strategy (CMS) is the key DOC planning document for Southland. The draft document placed considerable focus on fresh water places and issues in Southland, including the Waiau Catchment. The Trust made appropriate submissions on the Strategy.

## **H4 General Field.**

**Expenditure:** Budgeted - \$15000, Actual - \$15,798

### **Achievements and Progress.**

This output covers all project related work, by Field Officer Mark Sutton, which cannot be readily attributable to a specific project, for example meeting agenda preparation, meeting attendances, general enquires and other day to day matters that arise.

## **3.9 Output H – Trust Servicing.**

### **H1 General Administration**

**Expenditure:** Budgeted - \$18,750, Actual - \$22,795

### **Achievements and Progress:**

All targets, including maintaining the Trust's financial accounts and records, securing a set of audited accounts for the Annual Report, production and distribution of the Annual Report, negotiating contracts on behalf of the Trust, general office running and performing other administration/secretarial duties as required have been met.

Insurance costs relating to public liability, statutory liability and professional indemnity insurance and asset depreciation are accounted for under this Output.

## **H2 Trust Board.**

**Expenditure:** Budgeted - \$8,900, Actual - \$4,669

### **Achievements and Progress:**

The Trust met on five (5) occasions during the year, incorporating a field trip to Lower Waiau projects in February. Trustees are of the view that this frequency of meetings enables them to keep abreast of project developments and maintain an appropriate level of continuity. The capped meeting fee/travel allowance scheme continued this year.

## **H7 Financial Planning.**

**Expenditure:** Budgeted - \$30,000+, Actual - \$100,708

Last year the Trust decided to review the Investment Strategy and the management of the Fund. This process was ongoing this year, so it was very difficult to budget actual costs of the Fund Management, including transaction & brokerage fees. Major changes occurred in the Fund Management and there were major shifts in the types of investment.

## **B). Compliance, Outcomes and Long -term Performance.**

The Annual Reporting process provides an opportunity for the Trust to critically review, assess and evaluate its performance, for the current year. Section 3 (A) of the report does this in terms of Outputs. Over the longer time frame it is an opportunity to assess our performance in terms of whether outcomes are being achieved.

Aspects of the Trust's activities, requiring this internal outcome audit include compliance with the Charitable Trusts Act 1957, the Trustees Act 1956 and the Trustee Amendment Act 1988. An Outcome audit also needs to look at compliance and performance with the Trust Deed and the Strategic Plan.

Clearly the annual financial affairs of the Trust are subject to mandatory independent audit and the results of this are included in Section 5 of this report.

### **3.10 Compliance with Governing Legislation - Charitable Trusts Act 1957, Trustees Act 1956 and Trustees Amendment Act 1988:**

The legislation governing the operation of Trusts provides the basis for measuring the compliance of Trust activities and business practices.

#### **a). Charitable Purposes:**

The first matter of compliance is around the activities of the Trust being charitable. "Charitable purposes" is defined in Section 38 of the Charitable Trusts Act 1956 and the activities of the Trust comply with (g) and (k) of that section. The Trust is registered with the Charities Commission (Charities Act 2005) to ensure the continuance of the Trust "charitable-purpose tax exempt status". A requirement of the registration and the retention of the "charitable status" is to send a copy of the Trust Annual Report to the Charities Commission each year. This has been done.

#### **b). Prudent Financial Management:**

The second matter relates to Part II, Investment, of the Trustee Amendment Act 1988, which provides key business and investment management compliance measures. Section 13 of the Act is of particular relevance, and places emphasis on prudent management.<sup>1</sup>

The primary source of income for the Trust is from the returns on investment of the Trust Fund. In November 2012 the Trust initiated a major review of the **Investment Strategy** and of the management of the Fund. This is the third time the Trust has conducted such a review, which it considers necessary, from time to time, to fulfill Section 13B and 13E of the Trustees Amendment Act 1988. The Trust sought independent advice and in June 2013 the Trust finalised and approved the revised **Statement of Investment Policy and Objectives (SIPO)**. This SIPO has clearer **objectives** for fixed income and equity assets, including capital preservation, reliable income, diversification to spread risk, long term capital and income growth, liquidity and socially responsible investments. A specific set of **operational parameters** are detailed covering credit rating limits and exposure limits. Finally **reporting** to the Trust is more specific and includes portfolio valuation and performance, cash flow

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<sup>1</sup> It should be noted that the NZ Law Commission is currently consulting on changes to the various Acts governing Trusts and the Trust is keeping a watching brief on this process.

forecasts, maturity profiles, duration and liquidity reports counterparty risk reports and current outlook for the economy and financial markets; all of which will enable good decision making.

Running parallel to this process, the Trust set about interviewing a number of potential Fund Managers. The two following tables represents the outcome of this process. The first details, the new Fund Managers and the amount of money each has to invest. The assignment of money to the new Fund Managers was a gradual process, over several months.

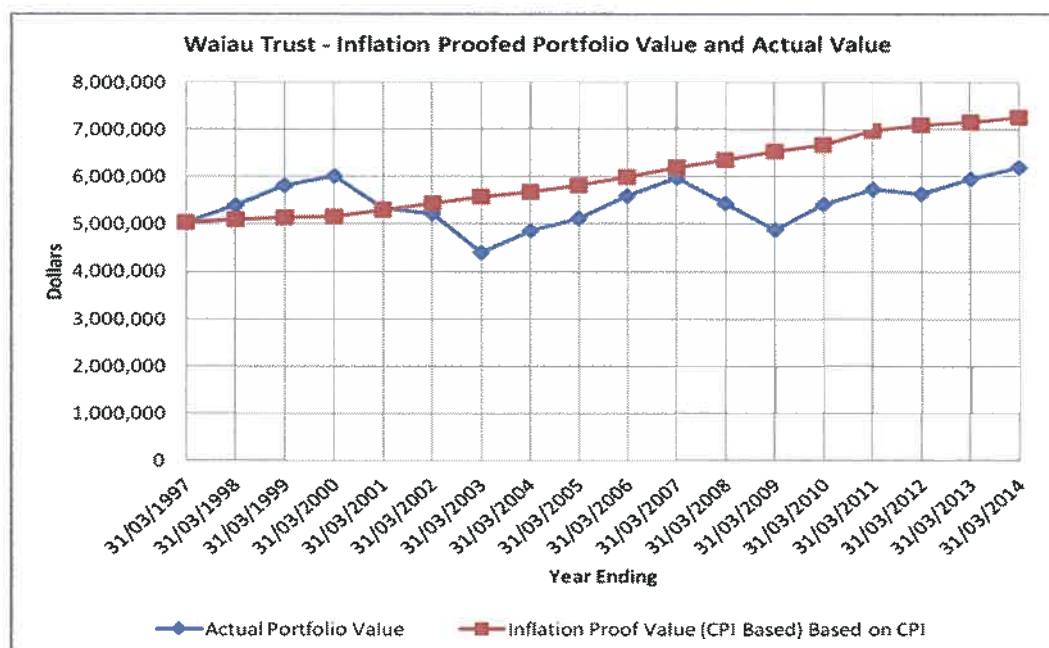
The second is the breakdown of investment type for each Manager, the percentage of the fund in each investment type and how this relates to the Trust targets for each investment type.

**Table: Investment Funds Assigned to new Fund Managers.**

	Craigs Investment Partners	Milford Income Fund	Rose Capital	NZ Asset Managers	Forsyth Barr	Total
Balance at 31 March 2013					6,200,168	6,200,168
Original Investment	2,976,377	2,000,000	720,000	500,000	3791	6,200,168
Balance at March 2014	2,915,365	2,063,573	719,274	512,581	0	6,210,793

Maintaining the value of the Fund, with respect to inflation, is a concern for the Trust. The graph below shows the value of the fund at the end of each financial year (since inception) and the value of the fund, had it been successfully inflation proofed, based on the CPI. It can be seen the actual value has fluctuated around the potential value, with major influences being the global financial issues post 2001 and the 2008 global credit situation. The fund value remains below the level it should theoretically be at.

Our mandate is to produce ecological returns and though it is difficult to put a dollar value on ecological assets, the Trust is of the view that these enhanced ecological assets go some way toward inflation proofing the Fund.



Waiau Trust Investments as at 31st March 2014

	Craigs Investment Partners	Milford Income Fund	Rose Capital	NZ Asset Managers	Total	% of fund	Target %
Cash	\$84,218	\$30,954	\$288,193	\$15,429	\$418,794	7%	5%
<b>Total Cash (I)</b>	<b>\$84,218</b>	<b>\$30,954</b>	<b>\$288,193</b>	<b>\$15,429</b>	<b>\$418,794</b>	<b>7%</b>	<b>5%</b>
NZ Fixed Interest	\$1,085,148	\$1,236,080	\$181,474		\$2,502,702	40%	55%
Australia Fixed Interest & Global	\$113,129		\$24,438		\$137,567	1%	
<b>Total Fixed Interest (I)</b>	<b>\$1,198,277</b>	<b>\$1,236,080</b>	<b>\$205,912</b>	<b>\$0</b>	<b>\$2,640,269</b>	<b>43%</b>	<b>55%</b>
Nz Properties	\$387,563	\$99,051	\$37,400		\$524,014	1%	10%
Aust Properties	\$87,597				\$87,597	1%	
<b>Total Properties (G)</b>	<b>\$475,160</b>	<b>\$99,051</b>	<b>\$37,400</b>	<b>\$0</b>	<b>\$611,611</b>	<b>10%</b>	<b>10%</b>
NZ Equities	\$603,069	\$257,947	\$164,849		\$1,025,865	1%	15%
Australia Equities	\$418,625	\$439,541	\$10,920		\$869,086	14%	13%
International Equities	\$136,016		\$12,000	\$497,152	\$645,168	10%	2%
<b>Total Equities (G)</b>	<b>\$1,157,710</b>	<b>\$697,488</b>	<b>\$187,769</b>	<b>\$497,152</b>	<b>\$2,540,119</b>	<b>41%</b>	<b>30%</b>
<b>Total portfolio</b>	<b>\$2,915,365</b>	<b>\$2,063,573</b>	<b>\$719,274</b>	<b>\$512,581</b>	<b>\$6,210,793</b>	<b>100%</b>	<b>100%</b>

The new SIPO ensures the Trust continues to meet the key business and investment management compliance obligations set out in Section 13E of the Trustees Amendment Act 1988. It is however mindful of the need to think long-term in terms of the Trust's effectiveness and ongoing ability to continue with its valuable habitat enhancement and other project work. Enhanced habitats need to operate in perpetuity to ensure permanent environmental outcomes. Discussions, between Meridian Energy Ltd and the other Trust nominating bodies, about this concept, remain a priority.

**c). Other Income Sources:**

The Trust receives some income from sources other than the investment of the Trust Fund. The Trust owns or leases a number of properties that have the ability to produce income from grazing, production forestry (plus the Emissions Trading Scheme) and harvesting grass for silage/baleage/hay, without jeopardizing the primary purpose of habitat enhancement. Other income generating possibilities include external sponsorship of aspects of projects and disposal of Trust property assets for reinvestment in future projects.

**d). General Financial Management:**

The Trust continues to look for efficiencies and effectiveness in the expenditure of the Trust Fund, in terms of project management, implementation and administrative structures. Reviews of expenditure and reassessment of project priorities throughout the year, depending on investment performance, are considered to be a prudent management approach. Contracts for the provision of secretarial/administration, field and planning services remain cost effective. Records of hours each contractor spends on Waiiau Trust work are kept. Based on 1832 hours being the equivalent of one full-time person, this year contract hours totaled 1473 (including 50 hours for general administration). This is 80% of one full-time person, which is similar to last year.

Trust costs continue to increase and in particular costs associated with earthworks, construction and fencing. Management of our resources will be an ongoing challenge. Habitat and access projects have been established in perpetuity. This will require the permanent provision of resources to manage and maintain all projects. As time moves on, the number of operative projects will increase as will the resources required to maintain them. Operationally this means providing for pest plant and animal control, road maintenance, fence maintenance and other habitat maintenance in the Annual Plan, if the Trust has not reached agreement with other parties to provide for and carry out such work. Financially this means ensuring the returns from investment of the capital fund are sufficient to provide income necessary to meet the ongoing costs of projects created by the Trust, long term. This is an issue of sustainability of the Trust and will require further thought in the future.

The provision of additional services, such as legal, surveying, valuation, audit, construction, fencing and pest plant control, some infrastructure design and installation are contracted as required. The Trust has now built up a portfolio of such service providers, who provide efficient and effective service to the Trust, based on a negotiated price. From time to time a selective tendering process is used to test the market or enable a number of contractors to compete for work. We always try to use local contractors if possible, so that Trust money stays within the local community.

### **3.11 Compliance with the Trust Deed:**

#### **a). Objects of the Trust:**

The major compliance elements in the Trust Deed are the “Objects of Trust”. The emphasis is on enhancement of fisheries and wildlife habitat, facilitation of public access to the enhanced Waiau River and fisheries research, as detailed in the eight specific Objects. Meeting the Objects of Trust are reported in terms of Outputs, on an annual basis and project by project, as per section 3 of this report. All habitat enhancement, access and research projects comply with the Objects and the Trustees have been vigilant when assessing projects to ensure projects are compliant.

There has been activity on 6 of the 8 Objects in the Trust Deed this year. The Trust has actively investigated new projects, particularly those suitable for Habitat Enhancement Agreements (Objects 1 and 2). We have focused on the expanded whitebait habitat project adjacent to the Waiau Lagoon (Object 4 of the Deed), with good progress during the year, with the monitoring of the McCulloch Wetlands and Whitehead wetlands and the design of the new Inder Wetland.

The number of public access roads to the Waiau River and tributaries and wetlands remains at 12, with their maintenance being the primary focus. The 9 km of walking tracks at Rakatu Wetlands and the 1.6 km circular track at Home Creek add significantly to the public access facilities provided by the Trust. These projects continue to meet Objects 2 and 3 of the Deed. Trust habitat enhancement work on private land always presents a dilemma for the Trust in terms of our object of providing public access to resources. The reality is that it is not always possible or desirable to provide such access.

The Trust has 14 major habitat enhancement projects on the books, 4 of which are also accounted for as joint Waiau Trust/QEII National Trust projects. There are 59 completed Habitat Enhancement Agreement projects (AI00) for stream riparian and wetland habitat, plus 81 completed joint Waiau Trust/QEII National Trust projects. These 154 habitat projects come under Object 1, 2 and 4 of the Deed.

The Freshwater Fish Study of Lakes Te Anau and Manapouri, as per Object 6, and maintenance of the Duncraigen Weir, as per Object 5, did not incur any costs this year and no further expenditure is anticipated in the medium term.

Provision of public access and interpretative signage at Trust project sites promotes public understanding of the values for which the Trust was established (Object 7). The Rakatu project contributes substantially to the meeting of Object 7. Visitor numbers to Rakatu Wetlands continue at a reasonably consistent level and we constantly receive positive feedback from visitors. Public access and interpretative panels about whitebait, their lifecycle and habitat requirements are an integral part of the expanded whitebait project, once all new wetlands are completed and operational. The Trust continues to advocate for wetland and stream protection and sustainable riparian management in all relevant local forums, which contributes toward meeting Object 8 of the Deed. Objects 7 & 8 are further met through the website, responding to information requests and making presentations to community groups about the Trust’s work, from time to time.

#### **b) Other Deed Compliance Matters:**

The Trust Deed directs Trustees to “consult at least annually” with the Trustees of the Te Waiau Mahika Kai Trust and the Tuatapere Amenities Trust and to provide them with a copy



of the minutes of Board meetings within one month of the date of each meeting. Supply of our Annual Report has been found to be the most efficient and practical way to communicate. Any day-to-day issues are dealt with on an as required basis. The Trust is particularly supportive of the Te Waiiau Mahika Kai Trust's protection initiatives at their Jericho property, which is in close proximity to Rakatu and the Redcliff Reserve. Consultation with the Tuatapere Amenities Trust has occurred between individual Trustees and Contractors, usually at Waiiau Working Party meetings.

The Trust is required to recognise and have regard to the traditional relationship of the tangata whenua with the resources of the Waiiau River and in particular their interest in the native fishery. The enhancement of habitat for native species continues to be a significant part of all our habitat enhancement projects. We are particularly concerned about the state of New Zealand's eel fishery and view our habitat enhancement work as a significant contribution to sustaining populations of this and other native fish species, particularly in the lower Waiiau catchment. We have a good relationship with Te Ao Marama Inc, who are very supportive of our habitat enhancement work.

The Trust Deed has specific requirements with respect to the Annual Report and Accounts. The first is the keeping of true and fair accounts of all money received and expended. This is covered elsewhere in this report. The second is the publication and circulation of the Annual Report and Financial Statement to the nominating organisations and Meridian Energy Ltd and any other person or organisation requesting a copy. These obligations have been met.

### **3.12 Outcomes - Performance in Relation to the Deed Objects and Strategic Plan:**

This section provides an assessment and evaluation of the annually reported Outputs in relation to the Trust Deed Objects and the Strategic Plan and expresses the Trust performance over time in terms of Outcomes.

The Strategic Plan covers a large number of topics, including legislative framework, land matters, conservation ethics, project security, community relationships, habitat enhancement principles, access principles, visitor facilities, etc. All strategies are designed to aid the smooth running of the Trust. All Strategies have specific associated outcomes.

Outcomes, for the purpose of performance reporting, are the long term cumulative expression of project outputs. They are broad in nature, and measure the positive impacts of the Trust's work. Outcomes have quantity and quality elements over time and place. They need to be measured in order to assess performance

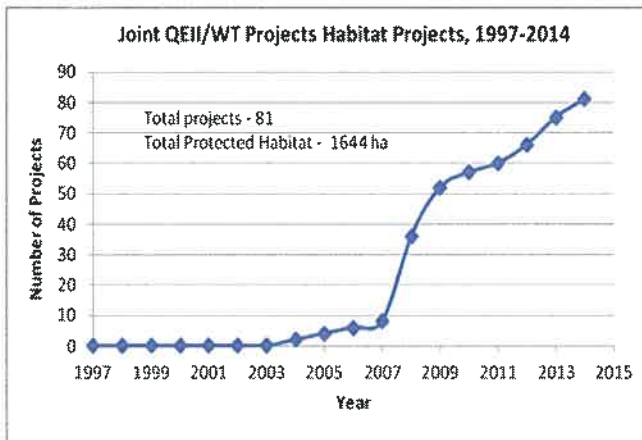
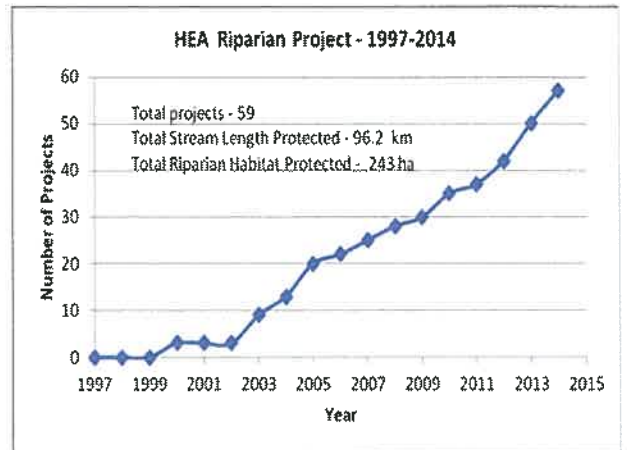
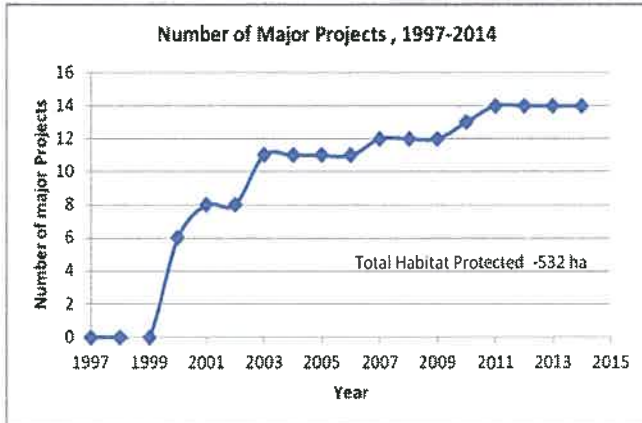
#### **Key Trust Outcomes are:**

- a). Increasing the number and areas of **enhanced habitats** for a wide variety of fishery and wildlife species, in the modified areas of the Waiiau catchment.
- b). **Improving ecosystem health** in the Waiiau catchment by enhancing networks of connected habitats.
- c). Creating **awareness** and building strong **relationships with the community** to advance the Trust's work.
- d). Provision of facilities so the community can **access the river resources** in the Waiiau Catchment for recreational and educational purposes.

**Outcome Performance Measures:**

**a). Enhanced Habitats.**

The following 3 tables and corresponding graphs summarise the quantity and types of habitat created and enhanced and shows progress over time. The Trust has 154 habitat projects, enhancing a total of 2419 ha of habitat. Good progress has been made.



The quality of the enhanced habitats is measured through the monitoring programmes the Trust has developed for projects, based on the Trust Monitoring Strategy (2011). The following table summarise the types of data available for the habitat enhancement projects.

The Monitoring Strategy is very focused, with emphasis on the ecological response and benefits to fisheries and wildlife at major projects. It is not possible, or necessary, to monitor every aspect of every project. The cost would be prohibitive and the ecological benefits of riparian fencing of streams and wetlands are well established and reported widely in the national and international literature. The removal of animals from streams has benefits for stream bed and bank stability as well reducing direct sediment, faecal and nutrient inputs to streams. Protected riparian margins allow vegetation recovery and often regeneration of native species. Healthy swards of riparian vegetation improve the nutrient, sediment and faecal coliform filtering ability of these margins, thus reducing inputs to streams. These are all positive benefits for stream ecosystem health. Our monitoring programmes therefore reflect the type and scale of each project and provide information to indicate progress with the enhancement of the habitat and assist management of the enhanced habitat.

Waiau Trust Major Habitat Enhancement Projects, as at 31 March 2014.

Habitat Projects - Completed/In Progress	Stream Protected (km)	Wetland Protected (ha)	Wetland Habitat created (ha)	Total Habitat Protected (ha of stream, wetland & riparian margins)
Home Creek Riparian Habitat	0.5	minor areas	15.46	14
Lower Waiau Whitebait Habitat	0		19	15.46
Lower Waiau Whitebait Habitat Expansion	0			19
Dean Burn Kowhai Riparian Habitat #	1.5			5.9
Lower Dean Burn Riparian Habitat #	2.6			40 (includes bush)
Flaxy Creek Riparian Habitat *	1.6			4
Upukerora Wetland (Sinclair Road)●	0.4	27	3.9	44
Ramparts Road Wetland	0.4	33	1	44
Rakatu - Wetlands	13.3	65	49	148.5
Freestone Wetland#	2.3	67.8		67.8
Stony Creek/Whitestone Riparian Habitat	1.5		2.6	17.6
Nowlands Wetlands Complex #		22.3	12.8	29.9
Glen Echo - Lady Burn & Tribs#	4.9			80
Kepler Trig Wetland		2		2
<b>TOTAL</b>	<b>29 km</b>	<b>217.1</b>	<b>103.8</b>	<b>532.2</b>

# Joint project with QEII National Trust

\* Joint project with Environment Southland

● Property on sold

### Waiau Trust & QE II National Trust Joint Projects - March 2014

Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)
Mararua	Stevens Farm Kettles	Landcorp Farming	Stevens Farm	1,625	6.4
Reidsdale+ Whitestone	Webbs Wetland	Landcorp Farming	Lynmore Farm	110	9.4
Orauea	Kowhai Reach'	B Collie & F Hopkins	1313 Ohai-Cliffden Hwy	2,370	3.1
Mararua	Lynmore Tarns	Landcorp Farming	Lynmore Farm	2,220	8.9
Mararua	Hikuraki Gap Wetland	Landcorp Farming	Hikuraki Farm	650	23.1
Eweburn Stream	Pyramid Wetland	Landcorp Farming	Ewe Burn Farm	1,940	20.0
Eweburn Stream	Morgans Wetland	Landcorp Farming	Ewe Burn Farm	810	6.2
Wash Creek	McKenzie Swamp	Landcorp Farming	Hikuraki Farm	1,492	27.0
Home Creek	Deans Wetland - Kepler	Landcorp Farming	Kepler Farm	800	4.1
Home Creek	Kepler Airstrip Wetland	Landcorp Farming	Kepler Farm	680	9.4
Thomas Burn	Rough Gully	Landcorp Farming	Mararua Station	1,900	61.6
Flaxy Creek	Lynmore Canyon	Landcorp Farming	Lynmore Farm	1,009	15.1
Upukerora	Tibbles Wetland	Landcorp Farming	Eweburn Farm	2,400	51.6
Upukerora	Round Barn Wetland	Landcorp Farming	Eweburn Farm	900	7.4
Ramparts Stream	AWS Wetland Ramparts Street	Landcorp Farming	Stuart Farm	6,749	86.6
Waiau Mainstem	Thomas Covenant	R & A Thomas	879 Cliffden Highway	170	3.6
Upukerora	Eweburn Wetland	Landcorp Farming	Eweburn Farm	3,000	31.5
Thomas Burn	Thomas Burn	Landcorp Farming	Mararua Station	12,011	148.9
Whitestone	Lake Echo	Landcorp Farming	Mararua Station	2,760	61.6
Eweburn Stream	Lees Wetland	Landcorp Farming	Eweburn Farm	470	5.0
Lake Te Anau	Sues Garden	Landcorp Farming	Eweburn Farm	4,400	155.5
Upukerora	Hankinson Bush	Landcorp Farming	Eweburn Farm	690	4.1
Linton Stream/ Orauea	Wildings / Wilanda Downs	Landcorp Farming	Wilanda Downs	940	29.9
Linton Stream/ Orauea	Broadleaf Bush/Wilanda Downs	Landcorp Farming	Wilanda Downs	1,175	8.6
Upper Waiau	Schaumanns Wetland	Landcorp Farming	Kepler Farm	960	1.4
Home Creek	Allen's Wetland	Landcorp Farming	Kepler Farm	860	8.4
Lake Te Anau	Ten Mile Swamp	Landcorp Farming	Eweburn Farm	1,715	13.7
Lake Te Anau	Seven Mile Swamp	Landcorp Farming	Eweburn Farm	600	3.7
Whitestone /Stony Creek	Lynmore - Extension	Landcorp Farming	Lynmore Farm	1,235	21.8
Upukerora	Te Anau Hill	Landcorp Farming	Dale Farm	2,485	103.7
Redcliff Creek/Jericho Creek	Matt's Shrubland + extension	Landcorp Farming	Jericho Farm	1,720	12.8
Mararua	Inkersells Wetland	Landcorp Farming	Stuart Farm	1,400	6.4
Mararua	Geoff's Wetland	Landcorp Farming	Stuart Farm	700	3.0
Mararua	Bottom Knobby Wetland	Landcorp Farming	Stuart Farm	400	3.1
Whitestone	Simon's Gully	Landcorp Farming	Stuart Farm	530	5.2
Ramparts Stream- Upper Waiau	Ramparts Airstrip Wetland	Landcorp Farming	Stuart Farm	920	4.6
Mararua	Liko's Wetland	Landcorp Farming	Stuart Farm	650	3.1
Grassy Creek	Wairaki Station Bushland	Richard & Trudy Slee	Blackmount RD 2 Orautau	2,700	19.7
Whitestone	Andy's Wetland	Andrew Gillespie	55 Ramparts Rd, Te Anau	700	3.3
Whitestone Fried Burn	Gordon's Gully	Landcorp Farming	Dale Farm	800	11.9
Whitestone	Cricket Ground	Landcorp Farming	Dale Farm	3,400	40.3
Whitestone	Kitts Bog Pine	Landcorp Farming	Dale Farm	890	3.9

Waiau Trust & QE II National Trust Joint Projects Continued					
Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)
Wash Creek	Ramhill 1 & 2	Landcorp Farming	Hikuraki Station	6,280	35.2
Mararoa/Lagoon Cr	Waynes Gully	Landcorp Farming	Lynmore Farm	500	3.2
Te Anau tributary	Tom's Wetland	Landcorp Farming	Ewe Burn Farm	7,800	38.4
Mararoa	John's Wetland	Landcorp Farming	Freestone Farm	1,700	31.2
Mararoa	Rough Wetlands + extension	Landcorp Farming	Lynmore Farm	1,900	6.6
Mararoa	Tim's Gully	Landcorp Farming	Mararoa Station	5,120	24.7
Upper Waiau	Kepler Five Bush	Landcorp Farming	Kepler Farm	2,030	3.9
Orauea	Olivers Bush	G & J Broughton	Feldwick	2,610	5.1
Fred Burn	Fred Burn	Landcorp Farming	Dale Farm	7,390	14.3
Marshburn -Orauea	Cassells & Church	David Church	Feldwick	4,127	9.1
Wash Creek - Mararoa	One Tree Wetland	Landcorp Farming	Centre Hill Station	3,645	16.7
Mararoa	Lagoon Creek Wetlands	Landcorp Farming	Lynmore Farm	1,890	8.9
Lower Waiau	Mannings Wetland	Landcorp Farming	Duncraig Farm	2,645	11.0
Lower Waiau	Big Bend Wetland	Landcorp Farming	Duncraig Farm	1,255	8.0
Wash Creek - Mararoa	Kerry's Wetland	Landcorp Farming	Haycocks Station	1,685	12.1
Lagoon Cr. Thomas Burn	Templetons	Landcorp Farming	Mararoa Station	3,500	19.1
Waiau River	Roses	Landcorp Farming	Duncraig Farm	1,750	7.0
Lagoon Creek	Bartletts	Landcorp Farming	Mararoa Station	4,710	63.1
Lake Te Anau	Four Mile	Landcorp Farming	Eweburn Farm	1,055	7.0
Lower Waiau	Addenbrooke & Harris	Addenbrooke & Harris	2604 Ohai - Clifden Hy	460	9.8
Lower Waiau	Office	Landcorp Farming	Duncraig Farm	570	8.9
Lower Waiau	Collar	Landcorp Farming	Duncraig Farm	995	9.8
Mararoa	Dale Burn trib.	Landcorp Farming	Mararoa Station	2,920	17.2
Whitestone	Dawson City - Mt Prospect	R, G&R Cockburn	3348 Kakapo Road, Te Anau	4,800	3.0
Waiau Arm	Ibbotson's Riverslea	Landcorp Farming	Riverslea Farm	1,450	6.5
Orauea	Pearce & Spencer	R & K Pearce, N Spencer	172 Mulvey Road, Otautau	2,075	32.7
Orauea	Stirling Wether Hill	PM, HM & WA Stirling	277 Wether Hill Road, Otautau	800	17.5
Whitestone	Gerry's	Landcorp Farming	Dale Farm	2,050	11.6
Mararoa	Anitas	Landcorp Farming	Mararoa Station	2,280	20.9
Lower Waiau	Bert's	Landcorp Farming	Duncraig Farm	1,183	4.5
Lower Waiau	Tim's	Landcorp Farming	Duncraig Farm	809	4.5
Orauea	Wilson's Moffat Bush	G A Wilson	344 Clifden Gorge Road, Otautau	2,200	15.0
Lake Te Anau	Podocarp	Landcorp Farming	Eweburn Station	720	2.4
Waiau River	Richard's Bush	J & E Richards	Ohai Clifden Hwy, RD 2, Otautau	1,032	8.9
Whitestone	Jack's Gully	Landcorp Farming	Stuart Farm	3,053	8.9
Lake Manapouri	Leslie's Wetland	Landcorp Farming	Kepler Farm	1,185	3.1
Orauea	Broughton Sturgess Block	G & J Broughton	640 Scotts Gap Feldwick Rd, RD 2, Otautau	500	4.5
Wilderness Stream	Groundwater - Atanga	AP&BJ & MD Groundwater	450 Glassford Road, RD1, Omakau	10,700	45.0
Whitestone	Stony Creek Wetland	GR, GW& RJ Cockburn	1338 Kakapo Rd, RD 2, Te Anau.	2,300	15.0
			<b>Total</b>	<b>177,739</b>	<b>1,643.6</b>

**NB\* Projects in red are approved by QEII Trust, but Covenants not yet registered.**

Habitat Enhancement Agreements (HEA) March 2014						
HEA #	Sub catchment	Waterbody Name	Landowner	Fence length (m)	Stream length (m)	Area (ha)
101	Little Creek	Little Creek	Whare Creek Partnership	860	430	0.43
102	Humbog Creek	Humbog Creek	P & K Gow	1050	1050	1.05
103	Mclvor Creek	Mclvor Creek	P & K Gow	1050	1050	1.05
106	Dean Burn	Dean Burn	NZ Deer Farms	1770	2470	7.08
107	Upukerora	Tibbles Str. (Now Carole's QEII OSC)	Landcorp Farming Ltd - Ewe Burn	11065	5532	22.50
110	Whitestone	Kakapo Swamp Outlet Stream	Owen Buckingham	1400	1400	4.20
112	Mararoa	Thomas Burn	Landcorp Farming Ltd- Mararoa Str	3180	5500	13.80
113	Mararoa	Wash Creek	Landcorp Farming Ltd- Haycocks	6220	3685	12.70
114	Upper Waiau Mainstem	Ramparts Stream	Landcorp Farming Stuart Farm	810	405	0.50
115	Whitestone	Unnamed Streams	Kevin Woolhouse	2270	1135	1.40
116	Lake Manapouri	McLeods Drain Home Creek	Landcorp Farming Ltd - Freestone	4850	2715	5.40
117	Waimotu Stream	Waimotu Stream	Graeme & Dorothy Dodd	3340	1670	1.67
118	Lilburn	Unnamed Streams	Neil & Gray Robertson	4200	3450	3.33
119	Flax Creek	Flax Creek	Montana Farming Ltd, P & M Tippett	3000	1500	3.75
120	Whitestone	Dawson City Wetlands	Landcorp Farming Ltd - Mararoa Str	3720	0	16.00
122	Waimotu Stream	Waimotu Creek	Seaview Trust	2200	1100	1.10
123	Makarewa Stream	Makarewa Stream	Peter Baker	520	520	5.20
124	Makarewa Stream	Makarewa Stream	S.Slee	828	1450	14.50
125	Kowhai Creek	Kowhai Stream	Graeme & Dorothy Dodd	870	2510	2.51
126	Dean Burn	Trib Dean Burn	P Marshall, Mount Spence Holdings	900	900	1.35
127	Whitestone	Unnamed streams	Landcorp Farming Ltd - Dale Farm	9980	4990	8.72
128	Waimotu & Kowhai Stream	Waimotu & Kowhai Stream	M & K Erskine	1175	1175	2.90
129	Waimotu Stream	Waimotu Stream	Graeme & Dorothy Dodd	480	240	0.50
130	Kowhai Creek	Kowhai Creek	Bruce Howden	1280	640	1.70
131	Orauea	Unnamed Tributary	Glenbae Ltd - E & A Cade	600	300	0.80
132	Lower Waiau Mainstem	Humbog, Grassy, Mclvor Creek	Peter & Kerrie Gow	3130	1565	1.57
133	Orauea	Morley Stream	Landcorp Farming - Wilanda Downs	1400	1400	2.80
134	Lilburn	Fenham Creek trib	David & Sarah MacGillivray	670	335	1.00
135	Home Creek/Kepler Mire	Stuart Farm - Radio Mast	Landcorp Farming Stuart Farm	450	250	1.00
136	Mararoa	Grassy Creek	Richard & Trudy Slee	900	780	1.60
137	Camp Creek	Camp Creek	Bevan Collier & Fiona Hopkins	9600	6180	6.20
138	Lower Waiau Mainstem	Merton Creek	David Church	1705	1705	4.80
139	Orauea	Orauea River	Gary Hopcroft	1190	1190	1.00
140	Mararoa	Unnamed trib - Mararoa	Roderick McCall & Anne Roska	265	130	0.33
141	Flax Creek	Flax Creek	Benny & Beverley Verhoeven	2125	1990	5.97
142	Orauea	Marshburn Stream	Christopher Lindsay	1638	1638	1.20
143	Hollyburn	Hollyburn	Thomas O'Brien	1400	710	1.45
144	Mararoa	Spring Trib	Graeme & Joy Gunn	1120	700	1.38
145	Mararoa	Thomas Burn Trib	Landcorp Farming - Mararoa Str	1450	725	1.10
146	Wairaki	Grassy Creek Trib	Russell & Elizabeth Gray	600	600	0.82
147	Mararoa	Wilderness Creek	David Dudanski-ELVA Holdings	6670	5592	7.60
148	Orauea	Morley Tribs	Landcorp Farming - Wilanda Downs	6410	4340	11.80
149	Kowhai Creek	Kowhai Creek tributary	Graeme Dodd	1110	550	0.90
150	Orauea	Marshburn Stream	HC & LM Gill	1960	1960	2.30
151	Lower Waiau	Excelsior Creek	Landcorp Farming - Duncaigen Farm	1178	750	3.90
152	Lower Waiau	Cliffden Caves Stream	Phillip & Rebecca Mercep	4410	2126	5.30
153	Waiau Arm Lake Manapouri	John's Outfall tributaries	Landcorp Farming - Riverslea Farm	2235	2090	3.80
154	Mararoa River	Lagoon Creek	Landcorp Farming - Mararoa Station	1350	940	1.50
155	Mararoa River	Mararoa River	Landcorp Farming - Lynmore Farm	3608	1850	5.73
156	Whitestone	Fred Burn Stream	Landcorp Farming - Dale Farm	4800	2364	8.70
157	Dean Burn	Dean Burn tributary	Unsey & Glenda Wilson	1000	500	0.70
158	Mararoa	Unnamed trib - Mararoa	Burwood Station - Hamish McLean	1840	622	1.50
160	Whitestone	Unnamed trib - Whitestone	Landcorp Farming - Dale Farm	1480	700	2.70
161	Orauea	Fenham Stream trib	David McGillivray	660	410	4.80
162	Dean Burn	Unamed trib Dean Burn	G & V Dyson	3800	1900	3.60
163	Whitestone	Unnamed trib - Whitestone	Landcorp Farming - Stuart Farm	630	650	4.80
164	Upukerora	Ray's Stream	Landcorp Farming - Ewe Burn Farm	2700	1380	1.70
165	Whitestone	Unnamed trib - Whitestone	Landcorp Farming - Dale Farm	1380	690	2.50
166	Whitestone	Stony Creek	G & R Cockburn - Mt Prospect	3480	1740	2.80
			<b>Total</b>	<b>147,492</b>	<b>96,169</b>	<b>243.29</b>

### Habitat Enhancement Project Data Bases and Monitoring Information

Habitat Enhancement Project	Types of Data Available.
Home Creek Riparian Habitat	Baseline fisheries data, Baseline vegetation survey, Permanent photograph points and monitoring of re-vegetation sites.
Lower Waiau Whitebait Habitat	Pond physical properties, Colonization – macrophytes and fish, fish biomass, (4 reports, 1999-2003). Photograph records Spring bird counts and preliminary fish surveys on new habitat -2011, 2012, 2013. Flow volumes through wetlands Baseline fisheries surveys of Whitehead and McCulloch Wetlands – 2013 and 2014
Dean Burn Kowhai Riparian Habitat	Occasional spring native bird counts, Monitoring of kowhai vegetation and willow control, Permanent photograph points.
Rakatu	Baseline reconnaissance survey of natural wetland vegetation, Baseline stream hydrology, Fisheries and wildlife surveys and comparisons with other habitats, Photographic records. M.Sc. project funded, includes baseline fish community surveys Fish Survey, (J Futter 2008) Fish Survey 2014 Spring Bird counts completed 2010, 2011, 2012, 2013 Predator trap network installed 2011 and maintained. Pests tallies. Visitor numbers (2006-2014).
Upukerora Wetland	Baseline vegetation survey, Permanent photograph points, Baseline fisheries survey, wildlife counts – pre and post wetland construction
Ramparts Wetland	Baseline vegetation survey, Permanent photograph points, Anecdotal monitoring of wetland water levels for forward planning Spring bird counts 2011, 2012
Flaxy Creek	Water quality data above and below fenced stream, Photographic records
A100 Projects	Photographic records of all projects. Water Quality data - Dale Farm, Baseline fishery surveys of a number of streams 2010. Annual inspections as per QEII Trust requirements

With each passing year more data becomes available for the monitored projects. Ecological outcomes of particular note are the fishery and bird monitoring results at the Whitebait habitats. This project site started with grass paddocks. The creation of wetlands has produced productive fishery and wildlife habitats, linked to the Waiau Lagoon and the Waiau River, in a very short time.

The Waiau Working Party, MEL and Environment Southland are taking a strategic look at all the existing monitoring programmes in the catchment (including those relating to the effects of the Manapouri Power Scheme). There is potential for some rationalisation of these programmes and for greater cooperation and integration of information between organizations, including the Trust, so available resources can be used more efficiently and effectively for environmental outcomes.

#### **b). Improved Ecosystem Health:**

The Waiau community, as expressed through the Waiau Working Party, is now focusing on improving ecosystem health of the Waiau River and catchment. The Trust's habitat enhancement strategies and the way we implement them will produce long-term positive outcomes for ecosystem health. The Trust takes an ecosystems approach to habitat enhancement. This means understanding past disruption to stream and wetland ecosystem processes. We take a sub-catchment by sub-catchment approach and restore longitudinal (headwaters to confluence) and latitudinal (riparian) linkages.

In practice it results in enhanced habitats and enhanced connectedness and networks. The Trust has now achieved the complete protection of wetlands and watercourses in a number of sub-catchments, particularly in the Te Anau basin. These sub-catchments are detailed in the following table.

### Sub-catchments Completed

Sub- catchment	Location	Hydraulic Connections
Thomas Burn	Mararoa Station	Mararoa River
Ewe Burn	Ewe Burn Station	Lake Te Anau
Duncraigen Wetlands	Duncraigen	Lower Waiau and Paddock Hill (Fiordland N Park)
Lady Burn	Glen Echo and Mararoa Station	Whitestone River
Ramparts Stream	Stuart Farm	Upper Waiau
Upper Lagoon Ck	Mararoa Station & Lynmore	Mararoa River
Waimotu	Papatotora	Lower Waiau and Te Wae Wae Lagoon.
Kowhai Ck	Papatotora	Lower Waiau and Te Wae Wae Lagoon.

The Thomas Burn, Ewe Burn, LadyBurn, the upper reaches of Lagoon Creek are significant native fisheries in the Te Anau Basin. The Waimotu and Kowhai Ck are very productive lowland native fisheries, so their protection is of particular note.

Ecosystem restoration, through habitat enhancement is a complex and slow process, but there can often be immediate results. The regeneration and re-establishment of native vegetation takes decades, but the colonisation of created wetland habitats by wildlife can occur within a matter of months; establishment of sustainable fisheries takes longer. We have seen the beginnings of a recovery of remnant native vegetation at Home Creek (in wet areas and along stream banks), aided by restoration plantings. The colonisation by macrophytes, inanga, cels and bullies in some of the original whitebait habitat enhancement ponds was rapid, as has been the colonization of the “Whitehead Suite” and new “McCulloch Suite” of wetlands at the same locality. The expansion of bird life into new habitats at Rakatu was rapid and permanent.

The Trust is confident that over time the cumulative effect of all Trust projects will be very positive for the Waiau catchment ecosystem and its fisheries and wildlife values.

#### c). Community Relationships and Awareness:

Community relationships and the Trust’s identity within the Waiau Catchment and wider community are important aspects of our Strategic Plan. The Trust is well aware that habitat enhancement and access projects would not be possible without the co-operation of individual landowners and the wider community. In achieving the 154 habitat enhancement and 12 access projects, the Trust has worked with at least 75 individual landowners and managers. All this work is carried out within a context of also considering the practicalities of every-day farming and other land use activities. This approach is working well, with mutual benefits for both landowners and fisheries and wildlife habitat being achieved.

The Trust has become established as an independent entity contributing to fisheries and wildlife habitat enhancement and management in the Waiau River catchment. Building and maintaining working relationships with individual landowners, Landcorp Farming Ltd, Department of Conservation, LINZ, Southland District Council, Environment Southland, QEII National Trust, Meridian Energy Ltd, Solid Energy Ltd, Te Waiau Mahika Kai Trust,



and Te Ao Marama Inc. remains a top priority. The outcome of this effort over time has resulted in some very good habitat enhancement and access projects. The co-operation of these people and their understanding and acceptance of the Trust's work is very important to the Trust.

The number of ongoing enquiries the Trust receives from landowners and the number of new projects completed each year is testament to the high level of public awareness of the Trust and the good community relationships that have been established.

**d). Access to Resources:**

Public access to habitat enhancement projects to encourage passive recreation, educate the public about fisheries and wildlife and promote the Trust's work is an important part of the Strategic Plan. The Trust has placed great emphasis on providing quality roads (**12 in total**) and other visitor facilities at project sites; the Rakatu Wetlands project being a good example as will the facilities we eventually provide at the whitebait project at the Waiau Lagoon.

Vehicle and/or walking access is available on our own private title, via easement (Right of Way) or across Crown land at 6 of the major projects. The other access projects provide access to various rivers in the catchment. Use of these facilities occurs at a steady, consistent level, where measured. Access, where provided is free to all.

The Habitat Enhancement Agreement places lesser importance on public access as many of these projects are on private land, often well away from public roads. Access is available at some of these project sites or upon request from the landowner.

**Other Outcomes:**

The Trust sees itself as operating in perpetuity. The enhancement of habitats and provision of accesses are seen as being permanent outcomes.

All access and habitat enhancement projects have been approached with the security of the Trust's investment and protection of the enhanced habitats in mind. This approach inevitably involves survey and subdivision, which can be expensive, but certainty for the future is paramount. Mechanisms used to date include ownership, covenants, easements, public road status, management agreements and the Trust's own Habitat Enhancement Agreement.

In terms of security of the enhanced habitat itself and the provision of grant monies under Habitat Enhancement Agreements for riparian fencing of streams, the Trust is now placing a greater emphasis on the conservation ethics of individual landowners. This is considered to be a precautionary measure given the 20-year time frame of those Agreements. If people have good conservation ethics then the Trust has greater confidence that Agreements will be complied with. To date three (3) agreements have been nullified; 59 are in place.

#### **4. Summary of the Year and Future Operation of the Trust.**

The seventeenth full year of operation of the Trust has resulted in the continuing fulfillment of the eight specific Trust Objects.

The following is a list of achievements the Trust considers to be the highlights for the year:

- Approval and implementation of the Statement of Investment Policy and Objectives (SIPO).
- Appointment of 4 new Fund Managers.
- Ongoing filling and monitoring of the whitebait habitats (Whitehead Suite, built in March 2009 and the McCulloch Suite (constructed in March 2012), at the mouth of the Waiau River.
- Design and planning for the new Inder Wetland at the whitebait habitat project site.
- A repeat of the February 2013 baseline fish survey of the whitebait habitats in February 2014.
- Completion of 11 HEA projects protecting 10.9km of streams and their riparian margins.
- Completion of 6 joint Waiau Trust/QEII Trust projects protecting 76.6 ha of wetlands, streams and bush.
- Investigation of 12 new wetland and stream riparian protection projects.
- Maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Completion of the 5 yearly fish survey of the Rakatu Wetlands in March 2014
- Completion of the upgrade of the Trust website.
- The ongoing relationships between the Waiau Trust and the QEII National Trust, Landcorp Farming Ltd and Meridian Energy Ltd.

Looking to the future:

- The Whitebait habitat expansion project offers further potential for habitat enhancement and will require further resources over the next 2-3 years to complete.
- There are a number of potential wetland habitat enhancement opportunities along the main stem of the Lower Waiau River, yet to be fully investigated.
- There is huge ongoing opportunity for Habitat Enhancement Agreement and Joint Waiau Trust/QEII Trust projects.
- There are a number of potential new public access opportunities to be followed up.

While recognizing there is an enormous amount yet to be achieved, the Trust is proud of what has been achieved to date and wishes to place on record their appreciation of the dedicated and professional work done by Mark Sutton and Jan Riddell in turning dreams and aspirations into reality.

#### **Contacts:**

Postal Address: Waiau Fisheries and Wildlife Habitat Enhancement Trust  
P O Box 159  
Invercargill 9840

Telephone: 03 2159117

Fax: 03 2159118,

Email: [admin@waiautrust.org.nz](mailto:admin@waiautrust.org.nz)

Website: [www.waiautrust.org.nz](http://www.waiautrust.org.nz)

# Waiau Fisheries And Wildlife Habitat Enhancement Trust

## 2014 Report And Financial Statements

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### CONTENTS

Directory	1
Compilation Report Disclaimer of Liability	2
Statement of Financial Performance	3 - 6
Statement of Movements in Equity	7
Statement of Financial Position	8
Statement of Cash Flow	9
Notes to the Financial Statements	10 - 14
Auditor Report	15

# Waiau Fisheries And Wildlife Habitat Enhancement Trust

## Directory

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<b>Nature of Business</b>	As a charitable organisation. The objectives of the Trust are to enhance and develop fisheries and wildlife habitat in the Waiau River Catchment.
<b>Trustees</b>	<ul style="list-style-type: none"><li>- Cam McCulloch - Chairman</li><li>- Roger McNaughton - Southland Fish &amp; Game Council (Resigned 27/3/13)</li><li>- Glenys Dickson - Dept of Conservation</li><li>- John Whitehead - Dept of Conservation</li><li>- Mike O'Brien - Rural Community Representative</li><li>- Fred Inder - Southland Fish &amp; Game Council</li><li>- Sheila Watson - Meridian Energy (Resigned 27/3/13)</li><li>- Peter Sutton - Southland Fish &amp; Game Council (Appointed 27/3/13)</li><li>- Andrew Fierabend (Appointed 27/3/13)</li></ul>
<b>Secretary</b>	Southland Fish & Game Council <b>INVERCARGILL</b>
<b>Solicitors</b>	Preston Russell Solicitors <b>INVERCARGILL</b>
<b>Investment Advisors</b>	Forsyth Barr  Craigs Investment Partners <b>INVERCARGILL</b>  Rose Capital <b>CHRISTCHURCH</b>  Milford Asset Management <b>AUCKLAND</b>  NZ Asset Managers <b>AUCKLAND</b>
<b>Auditor</b>	Crowe Horwath Chartered Accountants <b>INVERCARGILL</b>
<b>Charities Commission</b>	Registration Number: CC20449

This Statement is to be read in conjunction with the Auditor's Report and notes to the Financial Statement

# Waiau Fisheries And Wildlife Habitat Enhancement Trust

Compilation Report - Disclaimer of Liability To The Trustees

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## Scope

We have compiled the attached financial statements of Waiau Fisheries And Wildlife Habitat for the year ended 31 March 2014 on the basis of information provided to us by the Trustees, and in accordance with Service Engagement Standard No.2: Compilation of Financial Information issued by the New Zealand Institute of Chartered Accountants. These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements.

## Responsibilities

The Trustees are solely responsible for the information contained in the financial statements and have determined that the financial reporting framework used is appropriate to meet their needs and the purpose that the financial statements were prepared.

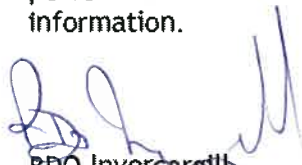
The financial statements were prepared exclusively for the Trustees benefit. We do not accept responsibility to any other person for the contents of the financial statements.

## No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information provided to us by the Trustees. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

## Disclaimer of Liability

Neither we nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.



BDO Invercargill  
Chartered Accountants and Advisers  
123 Spey Street  
Invercargill  
14 May 2014

# Waiau Fisheries And Wildlife Habitat Enhancement Trust



Statement Of Financial Performance For The Year Ended 31 March 2014

		2014 \$	2013 \$
<b>REVENUE</b>			
Rakatu Wetland - Grazing Lease	16,704		16,704
Rakatu Wetland - Donation Box	389		160
Sponsorship - Solid Energy	-		20,000
Interest BNZ	174		82
Interest and Dividends	327,201		326,516
Whitebait Habitat - Sale of Balage	24,172		19,280
		<b>368,640</b>	<b>382,742</b>
<b>LESS EXPENDITURE</b>			
<b>Project Costs</b>			
<b>Home Creek Riparian Habitat</b>			
Admin and Planning	929		1,532
Capital Expenses	-		82
Ongoing Maintenance	1,297		1,340
		2,226	2,954
<b>Lower Waiau Whitebait Habitat</b>			
Admin and Planning	39,529		34,828
Capital Expenses	11,754		25,548
Monitoring	1,575		-
Ongoing Maintenance	12,297		10,047
		65,155	70,423
<b>Stony Creek / Whitestone Habitat</b>			
Admin and Planning		303	1,106
<b>Rakatu Wetland</b>			
Admin and Planning	11,918		8,009
Capital Expenses	136		321
Ongoing Maintenance	10,401		12,579
		22,455	20,909
<b>Ramparts Road Wetland</b>			
Admin and Planning	1,504		755
Capital Expenses	1,557		-
Ongoing Maintenance	429		442
		3,490	1,197

This Statement is to be read in conjunction with the Auditor's Report and notes to the Financial Statement



# Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement Of Financial Performance For The Year Ended 31 March 2014



		2014 \$	2013 \$
<b>Kepler Trig Wetland</b>			
Admin and Planning	365		528
Ongoing Maintenance	260		-
		625	528
<b>Habitat Enhancement Agreements</b>			
Admin and Planning	9,442		6,607
Capital Expenses	85,262		103,979
Ongoing Maintenance	1,849		1,983
		96,553	112,569
<b>Flaxy Creek</b>			
Admin and Planning	711		278
Ongoing Maintenance	184		769
		895	1,047
<b>Whare Creek Access</b>			
Ongoing Maintenance		560	463
<b>Princhester Creek Access</b>			
Admin and Planning		357	407
<b>Redcliff / Jericho Access</b>			
Admin and Planning	138		566
Ongoing Maintenance	666		686
		804	1,252
<b>Wairaki Access</b>			
Admin and Planning		130	174
<b>Soper Access Whitestone</b>			
Admin and Planning		130	65
<b>Mararoa Whitestone Access</b>			
Admin and Planning		276	266
<b>Sunny Side/Monowai Access</b>			
Admin and Planning	-		550
Ongoing Maintenance	535		-
		535	550

This Statement is to be read in conjunction with the Auditor's Report and notes to the Financial Statement



# Waiau Fisheries And Wildlife Habitat Enhancement Trust



Statement Of Financial Performance For The Year Ended 31 March 2014

		2014 \$	2013 \$
<b>Johnson Access</b>			
Admin and Planning		663	303
<b>Education and Public Awareness</b>			
Admin and Planning	3,259		11,022
Website Design	2,353		-
		5,612	11,022
<b>Databases</b>			
Admin and Planning	2,765		3,797
Capital Expenses	17		-
		2,782	3,797
<b>Project Investigation and Facilitation</b>			
Admin and Planning		8,627	10,851
General Field		15,798	15,852
<b>General Planning</b>			
Planner Consultancy Service	10,934		18,576
Planner Travel	1,621		1,665
		12,555	20,241
<b>TOTAL PROJECT COSTS</b>		<b>240,531</b>	<b>275,976</b>



This Statement is to be read in conjunction with the Auditor's Report and notes to the Financial Statement



# Waiau Fisheries And Wildlife Habitat Enhancement Trust



Statement Of Financial Performance For The Year Ended 31 March 2014

		2014 \$	2013 \$
<b><u>Administration Expenses</u></b>			
Audit Fees		2,455	2,330
Accounting Fees		3,404	1,969
Administration		2,832	2,593
Annual Report		6,889	6,263
Bank Charges		5	8
Depreciation		3,138	2,957
Insurance		3,473	3,610
Printing, Stamps & Stationery		-	509
Repairs and Maintenance		129	509
Telephone & Tolls		470	277
		22,795	21,025
<b>Trust Board Expenses</b>			
Trust Travel and Accommodation		3,650	7,715
Trust Board Meeting Expenses		1,019	2,010
		4,669	9,725
<b>Financial Planning</b>			
Investment Management Fees	Note 4	74,163	28,037
Brokerage		26,545	18,013
Investment Reviews		-	9,000
		100,708	55,050
<b>Total Administration Expenses</b>		<b>128,172</b>	<b>85,800</b>
<b>Total Expenditure</b>		<b>368,703</b>	<b>361,775</b>
<b>TRADING SURPLUS/(DEFICIT)</b>		<b>(63)</b>	<b>20,967</b>
Revaluation of Investments	Note 3	290,769	309,538
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>290,706</b>	<b>330,505</b>



This Statement is to be read in conjunction with the Auditor's Report and notes to the Financial Statement

# Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement of Movements in Equity For The Year Ended 31 March 2014



	2014 \$	2013 \$
Equity at the Beginning of the Year	6,494,945	6,164,440
Net Surplus/(Deficit) For The Year	290,706	330,505
Equity at the End of the Year	<u>6,785,651</u>	<u>6,494,945</u>



This Statement is to be read in conjunction with the Auditor's Report and notes to the Financial Statement

# Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement Of Financial Position As At 31 March 2014

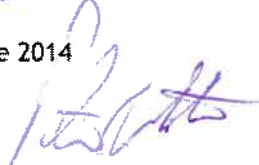
	Note	2014 \$	2013 \$
<b>Current Assets</b>			
Bank of New Zealand Ltd		92,415	42,428
Forsyth Barr Investment Portfolio	3	-	186,771
Craigs Investment Partners	3	84,218	-
N Z Assets Management	3	15,429	-
Rose Capital	3	288,193	-
Milford Fund	3	30,953	-
Goods and Services Tax		3,073	4,891
<b>Total Current Assets</b>		<b>514,281</b>	<b>234,090</b>
<b>Non-Current Assets</b>			
Fixed Assets as per Schedule		483,954	486,474
Investments	3	5,792,000	5,778,039
<b>Total Non-Current Assets</b>		<b>6,275,954</b>	<b>6,264,513</b>
<b>TOTAL ASSETS</b>		<b>6,790,235</b>	<b>6,498,603</b>
<b>Current Liabilities</b>			
Accounts Payable		4,584	3,659
<b>Total Current Liabilities</b>		<b>4,584</b>	<b>3,659</b>
<b>TOTAL LIABILITIES</b>		<b>4,584</b>	<b>3,659</b>
<b>NET ASSETS - Per Trustees' Equity</b>		<b>6,785,651</b>	<b>6,494,944</b>

Signed;



- Trustee

Dated 16th June 2014



- Trustee

Dated 16th June 2014



# Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement Of Cash Flow For The Year Ended 31 March 2014



	2014 \$	2013 \$
<b>Cash Flow from Operating Activities</b>		
Receipts	40,877	57,752
Interest & Dividends	327,375	326,597
Donations	389	160
Sponsorship	-	10,000
Payments to Suppliers and Employees	(364,641)	(355,636)
GST (Paid)/ Refunded	1,818	12,701
<b>Net Cash Flow from / (used in) Operating Activities</b>	<b>5,818</b>	<b>51,574</b>
<b>Cash flow from Investing Activities</b>		
Proceeds from the Sale of Financial Assets	274,248	255,000
Purchase of Property, Plant and Equipment	(618)	(735)
Purchase of Financial Assets	(229,461)	(280,466)
<b>Net Cash Flow from / (used in) Investing Activities</b>	<b>44,169</b>	<b>(26,201)</b>
<b>Net Cash Flow from / (used in) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>49,987</b>	<b>25,372</b>
Cash and Cash Equivalents, Beginning of Year	42,428	17,055
<b>Cash and Cash Equivalents, End of Year</b>	<b>92,415</b>	<b>42,428</b>



This Statement is to be read in conjunction with the Auditor's Report and notes to the Financial Statement

# Waiau Fisheries And Wildlife Habitat Enhancement Trust

## Notes To The Financial Statements

---

### 1 Statement of Accounting Policies

#### Reporting Entity

Waiau Fisheries And Wildlife Habitat Enhancement Trust is a charitable trust and the Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles.

#### Differential Reporting

Waiau Fisheries And Wildlife Habitat Enhancement Trust is a qualifying entity as defined by the New Zealand Institute of Chartered Accountants Differential Reporting Framework.

The criteria establishing Waiau Fisheries And Wildlife Habitat Enhancement Trust as qualifying for differential reporting exemptions are:

- (1) The entity does not have public accountability;
- (2) There is no separation between ownership and control; and
- (3) The entity is not large as defined by the differential reporting framework.

The entity has elected to take full advantage of all differential reporting exemptions.

#### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed, except for Investments that are reported at current market value.

#### Accounts Receivable

Accounts Receivable are stated at expected realisable value.

#### Fixed Assets & Depreciation

All assets are stated at cost less depreciation.

Depreciation has been charged at rates allowed for taxation purposes, as set out on the Fixed Asset Schedule.

#### Investments

Investments have been valued at current market value. All interest due is recorded as owing to the Trust.

#### Taxation

As a Charitable Trust all investments and other income is not liable for Income Tax.

#### Goods and Services Tax

The trust is registered for Goods and Services Tax.

The financial statements have been prepared on a basis exclusive of Goods and Services Tax.

# Waiau Fisheries And Wildlife Habitat Enhancement Trust

## Notes To The Financial Statements

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### Accounts Payable

The total value of Accounts Payable is represented by trade creditors.

### Statement of cash flows

For the purposes of the statement of cash flows, cash is considered to be cash on hand, in banks and cash equivalents, net of bank overdrafts and highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in values.

### Emissions Trading Scheme

#### Pre 1990 Forest

Included in Rakatu wetland is pre 1990 forestry land. The land is subject to the provisions of the New Zealand emissions trading scheme ('ETS'). The implication of this on the financial statements is twofold:-

1. Should the land be deforested (i.e. The land is changed from forestry to some other purpose), a deforestation penalty will arise;
2. Given the deforestation restriction, compensation units are being provided from the New Zealand Government.

Compensation units are recognised based on the market value on the date received. They have not been recognised as income in the financial statements due to the insignificant value. As a registered charity, any income from the receipt or sale of these units is not taxable.

The deforestation contingency is not recognised as a liability on the balance sheet as there is no current intention of changing the land use subject to the ETS.

#### Post 1989 Forest

Waiau Trust has voluntarily entered into ETS in respect of further forest land located on the Rakatu wetland (the specified area). This entitles the Trust to receive emissions units ('The units') for carbon stored in the specified area, from a 2008 baseline.

Units received are recognised at fair value on the date received and subsequently measured at estimated market value. Due to the insignificant value of these units they are not recognised in the financial statements. Whilst there are no specific conditions attached to units received, should carbon stored in the specified area fall below the amount compensated for, a portion of units must be returned. The Trust has no intention of deforestation and accordingly the units are recognised in the Statement of financial performance

### Changes in Accounting Policies

There have been no other changes in accounting policies. All other policies have been applied on a basis consistent with those used in previous years.

## 2 Nature of Business

The principal business activity of Waiau Fisheries and Wildlife Habitat is that of developing fisheries and wildlife habitat in the Waiau River Catchment.



# Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Financial Statements



## 3 Investments

	2014 \$	2013 \$
<b>Forsyth Barr</b>		
Diversified Investment Portfolio	-	5,778,039
Diversified Investment Portfolio cash and on call	-	186,771
<b>Total Investments</b>	<u>-</u>	<u>5,964,810</u>
Investment Return	1.02%	11.23%
	2014 \$	2013 \$
<b>Craigs Investment Partners</b>		
Diversified Investment Portfolio	2,831,147	-
Diversified Investment Portfolio cash and on call	84,218	-
<b>Total Investments</b>	<u>2,915,365</u>	<u>-</u>
Investment Return	3.47%	-
	2014 \$	2013 \$
<b>Rose Capital</b>		
Diversified Investment Portfolio	431,081	-
Diversified Investment Portfolio cash and on call	288,193	-
<b>Total Investments</b>	<u>719,274</u>	<u>-</u>
Investment Return	3.79%	-
	2014 \$	2013 \$
<b>Milford Income Fund</b>		
Diversified Investment Portfolio	2,032,620	-
Diversified Investment Portfolio cash and on call	30,953	-
<b>Total Investments</b>	<u>2,063,573</u>	<u>-</u>
Investment Return	9.07%	-



# Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Financial Statements



## 3 Investments (continued)

	2014 \$	2013 \$
N Z Assets Management		
Diversified Investment Portfolio	497,152	-
Diversified Investment Portfolio cash and on call	15,429	-
Total Investments	<u>512,581</u>	<u>-</u>
Investment Return	3.67%	-
Total Portfolio Investments and cash on call	<u>6,210,793</u>	<u>5,964,810</u>
Investment Return (Gross & excluding Credit Sail)	6.04%	11.23%

### Realised and Unrealised Gains

	2014		2013	
	Realised \$	Unrealised \$	Realised \$	Unrealised \$
Forsyth Barr	257,540	(47,300)	67,769	241,769
Craigs Investment Partners	(3,539)	(18,441)	-	-
NZ Assets Management	1,709	15,858	-	-
Milford Asset Management	-	72,529	-	-
Rose Capital	-	12,413	-	-
	<u>255,710</u>	<u>35,059</u>	<u>67,769</u>	<u>241,769</u>
Total	<u>290,769</u>		<u>309,538</u>	

Forsyth Barr Investments transferred to other fund managers at valuation. The realised gain includes \$257,540 of funds recovered from Credit Sail investment previously impaired.

## 4 Investment Management Fees and Brokerage

	2014 \$	2013 \$
Forsyth Barr	15,182	28,037
Forsyth Barr Brokerage	10,103	18,013
Craigs Investment Partners Fees	12,312	-
Craigs Investment Partners Brokerage	16,442	-
Rose Capital	2,967	-
Milford Asset Management	37,904	-
NZ Asset Management	5,798	-
Total Management Fees	<u>100,708</u>	<u>46,050</u>





# Waiau Fisheries And Wildlife Habitat Enhancement Trust

## Notes To The Financial Statements

### 5 Fixed Assets

	Cost	Accum Depn	Book Value	Last Year
Road Counter	736	711	25	31
Signage	19,286	12,416	6,870	7,807
Stihl Backpack Sprayer	230	230	-	-
Stihl Weedcutter	513	479	34	103
People Counter	735	255	480	600
4 x Fyre Nets	619	619	-	-
Land Home Creek	1,868	-	1,868	1,868
Land Rakatu Farm	253,116	-	253,116	253,116
Land Whare Creek	76,362	-	76,362	76,362
Land Stony Creek	26,243	-	26,243	26,243
Land Princhester	6,475	-	6,475	6,475
Land Ramparts Road	30,805	-	30,805	30,805
Land Mararoa Whitestone	14,990	-	14,990	14,990
Office Equipment	8,596	8,584	12	18
Pump Shed - Home Creek	955	414	541	564
Lookout & Toilet	42,385	9,249	33,136	34,161
Forestry Blocks	28,048	-	28,048	28,048
Cattle Stop	9,230	4,281	4,949	5,282
	<u>521,192</u>	<u>37,238</u>	<u>483,954</u>	<u>486,473</u>

Fixed Assets are recorded at cost.

Depreciation has been charged on assets at rates allowed by the Inland Revenue Department.

### 6 Financial Commitments

There are no Financial Commitments as at 31 March 2014 (2013 Nil)

### 7 Project Costs

	2014 \$	2013 \$
Included in total project costs are the following charges:		
Southland Fish & Game Council Services *	2,790	2,511
Planning Costs - Riddell Associates	39,177	40,954
M Sutton	70,676	70,815

\* Southland Fish and Game Council are a related party through the trustee appointments.

# Waiau Fisheries And Wildlife Habitat Enhancement Trust

## Notes To The Financial Statements

### 8 Emissions Units

Post 1989 Units held total 1,188 and have a value of \$2,400 at 31 March 2014 (2013: \$2,400).

The trustees have not applied for any units during 2014 and have deferred the application of units until the mandatory return due in 2017. Units will be accumulated until then an a claim made for the period 2013 - 2017.

### 9 Reconciliation of Net Surplus to Cash Flow From Operating Activities

	2014 \$	2013 \$
Net Surplus/(Deficit)	290,706	330,505
Add/(Less) Non-Cash Items		
Depreciation	3,138	2,957
<b>Total Non Cash Items</b>	<u>3,138</u>	<u>2,957</u>
Add/(Less) Working Capital Movements		
(Increase)/Decrease in Accounts Receivable	-	25,033
(Decrease)/Increase in Accounts Payable	925	3,659
(Increase)/Decrease in GST	1,818	10,459
(Decrease)/Increase Income in Advance	-	(11,500)
	<u>2,743</u>	<u>27,651</u>
Add/(Less) Investment Movements		
Investment Revaluation	(290,769)	(309,538)
	<u>(290,769)</u>	<u>(309,538)</u>
<b>Net Cash Flow from Operating Activities</b>	<u><u>5,818</u></u>	<u><u>51,574</u></u>



## INDEPENDENT AUDITOR'S REPORT

To the Trustees of Waiau Fisheries and Wildlife Habitat Enhancement Trust

### Report on the Financial Statements

We have audited the financial statements of the Trust on pages 3 to 15, which comprise the statement of financial position as at 31 March 2014, the statement of comprehensive income, statement of changes in equity [and statement of cash flows, for the year then ended 31 March 2014, and a summary of significant accounting policies and other explanatory information.

#### *Trustees' Responsibility for the Financial Statements*

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand; and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

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

#### *Opinion*

In our opinion, the financial statements on pages 3 to 15, present fairly, in all material respects, the financial position of Waiau Fisheries and Wildlife Habitat Enhancement Trust as at 31 March 2014, and of its financial performance and cash flows for the year then ended 31 March 2014 in accordance with generally accepted accounting practice in New Zealand.

### Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations that we have required. In our opinion proper accounting records have been kept by the trust as far as appears from an examination of those records.



Crowe Horwath New Zealand Audit Partnership  
CHARTERED ACCOUNTANTS  
16 June 2014