

Annual Report

For the Year ended 31st March 2015



*Waiau
Fisheries & Wildlife*
HABITAT ENHANCEMENT TRUST



Trustees on field trip to the Whitebait Project, Waiau Mouth, February 2015.

Left to Right: J Riddell (Trust Planner), Glenys Dickson (Trustee), Cam McCulloch (Trust Chairman), Peter Sutton (Trustee), Cheryl Mason (Secretarial/Administration Services), John Whitehead (Trustee), Andrew Feierabend (Trustee), Fred Inder (Trustee), Colin Phillips (Phillips Contracting), Mike O'Brien (Trustee).

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Front Cover:

2014 was a prolific flowering year for Manuka. This bush was spotted on Dale Farm in the Te Anau basin.

Visit our Website: www.waiatrust.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) – Retired 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 Waiiau Catchment.

The Trust wishes to note the sad passing of Mr Peter Low, OBE in November 2014. Peter was the Trust's inaugural Chairman and chaired the Trust from 1997 to 2006. His professional skills, guidance and wisdom set the Trust on the right path from day one and many of his initiatives remain in place today.

Trust Services:

Independent contractors Mark Sutton and Jan Riddell continue to provide field and planning services, respectively. In February Jan Riddell's contract was renewed for a further 2 years. 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 eighteenth 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 **\$393,426**. Income for the year was **\$408,934**, and when the revaluation of the portfolio is included - **\$596,695**.

The Trust's Statement of Investment Policy and Objectives (SIPO) continues to focus on investment types designed to provide certainty of cash flow, as well as providing for long-term growth of the Fund. The portfolio rose by **15.17%** (gross, before fees.) for the year.

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

- Ongoing 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.
- Construction of the new Inder Wetland and diversion channel at the whitebait habitat project site.
- Completion of 5 HEA projects protecting 2.4km of streams and their riparian margins.
- Completion of 4 joint Waiau Trust/QEII Trust projects protecting 36.7 ha of wetlands, streams and bush.
- Investigation of 7 new wetland and stream riparian protection projects.
- Expanding and maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Trialing pest traps at the Whitebait project.
- Finalising the 5 yearly fish survey of the Rakatu Wetlands and the 2014 Whitebait habitat fish survey reports.
- 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 2015.

1. Introduction:

The Waiau Fisheries and Wildlife Habitat Enhancement Trust (Waiau Trust) is pleased to present the eighteenth 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 Background:

The Waiau Trust was established in late 1996. In 1990 ECNZ (now Meridian Energy Ltd) began the process of renewing the Resource Consents for the Manapouri Power Scheme. Between 1990 and 1996 the power company and the Southland community (through the Waiau Working Party community consultative group) worked together to address the adverse effects of the Manapouri Power Scheme on the Waiau catchment, and in particular the Lower Waiau River. The establishment of the Waiau Trust was one of the negotiated outcomes of the Resource Consent renewal process.

1.2 The Trust Objects:

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

The Trust Objects State:

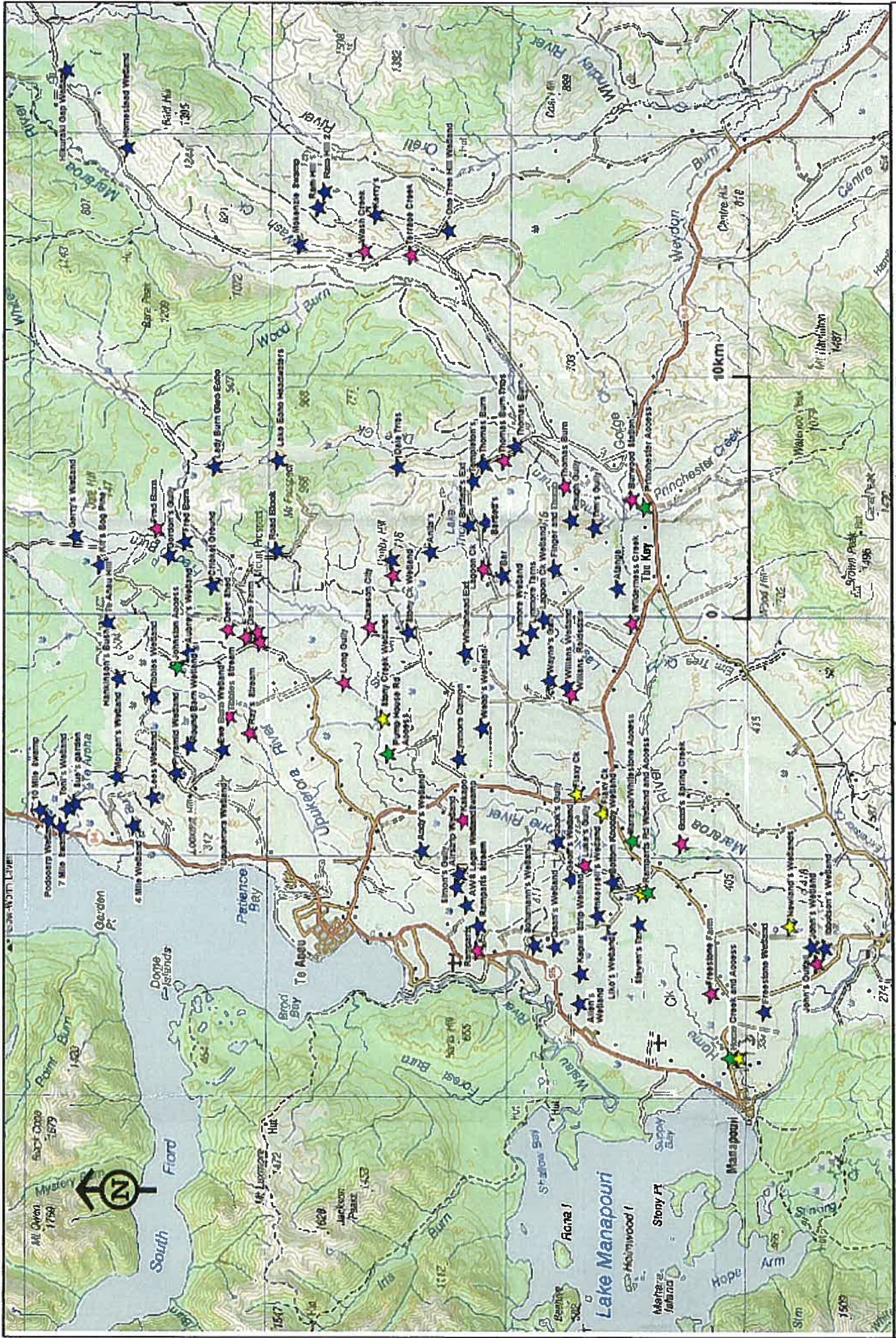
“ The Settlor directs and the Trustees declare that the Trustees hold the Trust Fund upon the following trust, to be used to further the following charitable purposes and objects with the intent that the Trust Fund shall be expended on projects within the Waiau River catchment which, together with the 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.



Waiau Trust Projects, below the Mararoa Weir, at March 2015

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



Waiau Trust Projects: Te Anau Basin, as at March 2015

Habitat Projects Access Projects
 Habitat Enhancement Agreements
 Joint Waiau Trust/QEII Trust Projects

- iv. In accordance with the first and second purposes, to provide for the creation of additional areas of whitebait habitat on land owned by ECNZ¹ 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.
- 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.”

1.3 The Strategic Plan.

The Strategic Plan, was developed in 1997 and reviewed in 2005. It 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 2014/15 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. In the 2013/14 year four 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. During the year Rose Capital merged with Murray and Co. a Christchurch based merchant bank.

¹ ECNZ is now Meridian Energy Ltd.

2.2 Investment Results.

Investment of the Trust Fund has produced very good returns this year. The return from all 4 Fund Managers averaged 15.17 % (gross, before fees).

2.3 Summary of Project Expenditure.

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

For the year 2014/15 the Trust budgeted to spend **\$385,502**. Adjustments were made to project targets during the year and priorities changed as the year progressed. Actual expenditure for the year was **\$393,426**. Income for the year, including portfolio revaluation was **\$596,695**. Trust expenditure since inception now totals **\$5,306,355**. This compares to total revenue for the same period of **\$7,286,248**.

3. Statement of Service Performance

A) Project Expenditure and Achievements (Inputs and Outputs)

In April 2014, the Trust considered and adopted the Annual Plan and Budget for the year ending 31 March 2015. 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 - \$3,259

Achievements and Progress:

This 14 ha project is located 1km east of Manapouri and is accessible via a sign-posted public road from the Manapouri-Hillside Road. The permanent protection, through fencing (1997) and removal of grazing animals, continues to benefit this unique meandering stream and its riparian habitat. Visually the area continues to change, with the eradication 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 (500 plants) were organised and carried out by Edith Jones in the autumn, with help from Forest and Bird, Southland Branch. Upwards of 20,000 plants have been planted since 1998. Many lessons have been learnt about restoration planting at this site, i.e. what works and what doesn't. In particular plant establishment can be impacted by summer droughts and late spring frosts.

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 and this has helped the Trust achieve our original concept of this area being an integral part of the Manapouri community "green belt".

The annual pest plant spray programme (the main maintenance expenditure item) continues and includes spraying the emergent broom seedlings and the walking track.

A4 Lower Waiau Whitebait Habitat.

Expenditure: Budgeted - \$121,600, Actual - \$172,475

Achievements and Progress:

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 River and 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”, was constructed in March 2009. These have been supplied with pumped water from the Holly Burn since October 2009. Wetland water levels fluctuate with the seasons and the volume of water pumped. They continue to provide valuable fish and bird habitat.

Construction of the second set of wetlands (known as the “McCulloch Suite”) and the diversion of water from a backwater of the Waiau River into these wetlands, was completed in autumn 2012. The diversion pipe and channel, which gravity feeds water to the wetlands, became operative on 15 April 2012. The spring of 2013 saw the construction of the outlet channel from these wetlands to the Waiau Lagoon, thus completing the hydrological connections and fish passage between the wetlands and other natural waterbodies. This set of wetlands has been hugely successful from a fisheries and wildlife perspective.

Last year the Trust decided to proceed with the construction of the third suite of wetlands (known as the Inder Wetland). This wetland is located at a higher elevation than those built to date. It is supplied with water from a second diversion channel from the same Waiau River backwater. The diversion intake is 300m upstream from the McCulloch diversion. In April 2014 the Trust was granted consents to divert water from the Waiau River for the purpose of supplying water to the Inder wetland and for the rock work associated with the installation of the diversion pipe. The volume of water the Trust is able to divert enables the creation of 1 large (10ha) wetland, plus there is future potential to take the water across the Holly Burn to supply the “Whitehead Suite”. This will mean the need to pump water from the Holly Burn can be minimised and the pump used as a “back up” supply, during dry periods. This is a step-by-step process, and the supplying of the Whitehead Suite across the Holly Burn will occur once the Inder Wetland is operating satisfactorily.

The Inder dam construction began in May 2014. Construction was held up by unsuitable ground conditions and high river flows during May/June, July and November/December 2014. The dams were finally finished in January 2015. The 740m diversion channel was then built followed by the installation of the diversion pipe and rock protection works at the Waiau River. The diversion pipe became operational on the 10th February 2015. A long period of low river flows followed. The Inder wetland was full and flowed out the temporary outlet channel into the McCulloch Suite, on 15 April 2015.

It is noted project expenditure exceeded budget and this was attributable to the precautionary overbuild of the Inder dams. This was a necessity now that the flooding of the whole project area is more frequent. Part of the Waiau River now regularly exits its channel and flows down the Holly Burn, during freshes and floods. The 740m Inder diversion channel also cost more to build than predicted. The underlying soils and gravels were highly variable, and running alluvial gravels were encountered along its length. This required over-deepening of the channel, lining the bed and banks with less permeable material and compaction of that material. This over-expenditure was compensated for by reducing expenditure on other Trust projects, namely the Habitat Enhancement Projects.

As the Inder dam build proceeded, the design enabled the wetland backwall dams to serve two purposes; as a backwall to hold wetland water and as part of the public access track to a new carpark. In addition surplus material from the diversion channel build has been used to form part of the public access walking track out to the Waiau River.

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 values and ultimately sustainable wetlands. The new Inder Wetland will be monitored over the next 12 months and adjustments made as required.

Resource Consent Compliance:

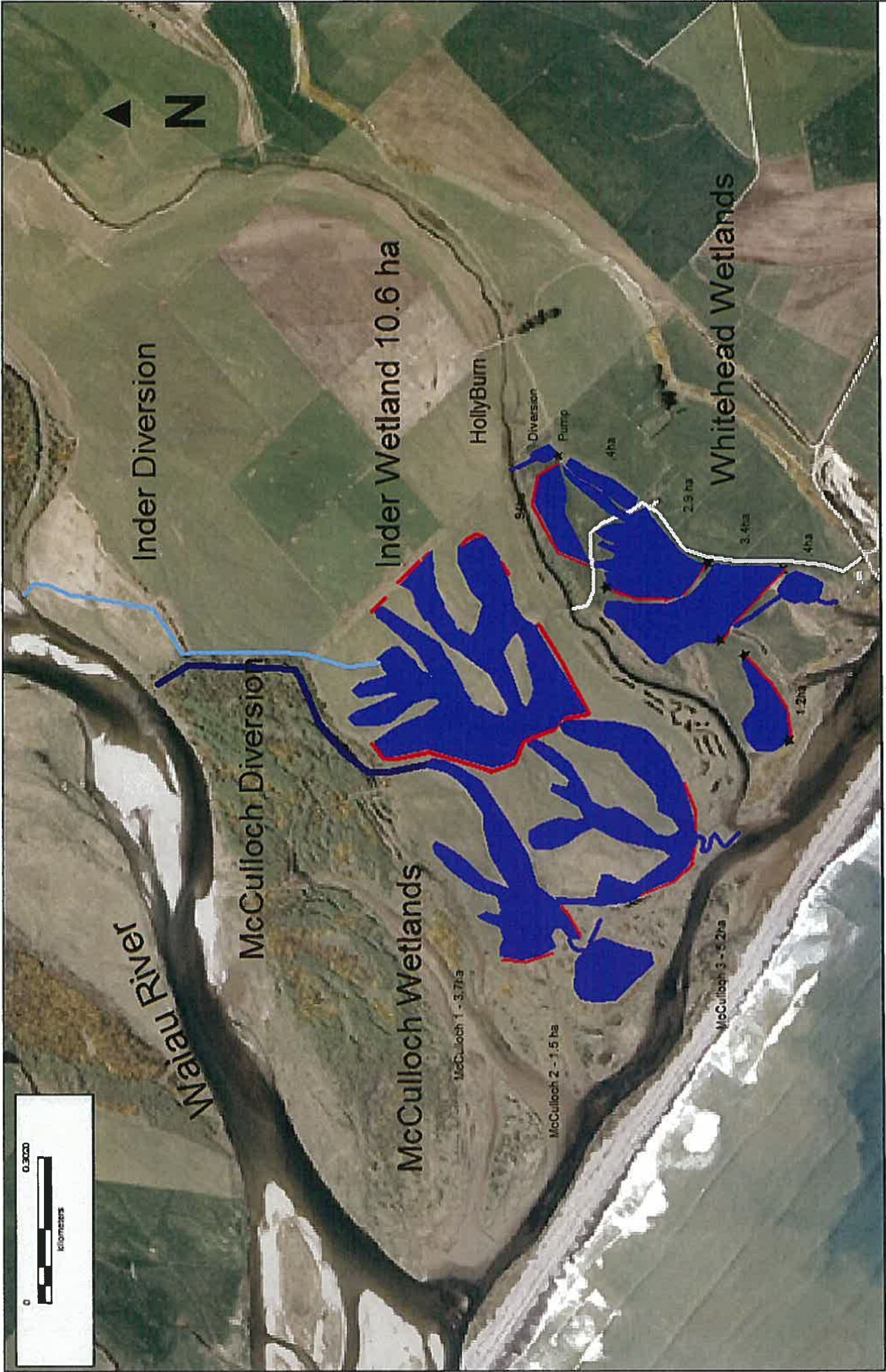
The Trust holds 4 Environment Southland water permits, to divert water into various wetlands. Three of these consents have conditions requiring annual reporting of the volumes of water diverted. The McCulloch and Inder diversions divert the greatest volume of water. The following table and figure summarise the water diverted by the McCulloch diversion since it became operational, part way through 2012.

An average of 152 l/s was diverted into the McCulloch wetlands during 2014. As expected, autumn was the driest part of the year, having the lowest rates of diversion and inflows to the McCulloch wetlands. At such times the wetlands are not full and water levels in the wetlands are at their minimum and the wetland outlet channel back to the Waiau Lagoon does not flow.

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

Year	Annual	Summer •	Autumn	Winter	Spring
2012	130.9*			86.7	197.2
2003	155	127.7	103.3	198.8	181
2014	152	129.5	124.8	198.1	154

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



Aerial of Whitehead, McCulloch and Inder Wetlands and associated Diversions - 2015

Whitebait Project, Waiau Mouth - Inder Wetland – progress at the Inder dam Reference Photo point, looking east.



1. A grassed paddock, from a point along the proposed dam base –pre construction, 2014.

The peg is the outfall site as shown in photo 3.



2. Stripping the topsoil and preparing the dam base.



3. The same site - the Inder dam is completed, filled to design height and flowing out the spillway, April 2015.

Whitebait Project – Building the Inder dam – Reference photo Point.



The Inder dam being built layer by layer, compacting the material with every pass of the machinery.



The completed dam. The existing McCulloch wetland is at the right of the photo. Water levels in this wetland are approximately 1 metre lower than in the Inder wetland.

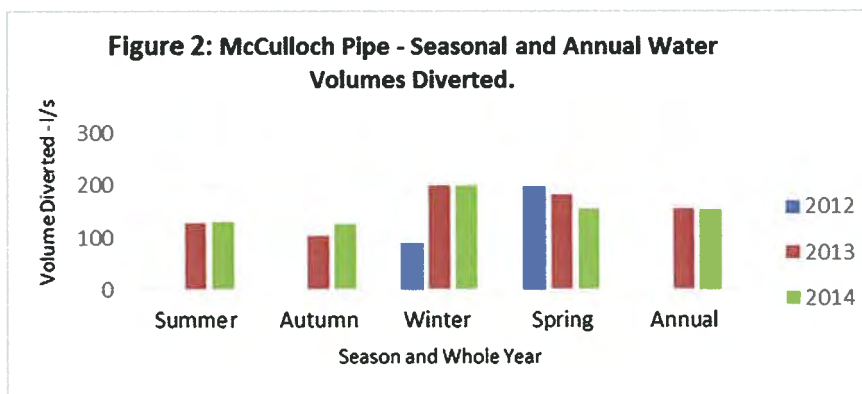
Whitebait Project, Waiau Mouth. A series of 2 photos showing the progress of the construction of the Inder dam at the same location – 2015



Site preparation and keying in the dam base through the zone of maximum height.



The completed dam with topsoil on the batters and the crest, ready for seeding. The dam has 500mm of freeboard and 6:1 batters.



The volume of water diverted into the McCulloch wetlands is calculated from a rating curve developed between the pipe water levels and Waiau River flows at the upstream Tuatapere water level recorder site. The pipe does not flow full all the time and as a result inflows to the McCulloch wetlands occur as pulses of water, as freshes and floods flow down the Waiau. During 2014 there were 39 floods/freshes made up of 87 pulses. The pipe flowed full for 145 days.

In terms of the new Inder diversion, a similar approach is being used and data is currently being collected to enable the establishment of a rating curve between the new pipe water levels and the Waiau River flows at Tuatapere. Volumes of water diverted will be reported next year.

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

Maintenance:

The nature of this project and its location in a highly dynamic environment, means maintenance is an ongoing task. During the year, there were 3 prolonged periods of high flows (May/June, August and November/December) in the Waiau River. Six flood peaks exceeded 800m³/s. Part of the Waiau River continues to exit the main channel and flow down the Holly Burn when flows exceed about 200 m³/s. This has caused scouring of the bed of the Holly Burn. Some maintenance of the rock work around the bridge abutments and deepening of the pump intake channel and pump pond supplying the Whitehead Suite occurred during the year. The pump also required a new motor and other maintenance work.

Minor fence repairs occurred as a result of flood damage and follow up ground spraying of gorse also occurred in the spring.

Monitoring

a). Bird Surveys

One bird count of the Whitehead Suite only, was undertaken at the Whitebait wetlands this year on 11 January 2015. The results are set out in the table below.

Table: Results of Bird Counts (Whitehead Suite only)

Date	Waterfowl	Water Associated Species	Other Species
11/1/2015	Mallard: 43 Shoveler Duck:: 2 +1 broods Paradise Duck: 6	Royal Spoonbill:7 Pied Stilt: 34 White Faced Heron:2 Black Fronted Tern : 5 Spur-winged Plover: 2 Pukeko: 2	

Bird observations of note at the site at other times included a juvenile Wrybill Plover in March 2015, 2 sightings of Asiatic Tern and a flock of 20 Black-fronted Dotterel on the new Inder Wetland.

The table below is a list of all the bird species recorded during the spring surveys of the past 5 years, plus the additional species recorded outside survey times.

Table: Species Recorded over 5 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 Wrybill Plover (juvenile)	Eastern Bar-tailed Godwit Banded Dotterel Asiatic Tern	Welcome Swallow Harrier Hawk NZ Falcon	
5	18	3	3	29

A diversity of wildlife species use 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. Sightings of an Asiatic tern were made again this year; the occurrence of this migrant in southern New Zealand is rare.

b). Fish Survey

In the 2014 Annual Report, we presented the preliminary results of the February 2014 fish survey of the wetlands. We compared the results with the February 2013 survey, noting the different mesh-sized fyke nets used for the two surveys. 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, but facts to note 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).
- greater numbers of Longfin eel were caught in the McCulloch suite than the Whitehead Suite. The difference in numbers was statistically significant. There was no significant difference in the number of any of the other fish species caught, between the two wetland suites.
- Common smelt colonised the wetlands during 2014.
- Black flounder and Lamprey have also been observed in the McCulloch diversion channel.

Whitebait Project, Waiau Mouth. Constructing the 740m Inder diversion channel from the Waiau River to the new Inder wetland - February 2015



1. The job begins, with stripping and stockpiling of the topsoil and digging the channel to the design depth



2. The completed diversion channel (February 2015), with compacted bed and banks. The channel is designed to carry 500 l/s, with 500mm freeboard and 2:1 bank batters.



3. The completed channel, fenced to exclude stock, with a well-established grass sward, April 2015, 2 months later.

Whitebait Project, Waiau Mouth - Inder Wetland and Diversion.



The completed diversion channel, showing the pipe intake, rock protection work and the Waiau River backwater from which the water is diverted for the Inder Wetland (Bill Jarvie April 2015).



Looking west to Fiordland National Park, - the new Inder wetland at its design capacity – April 2015.

Table: 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
TOTAL	621	51.75	3221	268.42

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

The results of the survey are very encouraging. The wetlands are providing rearing habitat for Inanga as they return to freshwater in the spring. They are also significant Shortfin eel habitat and increasingly important as Longfin eel habitat. The large numbers of Common bully demonstrates the significance of this species in the wetland food chain.

Land Management:

The standing grass on the property was tendered during the winter, for the 2014/2015 season. This tender process is carried out annually. The successful tenderer for the 2014/2015 season was Fowle Contracting of Tuatapere. The Trust remains responsible for soil testing and fertiliser application.

Establishing flax around the wetlands remains a priority and flax material is sourced locally and planted, as it becomes available.

Pest Control:

Over the years, feral cats have been regularly observed at the project site. This year, during February and March, six Timms kill traps were installed on flood free spots around the wetlands. 7 cats and 3 ferrets have been caught over a 2 month period. Undoubtedly animal pests are a problem at the site and impact bird populations. Next year we intend to install a line of DOC 200 stoat traps to complement the Timms traps.

The Future:

a). New Wetlands and Connections.

The completion of the Inder diversion and wetland during the year opens up the potential for taking the water across the Holly Burn to the Whitehead Suite. This 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 from the Holly Burn.

Once the Inder wetland stabilises, there will be opportunities to use any surplus water, for additional new wetlands west of the Holly Burn. The hydrological connections and hence fish passage between wetlands, the river and Lagoon are all important. Creating and enhancing these connections remains the top priority for future wetland design.

b). Protection

The success of these wetlands as Shortfin and Longfin eel habitat has spurred Trust concern about permanent protection of the eel fishery and these habitats. Any commercial take of eel from the created habitats, would be counter-productive in terms of the purpose for which they were built, i.e. conservation of the species. The Trust is investigating protection options.

c). Public Access.

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. The building of the Inder wetland and backwalls this year, means the road has now been extended to a carpark at the NW end of the Inder wetland. Further public access facilities are planned. The Trust expects this project, once completed, to equal our Rakatu project in terms of its ecological significance.

A10 Rakatu Wetlands.

Expenditure: Budgeted - \$ 24,800 Actual - \$25,318

Achievements and Progress:

Rakatu Wetlands, purchased in 2000, 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 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.

Actions	Details
Natural wetland protection	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.
Wetland creation	20 interconnected open water habitats created, totaling 49 ha, with 18km of shoreline. All fenced.
Stream protection	13.3 km of small stream habitat protected or incorporated into new wetlands.
Forestry	15.5 ha of forestry managed to provide ongoing income for the project.
Native vegetation restoration	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.
Visitor facilities	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.
Pest Plant Control	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.
Pest Animal Control	Network of 35 DOC200 traps set around Rakatu and the neighbouring Redcliff wetlands – installed 2011. In 2014 an additional 25 DOC 200 traps, plus 10 cat traps were installed. All are checked on a regular basis.

Capital Expenditure:

Last year we reported on the fence upgrade work between the Redcliff Reserve and Rakatu land. This was jointly funded through the Biodiversity Condition Fund, with contributions from QEII National Trust, Fish and Game Southland and the Waiau Trust. The fencing cost was less than expected. The Trust would like to acknowledge the Biodiversity Condition Fund, who kindly gave permission for the Trust to use surplus funds, from last year's fencing for the purchase of new pest traps (DOC 200 traps and Timm's traps for the feral cat work).



Rakatu Wetlands – Reference Photo points of Low Creek head pond. The top shot is of the dam being constructed in 2002. The lower photo, taken from the same location, is of the wetland in March 2015. The change in this habitat, over the last 13 years has been dramatic.



Rakatu Wetlands – Reference Photo points of Speight's Stream 2 wetland, from the Lookout. The top photo shows the broom covered degraded wetland, in 2003. The lower photo, taken in 2015, demonstrates the sites evolution into valuable open water habitat, including the drowning of the broom.

The upgraded and new fencing resulted in the annexing of the lessee's water supply, so the Trust provided some funds to extend the farm stock water supply.

The Trust also planted 100 cabbage trees in the margins of Speight's Stream 1 wetland.

Ongoing Maintenance:

Maintenance expenditure this year included the annual gorse/broom spraying around the wetlands and walking tracks, the cleaning contract for toilets and information shelter, renewal of some directional signs, trimming trees off access road fence and restoring the hydraulic capacity of the inflow stream to Speight's Stream 1 wetland, which had become overgrown with aquatic plants, causing flooding of the adjacent paddock.

Monitoring:

a). Trap Network.

The predator trap network of 35 DOC 200 stoat traps installed around Rakatu and the neighbouring Redcliff Wetlands was extended during the year. An additional 23 traps were installed (December 2014) along the Blackmount Highway, thus creating a buffer beyond the boundary of the wetlands. The traps were checked and re-baited on 3 occasions during the year. The results for the first three (3) years of the original 35 trap network are set out below. The final row includes numbers from the extended network of 58 traps (the new baseline).

Table: DOC 200 Trap Results.

Year	Stoats	Ferrets	Weasels	Hedgehogs	Rats	Cats
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
14/2/2014- 9/03/2015	37	0	0	12	10	0

In addition to the new DOC 200 traps, 10 Timms traps were installed for the purpose of controlling feral cats. Between the 8 December 2014 and 31 January 2015, these traps caught 6 cats, 2 ferrets and 4 hedgehogs.

Predictably predators are a problem at Rakatu and Redcliff. Trapping requires extra resources, but we are hopeful good outcomes will result from this initiative.

b). Spring Bird Counts.

The Trust has now been undertaking spring bird counts at Rakatu for six years. The table below is the summary of data from spring bird counts conducted during 2014. Two different wetland habitats were sampled. Three counts 2/12/2014, 8/12/2014 and 16/12/2014 were completed.

The table below shows a total of 8 waterfowl species and 7 water associated species were recorded this year. Species present are similar to those recorded in previous years.

Table: Results of 2014 Bird Counts at Rakatu – Species Present and Numbers.

Dates	Waterfowl Species and numbers	Water Associated Species	Other
2/12/14	NZ Scaup: 57 + 1 brood, Shoveler : 5 Mallard : 3 + 1 brood Grey Teal : 3 Paradise Duck; 28 + 7 broods Grey Duck: 3 Black Swan: 2 + 1 brood Canada Geese:	Spur-winged Plover : 4 Little Shag :4 Black Shag: 1 Pied Stilt :4 SI Fernbird: 1	Harrier Hawk:2 Tui: 2 Grey warbler: 2 Welcome Swallow: 8
8/12/14	NZ Scaup :102 +2 broods Shoveler: 14 Mallard: 28 + 1 brood Grey Teal: 8 Paradise Duck: 21+5 broods Grey Duck: 7 Black Swan: 1 Canada Geese: 8	Little Shag :5 Pied Stilt: 7 Spur-winged Plover : 2 SI Fernbird: 2 WF Heron:1	Welcome Swallow: 10 Bell Bird: 2
16/12/2014	NZ Scaup :120 + 2 broods Shoveler: 49 Mallard: 61 Grey Teal: 24 Paradise Duck:17 + 3 broods Grey Duck 10 Black Swan: 2 Canada Geese:2	Pukeko: 2 Spur-winged Plover : 23 Little Shag :6 Pied Stilt :7 SI Fernbird: 2 WF Heron:1	Harrier Hawk:1 Bellbird:2

The next table summarises the total number of species recorded at Rakatu over the last 6 years. Included are the species recorded by local ornithologist Shawn Herron. Shawn carries out regular bird surveys at Rakatu and has kindly made his data available to the Trust.

Table: Species Recorded over 6 years of Spring Surveys, General Observations and the Herron Surveys:

Waterfowl	Water Associated Species	Other Species	Total
Mallard	Pied Stilt	Welcome Swallow	
Shoveler Duck	White Faced Heron	Bellbird	
Paradise Duck	Black Fronted Tern	Grey warbler	
NZ Scaup	Black Shag	Silvereye	
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	
9	13	22	44

The data shows a good diversity of species is now resident, resident and breeding or visiting the wetlands. 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 6 year sampling period.

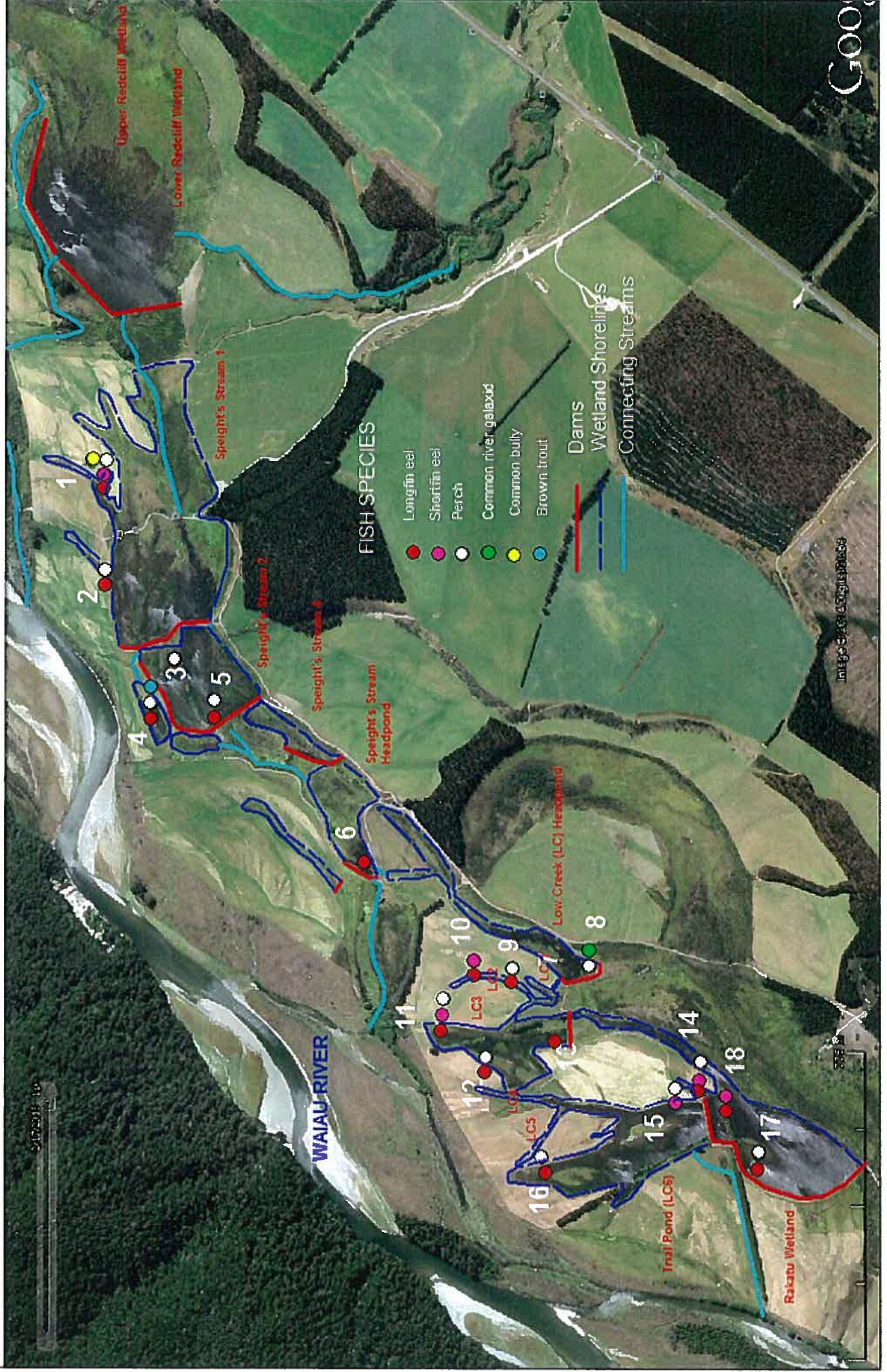
The diversity of water associated species at Rakatu reflects the scale and types of habitat available. Shallow shorelines and pasture margins suit the waders. Regenerating native wetland vegetation suit Fernbirds, plus the secretive Australasian bittern and Marsh crake

Rakatu Wetlands – Planting and Trapping initiatives.



The surplus Bio-condition Fund money was put to good use. 250 cabbage trees were purchased and planted in the riparian margins of the wetland. Timm's traps (10) were purchased to establish a cat control programme, to complement the existing the rat/stoat trap network. An additional 25 DOC 200 traps were also bought to expand the network.

Rakatu Wetlands, March 2014 - Distribution of all fish species, at each of the 18 sampling sites.



(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 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.

c). Fish Surveys:

Preliminary results of the March 2014 fish survey were reported last year. Recapping, the survey was not an exact replica of the previous 2007/08 summer survey (Futter 2008), as fine mesh fyke nets were used instead of coarse mesh fyke nets and G minnow traps. The 2014 survey sampled 8 wetlands at 18 separate sites, compared with the Futter survey where 12 wetlands at 43 separate sites were sampled. Time and resources influenced the extent of the survey. The following tables summarise the survey results.

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

Species	SS1 (2 sites)	SS2 (3 sites)	SSH (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
GRAND TOTAL	256	109	10	10	31	14	9	288	727
Species Richness	4	3	1	3	3	3	3	3	6

Table 3. Total number of each species caught and CPUE (fish/net/hour and fish/net/night).

Species	Number caught	CPUE Fish/net/hr	SE Fish/net/hr	CPUE Fish/net set
Longfin eel (<i>Anguilla dieffenbachii</i>)	99	.2673	± 0.052	5.5
Shortfin eel (<i>Anguilla australis</i>)	6	.016	± 0.0053	0.33
Common bully (<i>Gobiomorphus cotidianus</i>)	1			0.06
Common river galaxiid (<i>Galaxias vulgaris</i>)	2			0.11
Brown trout (<i>Salmo trutta</i>)	1			0/06
Perch (<i>Perca fluviatilis</i>)	618	3.1695	±0.5848	34.33
TOTAL	727			

The following figure shows all the sampling sites and the species caught at each site.

Facts to note from the survey are:

- Longfin eel remain the dominant species at the top of the food chain in the Rakatu wetlands.
- Longfin eel outnumber shortfin eel by 16:1 (compared with 8:1 in the 2007/08 survey).
- The average weight of Longfin eel increased from 0.736kg in 2007/08 to 1.07kg in 2014.

- Many were large and heavy females and the increase in weight of eels caught suggests the Rakatu habitats are particularly suitable for Longfin eel.
- The most abundant species was the introduced Perch, which invaded the wetlands about 3 years ago. All Perch caught were juveniles of the year; no adults were caught.
- Only small numbers of Common bully and Common river galaxids were caught; the impact of Perch on these species is unlikely to be positive.
- Over a 10 year period, the constructed Rakatu Wetlands fish communities have become more ecologically similar to the nearby Redcliff wetlands and the downstream natural Wairaki Wetland. This probably reflects the evolving ecological value of the new habitats over time.

Vehicle and Visitor Numbers.

The vehicle counter operated from 6 May 2014 to 18 March 2015. It was read on 3 occasions, and the vehicles recorded are summarised below.

Table: Vehicles per day visiting Rakatu.

Dates	Season	Numbers vehicles	Vehicles/day
6/May/2014 – 27/June 2014	Aut/Winter	118	2.3
28/June 2014 – 19/Dec 2014	Winter/Spring	353	2.0
20/Dec 2014 – 18 March 2015	Summer	350	4
Total/Average		821	2.6

These numbers are back on previous years. This is surprising given the reported increased tourist numbers coming to NZ this past year and the reported increased number of visitors using rental vehicles (freedom travelers) to travel around NZ.

The main people counter on the track heading to the Lookout malfunctioned, so the **2.3 people/day** recorded, over the same time period, **is an absolute minimum.**

Data from the long-walk people counter, toward the lower end of the property, is more reliable and accurate. It is designed to capture the number of people walking the whole of the track system. For the period 6 May 2014 to 19 December 2014, **52 people (1 every 4 days)** walked the whole track. Again these numbers were less than recorded in 2013.

This data, over time, provides a basis for decision-making about the standard of track maintenance needed at Rakatu.

We guided 3 groups of visitors, at their request, around Rakatu during the year - the NZ Planning Institute field trip in April, Taranaki and Southland Regional Councillors in May and Otatara year 5 and 6 students in February.

A5 Stony Creek/Whitestone Habitat Enhancement.

Expenditure: Budgeted - \$1,630, Actual - \$897

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.

During the year, the Trust negotiated a lease with the neighbouring land owner, to occasionally graze 5 ha of the grassed margins of the wetlands. This is a sheep only arrangement, at a low stocking rate. Keeping the grass down around the wetlands will provide good breeding and feeding habitat for a variety of waterfowl and water related birds.

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.

A7 Dean Burn Kowhai Riparian Habitat.

Expenditure: Budgeted - \$700, Actual - \$1,785

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 was been successful. Further follow up spray of willow regrowth occurred in the spring of 2014.

A9 Flaxy Creek Riparian Habitat.

Expenditure: Budgeted - \$2,000 Actual- \$0

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.

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.

No new fencing projects arose during the year The Trust provided budgeted for follow up willow control work within the fenced riparian margin, upstream of SH94, but this was not spent

A15 Ramparts Road Wetland and Riparian Habitat.

Expenditure: Budgeted - \$2,220, Actual - \$3,023

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, 2012 and 2015. Data from the 2/1/2015 survey is presented in the table below. Black-fronted Tern were recorded for the first time this year.

Table: Ramparts Wetland Bird Survey 2/1/2015

Water Dependent Species	Water Associated Species	Other Species
Paradise Shelduck: 1 brood (6) Grey Teal: 1 brood (5) Mallard Duck: 6	Black-fronted Tern: 5	Harrier Hawk: 1 Welcome Swallow: 6

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.

Water Dependent Species	Water Associated Species	Other Species
Mallard NZ Shoveler Grey Teal NZ Scaup Paradise Duck	Pied Stilt Spur-winged Plover Black-billed Gull Black-fronted Tern	Harrier hawk Welcome Swallow

Although the open water wetland is relatively small, 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.

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

Expenditure: Budgeted - \$ 107,990 Actual - \$38,918

Background:

The philosophy behind this aspect of the Trust's work is to progressively achieve sub-catchment by sub-catchment wetland, gully 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.

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 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 within 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.

Achievements and Progress:

This area of work remains a key focus for the Trust. Progress continued to be made during the year, although project numbers were fewer reflecting the poorer returns for agricultural products. Five (5) Habitat Enhancement Agreement projects and four (4) Joint Waiau

Trust/QE II Trust projects were completed. A further 7 potential new projects were investigated.

Time to completion of these projects can take from a few months to 2 years, which complicates our annual budgeting. Those not completed in a current financial year are often carried over to the following year.

HEA Projects:

The table below documents the 5 projects completed under the HEA category during the year. Protection of 2,390m of stream and 4.77 ha of riparian habitat was achieved. The Trust now has 62 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 5 projects came under this scenario.

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

Landowner	Location/Stream	Length of Fence (m) Riparian Area (ha)		Stream Length Protected (m)	Capital Cost To Trust (\$)
F & S Hampton	Lillburn Tribs	490	0.75	490	1470
D Church	Merton Ck	450	0.30	450	1350
M Willans	Reidsdale Stream	1100	1.57	550	3500
G & J Broughton	Grass Burn Trib	500	0.35	250	1400
G & V Dyson	Dean Burn Trib	1310	1.8	650	2910
TOTAL		3850	4.77	2390	9630

Joint Waiiau Trust/QEII Trust Projects:

The table below details the 4 joint Waiiau Trust/QEII National Trust projects completed this year, protecting 36.7 ha of habitat. These are mainly headwater wetlands, gullies and stream systems with significant native vegetation cover, hence they met the QEII National Trust criteria. The Trust now has 85 Joint projects on the books.

Table: Joint Waiiau Trust/QEII National Trust Projects completed this Year.

Landowner and General Location	Description	Fence Length (m) Area Protected (ha)		Capital Cost To Trust (\$)
M Willans	Willans Wetland, Reidsdale	830	9	2345
Landcorp Farming Ltd, Dale Farm	Aubrey's Wetland, Upukerora	1500	11	7313
Landcorp Farming Ltd, Mararoa Stn	Bartlett's Extension, Lagoon Creek	2530	9.7	7590
G,G & R Cockburn	Mt Prospect, Road Block Whitestone	2280	7	4761
TOTALS		7140	36.7	22,009

Waiiau River Liaison Committee:

The Waiiau River Liaison Committee, administered by Environment Southland, also runs 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.

Million Metres Stream Project:

During the year the Sustainable Business Network established the "Million Metres Stream" project (www.millionmetres.org.nz). This is a non-profit project which aims "to restore the health of New Zealand waterways, metre by metre, stream by stream". The concept of the



Willans HEA, Reidsdale Catchment. Above and below- two photos of this small stream system, with remnant native vegetation covered riparian margins. Now fenced, the native vegetation will flourish providing protection for the stream ecosystem. Such projects add diversity to this farming landscape.





The **Dean Burn tributaries** HEA project, on the **Dyson** property. The Dyson family, and their Woofers from Germany, are hard at work planting the fenced riparian margins of this small stream system. The plantings represent a significant investment by the landowner.



Willans Wetland, Reidsdale Catchment. A Joint WT/QEII Trust project completed this year, protecting 9 hectares of wetland and margins, including wire rush, sphagnum moss, red tussock and flax. A small open water wetland (0.5 ha) was constructed at the south end of the area.



Landcorp Farming Ltd – Dale Farm **Deer Shed** HEA. The protected riparian margins of this tributary of the Whitestone River will be used to trial Manuka plantings, for potential honey production. A concept with the potential to achieve re-vegetation of riparian margins, whilst creating income for the landowner.



Landcorp Farming Ltd, Dale Farm – **Aubrey's Wetland**, in the **Upukerora** catchment. A Joint WT/QEII Trust project completed this year. A small open water wetland constructed in the middle of the wetland adds diversity to the habitat.



Another view of **Aubrey's Wetland**, showing carex and sphagnum moss in the wettest parts. The native vegetation in this 11 ha wetland is expected to regenerate relatively quickly, given available seed source within the protected area.



Landcorp Farming Ltd, Mararoa Station, **Bartlett's Extension** – a Joint Waiau Trust/QEII Trust project. The protection of this 9.7 ha stream/valley floor habitat of Lagoon Creek connects to earlier projects in the upper Lagoon Creek. Most of the upper catchment of Lagoon Creek is now fenced and protected – 9km in total.



Looking west from the top of **Bartlett's Extension**. This is the true right tributary of Lagoon Creek and drains from Lake Thomas.



Mount Prospect- **Road Block Wetland** (Block A, above and Block D, below). A Joint Waiau Trust/QEII Trust project in the Whitestone catchment, Te Anau Basin. Four blocks, totalling 7ha of connected, intact sphagnum/wire rush wetlands, with Coprosma/Manuka margins were protected this year.



project is not about fencing of streams, but rather restoration of riparian margins through planting of native plants. Fund raising is web based and based on donations of \$36/m of stream and a 6m wide riparian margin. The project has a number of partners, including the QEII National Trust. As a starting point one project was established for both the North and South Island. The South Island project is on Landcorp Farming Ltd's Dale Farm, in the Te Anau Basin. The streams being planted are tributaries of the Whitestone River. The fencing of these streams was partially funded with Waiau Trust grant money and protected with our Habitat Enhancement Agreement, a few years ago. It involves planting 1400m of stream for which \$50,000 was raised over a very short time period, in late 2014. Mark Sutton, under his QEII role, is organising this planting project, in conjunction with Landcorp. This is a very good initiative of which the Trust is very supportive, as our own funds are inadequate to cover planting of the riparian margins of the streams we help fence.

Manuka Plantations:

There has been an upsurge in interest around NZ, in the development of manuka plantations for manuka honey production. During the year, the Trust has become aware of a proposed trial of a variety of manuka cultivars for such production in the Te Anau basin. We understand this is a Comvita/Landcorp Farming Ltd initiative and likely to be set up in protected areas (HEA areas) the Trust has helped fund. The Trust is supportive of this concept and await the results of any trials with interest.

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 - \$5,500, Actual - \$2,698

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 Whare Creek, Jericho and Sunnyside/Monowai accesses. 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.

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 location details for the 12 accesses.

Waiau Trust Access Projects

Access	Location	To Where	Type	Purpose
Whare Creek	Lower Waiau, Blackmount-Redcliff Road, 4.2km d/s Mararoa Weir	Waiau River	1.5km gravel road to car park	Anglers, general recreation
Dean Burn	Lower Waiau, west side, 25km upstream of Tuatapere	Dean Burn & Waiau River	0.5 km gravel road to car park	Anglers, general recreation
Wairaki	Lower Waiau, east side, 25km upstream of Tuatapere	Waiau & Wairaki River	1km gravel road to car park	Anglers, general recreation
Redcliff/Jericho	Waiau, Blackmount Redcliff Road, 12.6 km downstream of Mararoa Weir	Waiau River	1.62km gravel road to car park.	Anglers, general recreation
Princhester Creek	SH 94, 28 km east of Te Anau	Princhester Creek & Mararoa River	0.5km gravel road, then grassed walkway to river	Anglers, general recreation
Rakatu	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
Home Creek	Manapouri- Hillside Road, 1.5km from Manapouri	Home Creek	0.8km gravel road, 1.6km circular walking track.	Anglers, general recreation, walking, education
Johnston Access	Dale Road Off Kakapo Road, 16 km from Te Anau	Upukerora River	1.2 km gravel road to car park	Anglers, general recreation.
Pump House Road	Pump House road, off Lynwood Road, 14 km from Te Anau	Whitestone River	0.4 km gravel road to car park	Anglers, general recreation.
Ramparts Wetland	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.
Mararoa-Whitestone	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
Sunnyside-Monowai	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 - \$5,500, Actual - \$2,699

Achievements and Progress:

Relationships within the community remain a high 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 Waiiau Working Party. In our day-to-day business we have contact with Department of Conservation, LINZ, Waiiau River Liaison Committee, Te Waiiau 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 Waiiau 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 Waiiau Working Party (of which the Trust is a member) are currently looking at ways of achieving additional environmental outcomes for the Waiiau Catchment. This is influenced by the National Policy Statement for Freshwater (NPSFW), which Environment Southland must implement. During the year, Environment Southland defined the freshwater management units (Southland catchments) it will work on over time in order to achieve the outcomes of the NPSFW. The Waiiau catchment is not the highest priority, however opportunity exists at this stage 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. The Trust will have a part to play in this initiative.

In late 2014, Environment Southland published an Enviroteach newsletter, “*Wild about Wetlands*”. It featured a number of our projects – Rakatu Wetlands, Whitebait project, Waiiau Mouth, Home Creek and Ramparts Wetland. The newsletter is an educational tool for teachers. As a result of this newsletter, the Otatara school, ran a field trip to Rakatu for year 5 & 6 students, in February.

During the year a number of other field trips/presentations about the Trust and our work have been made to various community groups. These include: NZ Planning Institute Field trip to Rakatu in April, 2014. Such opportunities are always taken up as they are a good way for disseminating information about the Trust.

The revamped Trust website; www.waiiaustrust.org.nz, designed by Tim Mann from Te Anau, went live on 7 April 2014. The following table is a Google Analytics analysis of the visits the website had between the 7 April 2014 and 31 March 2015.

Table: Analysis of Web site Visits.

Number of sessions	520
Number of users	428
Percentage of new sessions	82.12%
Page views	1006
Pages viewed per session	195
Average session duration	1.22 minutes
Number of different countries visitors from	40

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 Waiau Mahinga Kai Trusts, as required and to the Waiau 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 Waiau 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 Waiau 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 Waiau River Mouth, Southland”.*
- l) **Riddell, J & Sutton, M (2014):** *“Baseline Fish Survey of Constructed Whitebait habitats at the Waiau River Mouth Southland, February 2014.”*
- m) **Riddell, J & Sutton, M (2015):** *“Rakatu Wetlands Fish Survey, March 2014.”*

3.5 Output E – Databases.

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

Expenditure: Budgeted - \$3,500, Actual - \$3,325

Achievements and Progress:

The Habitat Enhancement Agreement and Joint WaiauTrust/QEII Trust Project databases have been maintained during the year. The integrity of our databases is important, as they

provide a detailed record of all projects - GPS points, fence lengths, areas protected and expenditure.

The extensive photographic record the Trust now has for all projects continues to be added to in both digital and hard copy form, as required. During the year further effort went into ensuring our project photographic reference library was fit for purpose. We have modelled it on the QEII approach of reference photo points for each Covenant.

The habitat enhancement ecological response monitoring reports commissioned or prepared 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 good 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-\$10,000, Actual- \$9,886

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 Waiiau 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 Waiiau 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 - **\$15,500**, Actual - **\$14,980**

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.

Implementing the Trust's Monitoring Strategy continued this year, with bird counts at Rakatu and Whitebait project sites, fish surveys in the Whitetbait 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.

During the year we presented evidence to the Hearing on the Biodiversity section of the Southland District Council's proposed District Plan. Decisions were subsequently released. The Biodiversity section of the Plan is most relevant for the Trust in terms of our work. The Plan now provides for some further protection of Biodiversity on private land.

H4 General Field.

Expenditure: Budgeted - **\$15,000**, Actual - **\$15,618**

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 - **\$20,580**, Actual - **\$24,568**

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 are accounted for under this Output.

H2 Trust Board.

Expenditure: Budgeted - **\$7,600**, Actual - **\$5,621**

Achievements and Progress:

The Trust met on five (5) occasions during the year, incorporating a field trip to Lower Waiau projects in February. A telephone conference was also held in March 2015. 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 - \$40,000+, Actual - \$68,356

The new fund management system, involving 4 Fund Managers, was bedded in this year, after the major review and changes to the system last year. It has been difficult to budget for the total cost of fund management (fees, brokerage and transactions fees) because of the scale of change that occurred. Greater consistency in cost is expected from now on.

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 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 1957 and the activities of the Trust comply with (g) and (k) of that section. The Trust is registered with Charities Services (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 report to Charities Services on an annual basis.

The External Reporting Board recently undertook a review of reporting standards for non-profit entities. New standards come into force from 1 April 2015 and need to be met for the 2015/16 financial year. A new reporting Tier structure (Tiers 1-4) applies and criteria are included which define the standard required under each Tier. The annual reporting requirement to Charities Services aligns with these new standards. The Trust will report under Tier 3, which requires accrual accounting, but no independent audit. The Trust intends to continue with the independent audit, given the high standard of transparency and accountability we have adopted in the past. The more complex fund management arrangements we now have in place also influenced this decision.

The new standards, also require a degree of non-financial performance reporting. Annual reports are expected to "tell the story" about what a trust does, what resources have been used in doing it and how well a trust is positioned to continue doing what it does. The Waiau Trust has always reported in this manner and will continue to do so.

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.

The primary source of income for the Trust is from the returns on investment of the Trust Fund. In 2012, the Trust instigated a major independent review of its' Investment Strategy. In 2013 a revised **Statement of Investment Policy and Objectives (SIPO)** was adopted. It is conservative in nature. The 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 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.

By March 2014 four new Fund Managers had been appointed and funds to be managed assigned to each Fund Manager. During 2014, Rose Capital merged with Murray and Co.

The table below details the Fund Managers, the original amount of money each had to invest and the balance at 31 March 2014 and 2015 respectively. The total balance as at 31 March 2015 represents a 15.17% investment return for the 2014/15 year. This is net of Trust operational drawings, but fees and brokerage have not been subtracted.

Table: Fund Managers and Investment Fund Values.

	Craigs Investment Partners	Milford Income Fund	Rose Capital (now Murray & Co.)	NZ Asset Managers	Total
Original Investment	2,976,377	2,000,000	720,000	500,000	6,200,168
Balance at March 2014	2,915,365	2,063,573	719,274	512,581	6,210,793
Balance at March 2015	2,923,993	2,304,136	781,122	563,202	6,572,453

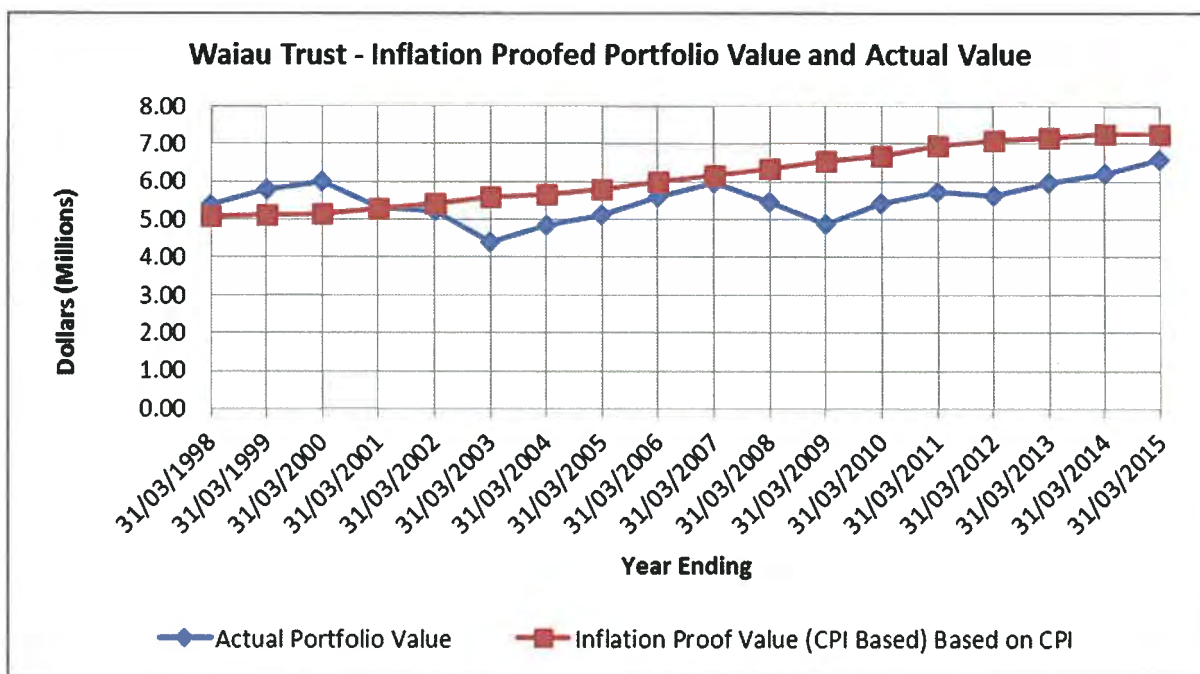
The next table is the breakdown of investment types for each Fund Manager and the percentage (asset allocations) of the fund in each investment type. It also shows how the asset allocations relate to the original agreed asset allocation limits for each Fund Manager, as at 31 March 2015.

Last year there were some minor variations from the "Letters of Agreement" asset allocations, in the form of overweighting of NZ equities. This was discussed with Trustees and agreed to, as they had the potential to provide good capital growth. It was timely to take advantage of the strong returns on equities investments. This has proved to be the case. As this year progressed Trustees took advice and reconsidered the overweight of investment in NZ equities and agreed the weightings should be brought back into line with the original asset allocation limits.

Each Fund Manager provided written reports to the Trust, coinciding with programmed meetings. Detailed quarterly reports were produced, plus the end of year reports. Each Fund Manager came to at least one Board meeting during the year, on a rotational basis. Issues that arose between meetings or quarterly reporting dates, were discussed with the Trust Chairman.

The SIPO, and adherence to it, 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

Maintaining the value of the Fund, with respect to inflation, is a concern for the Trust and is monitored on a yearly basis. The graph below shows the value of the fund at the end of each financial year (since inception and after drawings) 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, but has edged closer to that level this year. The Trust is mindful that our mandate is to produce ecological outcomes 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.



The Trust is 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, reinforcing 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

Waiau Trust Investment update as at 31st March 2015												
	Craigs Investment Partners	Milford Income Fund	Murray & Co	NZ Asset Managers	Total	% of fund	Target %					
Cash	\$253,689	\$122,119	\$48,472	\$26,185	\$450,465	7%	5%					
Total Cash (I)	\$253,689	\$122,119	\$48,472	\$26,185	\$450,465	7%	5%					
NZ Fixed Interest	\$1,509,366	\$1,389,394 (No breakdown)	\$436,720		\$3,335,480	49%	55%					
Australia Fixed Interest & Global			\$0		\$0	0%						
Total Fixed Interest (I)	\$1,509,366	\$1,389,394	\$436,720	\$0	\$3,335,480	49%	55%					
Nz Properties	\$204,059	\$80,645	\$77,800		\$362,504	5%	10%					
Aust Properties	\$115,741				\$115,741	2%						
Total Properties (G)	\$319,800	\$80,645	\$77,800	\$0	\$478,245	7%	10%					
NZ Equities	\$491,274	\$248,847	\$199,430		\$939,551	14%	15%					
Australia Equities	\$418,812	\$463,131	\$18,700		\$900,643	13%	13%					
International Equities	\$116,052	\$0	\$0	\$537,017	\$653,069	10%	2%					
Total Equities (G)	\$1,026,138	\$711,978	\$218,130	\$537,017	\$2,493,263	37%	30%					
Total portfolio	\$3,108,993	\$2,304,136	\$781,122	\$563,202	\$6,757,453	100%	100%					

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 1383 (including 50 hours for general administration). This is 75% of one full-time person, which is slightly down on last year.

Trust costs continue to increase across the board. 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 such 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, as required. 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. From time to time a selective tendering process is used to test the market or enable a number of contractors to compete for work. Local contractors are used 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 Waiiau River and fisheries research, as detailed in the eight specific Objects. Meeting the Objects of the 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. Each new project is assessed to ensure compliance.

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 Waiiau Lagoon (Object 4 of the Deed), with good progress during the year, with the monitoring of the McCulloch Wetlands and Whitehead wetlands and the building of the new Inder Wetland and diversion channel.

The number of public access roads to the Waiiau 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 62 completed Habitat Enhancement Agreement projects (A100) for stream riparian and wetland habitat, plus 85 completed joint Waiau Trust/QEII National Trust projects. These 161 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 reasonable 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 Waiau Mahika Kai Trust's protection initiatives at their Jericho property, which is in close proximity to Rakatu Wetlands and the Redcliff Reserve. Consultation with the Tuatapere Amenities Trust has occurred between individual Trustees and Contractors, usually at Waiau 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 Waiau 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 Waiau 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.

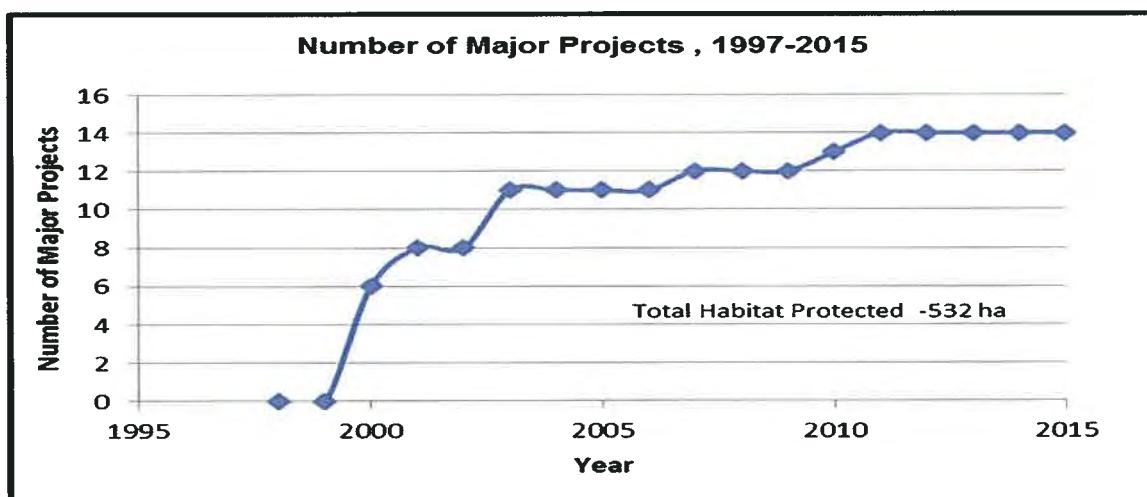
Key Trust Outcomes are:

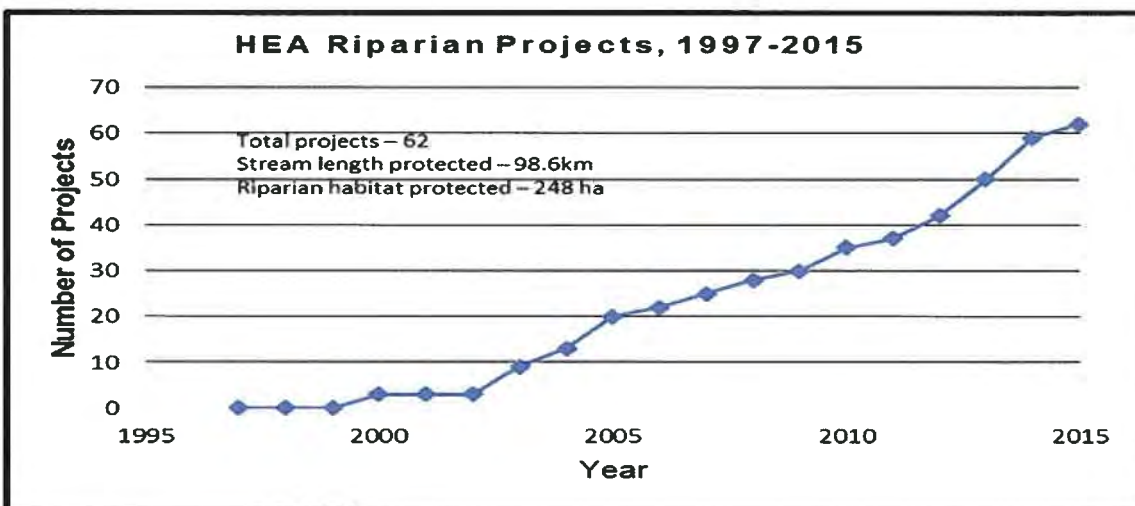
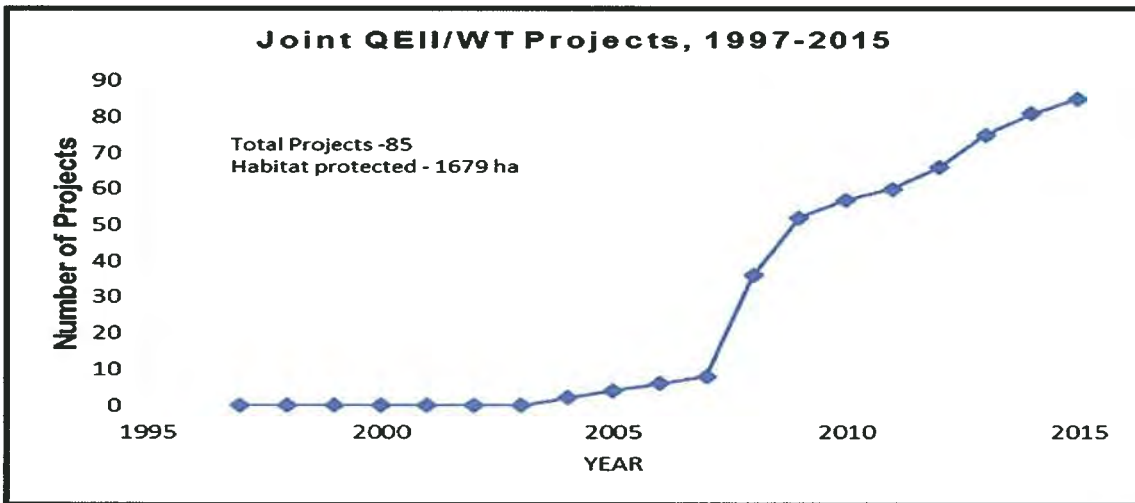
- a). Increasing the number and areas of **enhanced habitats** for a wide variety of fishery and wildlife species, in the modified areas of the Waiau catchment.
- b). **Improving ecosystem health** in the Waiau catchment by enhancing networks of connected habitats.
- c). Creating **awareness** and building 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 Waiau 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 161 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. Preventing animal access to 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 contaminant 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.

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

Waiau Trust Major Habitat Enhancement Projects, as at 31 March 2015.

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
Newlands Wetlands Complex #		22.3	12.8	29.9
Glen Echo - Lady Burn & Tribs#	4.9			80
Kepler Trig Wetland		2		2
TOTAL	29 km	217.1	103.8	532.2

Joint project with QEII National Trust

* Joint project with Environment Southland

● Property on sold

Habitat Enhancement Agreements (HEA) March 2015

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	Humberg Creek	Humberg Creek	P & K Gow	1050	1050	1.05
103	McIvor Creek	McIvor Creek	P & K Gow	1050	1050	1.05
106	Dean Burn	Dean Burn	NZ Deer Farms	2470	1770	7.08
107	Upukerora	Tribbles Str. (Now Carole's QE11 OSC)	Landcorp Farming Ltd - Ewe Burn	11065	5532	22.50
110	Whitestone	Kakapo Swamp Outlet Stream	Owen Buckingham	1400	1400	4.20
112	Mararua	Thomas Burn	Landcorp Farming Ltd-Mararua Stn	3100	5500	13.80
113	Mararua	Wash Creek	Landcorp Farming Ltd- Haycocks	6220	3685	12.70
114	Whitestone	Ramparts Stream	Landcorp Farming Stuart Farm	810	405	0.50
115	Whitestone	Unnamed Streams	Kevin Woolhouse	2270	1135	2.70
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	Lillburn	Unnamed Streams	Neil & Gray Robertson	4200	3450	3.33
119	Flaxy Creek	Flaxy Creek	Montana Farming Ltd, P & M Tippett	3000	1500	3.75
120	Whitestone	Dawson City Wetlands	Landcorp Farming Ltd - Mararua Stn	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	1800	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	Glenbrae Ltd - E & A Cade	600	300	0.80
132	Lower Waiau Mainstem	Humberg, Grassy, McIvor Creek	Peter & Kerrie Gow	3130	1565	1.57
133	Orauea	Morley Stream	Landcorp Farming - Wilanda Downs	1400	1400	2.80
134	Lillburn	Fenham Creek trib	David & Sarah MacGillivray	670	335	1.30
135	Home Creek/Kepler Mire	Stuart Farm - Radio Mast	Richard & Trudy Slee	460	250	1.00
136	Mararua	Orauea River	Landcorp Farming Stuart Farm	900	780	1.60
137	Camp Creek	Grassy Creek	David Church	6180	6180	6.20
138	Lower Waiau Mainstem	Camp Creek	Bevan Collie & Fiona Hopkins	2155	2155	5.10
139	Orauea	Orauea River	Gary Hopcroft	1190	1190	1.00
140	Mararua	Unnamed trib - Mararua	Roderick McCall & Anne Roska	265	130	0.33
141	Flaxy Creek	Flaxy 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	Mararua	Spring Trib	Graeme & Joy Gunn	1120	700	1.38
145	Mararua	Thomas Burn Trib	Landcorp Farming - Mararua Stn	1450	725	1.10
146	Wairaki	Grassy Creek Trib	Russell & Elizabeth Gray	600	600	0.82
147	Mararua	Wilderness Creek	David Dodunski-ELYA 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 & LMJ Gill	1960	1960	2.30
151	Lower Waiau	Excelsior Creek	Landcorp Farming - Duncraig Farm	1178	1178	3.90
152	Lower Waiau	Clifden Gaves 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	Mararua River	Lagoon Creek	Landcorp Farming - Mararua Station	1350	940	1.50
155	Whitestone	Fred Burn Stream	Landcorp Farming - Lynmore Farm	3608	1850	5.73
156	Dean Burn	Dean Burn tributary	Landcorp Farming - Dale Farm	4800	2364	8.70
157	Mararua	Unnamed trib - Mararua	Lindsay & Glenda Wilson	1000	500	0.70
158	Whitestone	Unnamed trib - Whitestone	Burwood Station - Hamish McLean	1840	622	1.50
160	Whitestone	Fenham Stream tribs	Landcorp Farming - Dale Farm	1480	700	2.70
161	Dean Burn	Unnamed trib Dean Burn	David McGillivray	660	410	4.80
162	Whitestone	Unnamed trib Whitestone	G & V Dyson	5110	2550	5.40
163	Upukerora	Ray's Stream	Landcorp Farming - Stuart Farm	630	650	4.80
164	Whitestone	Unnamed trib - Whitestone	Landcorp Farming - Ewe Burn Farm	1380	2700	1.70
165	Lillburn	Stony Creek	Landcorp Farming - Dale Farm	3480	690	2.50
166	Whitestone	Reidsdale Stream	G & R Cockburn - Mt Prospect	490	490	2.80
167	Whitestone	Unnamed trib	Fraser & Sharon Hampton	1100	550	1.57
168	Whitestone	Unnamed trib	Murray & Iania Willans	500	250	0.35
169	Orauea	Unnamed tribs Grass Burn	George & Justine Broughton	500	250	0.35
			Total	151,342	98,559	248.06

Waiau Trust & QE II National Trust Joint Projects - March 2015

Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)
Mararoa	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-Clifden Hwy	2,370	3.1
Mararoa	Lynmore Tarns	Landcorp Farming	Lynmore Farm	2,220	8.9
Mararoa	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	Mararoa 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 Stream	Landcorp Farming	Stuart Farm	6,749	86.6
Waiau Mainstem	Thomas Covenant	R & A Thomas	879 Clifden Highway	170	3.6
Upukerora	Eweburn Wetland	Landcorp Farming	Eweburn Farm	3,000	31.5
Thomas Burn	Thomas Burn	Landcorp Farming	Mararoa Station	12,011	148.9
Whitestone	Lake Echo	Landcorp Farming	Mararoa 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	850	8.4
Lake Te Anau	Ten Mile Swamp	Landcorp Farming	Kepler 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	Eweburn Farm	1,235	21.8
Upukerora	Te Anau Hill	Landcorp Farming	Lynmore Farm	2,485	103.7
Redcliff Creek/Jericho Creek	Matt's Shrubland + extension	Landcorp Farming	Dale Farm	1,720	12.8
Mararoa	Inkersells Wetland	Landcorp Farming	Jericho Farm	1,400	6.4
Mararoa	Geoff's Wetland	Landcorp Farming	Stuart Farm	700	3.0
Mararoa	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
Mararoa	Liko's Wetland	Landcorp Farming	Stuart Farm	650	3.1
Grassy Creek	Wairaki Station Bushland	Richard & Trudy Slee	Blackmount RD 2 Otautau	2,700	19.7
Whitestone	Andy's Wetland	Andrew Gillespie	55 Ramparts Rd, Te Anau	700	3.3
Whitestone Fred Burn	Gordon's Gully	Landcorp Farming	Dale Farm	800	11.9
Whitestone	Cricket Ground	Landcorp Farming	Dale Farm	3,400	40.3
Whitestone	Kits Bog Pine	Landcorp Farming	Dale Farm	890	3.9

Waiiau Trust & QE II National Trust Joint Projects Continued					Physical Address	Fence (m)	Area protected (ha)
Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)		
Wash Creek	Ramhill 1 & 2	Landcorp Farming	Hikurangi Station	6,280	35.2		
Mararao/Lagoon Cr	Waynes Gully	Landcorp Farming	Lynmore Farm	500	3.2		
Te Anau tributary	Toni's Wetland	Landcorp Farming	Ewe Burn Farm	7,800	38.4		
Mararao	John's Wetland	Landcorp Farming	Freestone Farm	1,700	31.2		
Mararao	Rough Wetlands + extension	Landcorp Farming	Lynmore Farm	1,900	6.6		
Mararao	Tim's Gully	Landcorp Farming	Mararao Station	5,120	24.7		
Upper Waiiau	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 - Mararao	One Tree Wetland	Landcorp Farming	Centre Hill Station	3,645	16.7		
Mararao	Lagoon Creek Wetlands	Landcorp Farming	Lynmore Farm	1,890	8.9		
Lower Waiiau	Mannings Wetland	Landcorp Farming	Duncraigen Farm	2,645	11.0		
Lower Waiiau	Big Bend Wetland	Landcorp Farming	Duncraigen Farm	1,255	8.0		
Wash Creek - Mararao	Kerry's Wetland	Landcorp Farming	Haycocks Station	1,685	12.1		
Lagoon Cr, Thomas Burn	Templetons	Landcorp Farming	Mararao Station	3,500	19.1		
Waiiau River	Roses	Landcorp Farming	Duncraigen Farm	1,750	7.0		
Lagoon Creek	Bartletts	Landcorp Farming	Mararao Station	4,710	63.1		
Lake Te Anau	Four Mile	Landcorp Farming	Eweburn Farm	1,055	10.1		
Lower Waiiau	Addenbrooke & Harris	Addenbrooke & Harris	2804 Ohai - Clifden Hy	460	9.8		
Lower Waiiau	Office	Landcorp Farming	Duncraigen Farm	570	1.6		
Lower Waiiau	Collar	Landcorp Farming	Duncraigen Farm	995	6.3		
Mararao	Dale Burn trib.	Landcorp Farming	Mararao Station	2,920	17.2		
Whitestone	Dawson City - Mt Prospect	GR,GW& RJ Cockburn	3348 Kakapo Road, Te Anau	4,800	30.0		
Waiiau 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	11.8		
Mararao	Anitas	Landcorp Farming	Mararao Station	2,280	20.9		
Lower Waiiau	Ben's	Landcorp Farming	Duncraigen Farm	1,183	4.5		
Lower Waiiau	Tim's	Landcorp Farming	Duncraigen Farm	948	4.5		
Orauea	Wilsons Moffat Bush	G A Wilson	344 Clifden Gorge Road, Otautau	2,200	12.1		
Lake Te Anau	Podocarp	Landcorp Farming	Eweburn Station	720	2.4		
Waiiau River	Richard's Bush	J & E Richards	Ohai Clifden Hwy, RD 2, Otautau	1,032	4.4		
Whitestone	Jack's Gully	Landcorp Farming	Stuart Farm	3,053	8.3		
Lake Manapouri	Leslie's Wetland	Landcorp Farming	Kepler Farm	1,185	4.1		
Orauea	Broughton Sturgess Block	G & J Broughton	640 Scotts Gap Feldwick Rd. RD 2, Otautau	500	1.5		
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		
Reidsdale	Willians Wetland	MJ & TM Willians	1945 Te Anau Mossburn Highway	830	9.0		
Upukerora trib	Aubrey's Wetland	Landcorp Farming	Dale Farm	1,500	11.0		
Lagoon Creek	Bartletts Extension	Landcorp Farming	Mararao Station	2,530	9.7		
Whitestone	Mt Prospect - Road Block	GR,GW& RJ Cockburn	1338 Kakapo Rd. RD 2, Te Anau.	2,280	7.0		
			Total	184,879	1,679		

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

productive fishery and wildlife habitats, linked to the Waiau Lagoon and the Waiau River, in a very short time.

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

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.

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, eels

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 161 habitat enhancement and 12 access projects, the Trust has worked with at least 80 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, 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 enquires 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.

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

The eighteenth 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 **\$393,426**. Income for the year was **\$408,934**, and when the revaluation of the portfolio is included - **\$596,695**.

The Trust's Statement of Investment Policy and Objectives (SIPO) continues to focus on investment types designed to provide certainty of cash flow, as well as providing for long-term growth of the Fund. The portfolio rose by **15.17%** (gross, before fees.) for the year.

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

- Ongoing 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.
- Construction of the new Inder Wetland and diversion channel at the whitebait habitat project site.
- Completion of 5 HEA projects protecting 2.4km of streams and their riparian margins.
- Completion of 4 joint Waiau Trust/QEII Trust projects protecting 36.7 ha of wetlands, streams and bush.
- Investigation of 7 new wetland and stream riparian protection projects.
- Expanding and maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Trialing pest traps at the Whitebait project.
- Finalising the 5 yearly fish survey of the Rakatu Wetlands and the 2014 Whitebait habitat fish survey reports.
- 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 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 recognising there is an enormous amount yet to be achieved, the Trust is proud of what has been achieved to date.

Contacts:

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Website: www.waiiaustrust.org.nz



**Waiau Fisheries And Wildlife Habitat
Enhancement Trust**
2015 Report And Financial Statements

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Waiau Fisheries And Wildlife Habitat Enhancement Trust

Directory



Nature of Business	As a charitable organisation. The objectives of the Trust are to enhance and develop fisheries and wildlife habitat in the Waiau River Catchment.
Trustees	<ul style="list-style-type: none">- Cam McCulloch - Chairman- Glenys Dickson - Dept of Conservation- John Whitehead - Dept of Conservation- Mike O'Brien - Rural Community Representative- Fred Inder - Southland Fish & Game Council- Peter Sutton - Southland Fish & Game Council- Andrew Feierabend - Meridian Energy Ltd
Secretary	Southland Fish & Game Council INVERCARGILL
Solicitors	Preston Russell Solicitors INVERCARGILL
Investment Advisors	Craigs Investment Partners INVERCARGILL Murray & Co CHRISTCHURCH Milford Asset Management AUCKLAND NZ Asset Managers AUCKLAND
Auditor	Crowe Horwath Chartered Accountants INVERCARGILL
Charities Commission	Registration Number: CC20449



Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement Of Financial Performance For The Year Ended 31 March 2015

	2015 \$	2014 \$
REVENUE		
Rakatu Wetland - Grazing Lease	16,704	16,704
Rakatu Wetland - Donation Box	110	389
Other Donations	100	-
Interest BNZ	399	174
Interest and Dividends	360,797	327,201
Whitebait Habitat - Sale of Balage	30,715	24,172
Rebates - Fertiliser	109	-
	<hr/>	<hr/>
	408,934	368,640
LESS EXPENDITURE		
Project Costs		
Home Creek Riparian Habitat		
Admin and Planning	937	929
Capital Expenses	-	-
Ongoing Maintenance	2,322	1,297
	<hr/>	<hr/>
	3,259	2,226
Lower Waiau Whitebait Habitat		
Admin and Planning	34,024	39,529
Capital Expenses	127,556	11,754
Monitoring	-	1,575
Ongoing Maintenance	10,895	12,297
	<hr/>	<hr/>
	172,475	65,155
Stony Creek / Whitestone Habitat		
Admin and Planning	897	303
Rakatu Wetland		
Admin and Planning	16,327	11,918
Capital Expenses	2,000	136
Ongoing Maintenance	6,991	10,401
	<hr/>	<hr/>
	25,318	22,455
Ramparts Road Wetland		
Admin and Planning	1,671	1,504
Capital Expenses	-	1,557
Ongoing Maintenance	1,352	429
	<hr/>	<hr/>
	3,023	3,490

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 2015

	2015 \$	2014 \$
Kepler Trig Wetland		
Admin and Planning	-	365
Ongoing Maintenance	-	260
		<hr/>
	-	625
Habitat Enhancement Agreements		
Admin and Planning	4,857	9,442
Capital Expenses	32,639	85,262
Ongoing Maintenance	1,422	1,849
	<hr/>	<hr/>
	38,918	96,553
Flaxy Creek		
Admin and Planning	-	711
Ongoing Maintenance	-	184
	<hr/>	<hr/>
	-	895
Dean Burn Kowhai QE11		
Admin and Planning	174	-
Ongoing Maintenance	1,611	-
	<hr/>	<hr/>
	1,785	-
Whare Creek Access		
Ongoing Maintenance	778	560
Princhester Creek Access		
Admin and Planning	308	357
Redcliff / Jericho Access		
Admin and Planning	-	138
Ongoing Maintenance	720	666
	<hr/>	<hr/>
	720	804
Wairaki Access		
Admin and Planning	-	130
Soper Access Whitestone		
Admin and Planning	-	130
Mararoa Whitestone Access		
Admin and Planning	455	276
Sunny Side/Monowai Access		
Ongoing Maintenance	307	535

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 2015

	2015 \$	2014 \$
Johnson Access		
Admin and Planning	130	663
Education and Public Awareness		
Admin and Planning	2,483	3,259
Website Design	216	2,353
	<hr/>	<hr/>
	2,699	5,612
Databases		
Admin and Planning	3,325	2,765
Capital Expenses	-	17
	<hr/>	<hr/>
	3,325	2,782
Project Investigation and Facilitation		
Admin and Planning	9,886	8,627
General Field	15,618	15,798
General Planning		
Planner Consultancy Service	14,122	10,934
Planner Travel	858	1,621
	<hr/>	<hr/>
	14,980	12,555
TOTAL PROJECT COSTS	<hr/>	<hr/>
	294,881	240,531

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 2015

	Note	2015 \$	2014 \$
Administration Expenses			
Audit Fees		3,323	2,455
Accounting Fees		4,330	3,404
Administration		2,798	2,832
Annual Report		7,007	6,889
Bank Charges		28	5
Depreciation		2,394	3,138
Insurance		4,130	3,473
Printing, Stamps & Stationery		-	-
Repairs and Maintenance		114	129
Telephone & Tolls		444	470
		<u>24,568</u>	<u>22,795</u>
Trust Board Expenses			
Trust Travel and Accommodation		4,450	3,650
Trust Board Meeting Expenses		1,171	1,019
		<u>5,621</u>	<u>4,669</u>
Financial Planning			
Investment Management Fees	4	58,500	74,163
Brokerage		9,856	26,545
Investment Reviews		-	-
		<u>68,356</u>	<u>100,708</u>
Total Administration Expenses		98,545	128,172
Total Expenditure		393,426	368,703
TRADING SURPLUS/(DEFICIT)		15,508	(63)
Revaluation of Investments	3	581,187	290,769
OPERATING SURPLUS		596,695	290,706





Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement of Movements in Equity For The Year Ended 31 March 2015

	2015 \$	2014 \$
Equity at the Beginning of the Year	6,785,651	6,494,945
Net Surplus/(Deficit) For The Year	596,695	290,706
Equity at the End of the Year	<u>7,382,346</u>	<u>6,785,651</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 2015

	Note	2015 \$	2014 \$
Current Assets			
Bank of New Zealand Ltd		131,472	92,415
Craigs Investment Partners Investment	3	185,000	-
Craigs Investment Partners Cash Account	3	66,017	84,218
N Z Assets Management Cash Account	3	26,185	15,429
Murray & Co Capital Cash Account	3	48,472	288,193
Milford Fund Cash Account	3	122,119	30,953
Goods and Services Tax		12,328	3,073
Total Current Assets		591,593	514,281
Non-Current Assets			
Fixed Assets as per Schedule		482,725	483,954
Investments	3	6,309,660	5,792,000
Total Non-Current Assets		6,792,385	6,275,954
TOTAL ASSETS		7,383,978	6,790,235
Current Liabilities			
Accounts Payable		1,632	4,584
Total Current Liabilities		1,632	4,584
TOTAL LIABILITIES		1,632	4,584
NET ASSETS - Per Trustees' Equity		7,382,346	6,785,651

Signed:

- Trustee
Dated 26 6 2015

- Trustee
Dated 26 6 2015

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 Cash Flow For The Year Ended 31 March 2015

	2015 \$	2014 \$
Cash Flow from Operating Activities		
Receipts	47,528	40,877
Interest & Dividends	361,196	327,375
Donations	210	389
Payments to Suppliers and Employees	(393,984)	(364,641)
GST (Paid)/ Refunded	(9,256)	1,818
Net Cash Flow from / (used in) Operating Activities	5,694	5,818
Cash flow from Investing Activities		
Proceeds from the Sale of Financial Assets	324,000	276,809
Purchase of Property, Plant and Equipment	(1,164)	(618)
Purchase of Financial Assets	(445,473)	-
Net Cash Flow from / (used in) Investing Activities	(122,637)	276,191
Net Cash Flow from / (used in) Financing Activities	-	-
Net Change in Cash and Cash Equivalents	(116,943)	282,009
Cash and Cash Equivalents, Beginning of Year	511,208	229,199
Cash and Cash Equivalents, End of Year	394,265	511,208
 Represented By:		
Bank of New Zealand	131,472	92,415
Craigs Investment Partner Cash Account	66,017	84,218
NZ Asset Management Cash Account	26,185	15,429
Murray & Co Capital Cash Account	48,472	288,193
Milford Fund Cash Account	122,119	30,953
	394,265	511,208

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

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 within 90 days 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

	2015	2014
	\$	\$
Craigs Investment Partners		
Diversified Investment Portfolio	2,857,976	2,831,147
Diversified Investment Portfolio cash and on call	66,017	84,218
Total Investments	<u>2,923,993</u>	<u>2,915,365</u>
Investment Return	14.39%	3.47%
	2015	2014
	\$	\$
Murray & Co Capital		
Diversified Investment Portfolio	732,650	431,081
Diversified Investment Portfolio cash and on call	48,472	288,193
Total Investments	<u>781,122</u>	<u>719,274</u>
Investment Return	15.95%	3.79%
	2015	2014
	\$	\$
Milford Income Fund		
Diversified Investment Portfolio	2,182,017	2,032,620
Diversified Investment Portfolio cash and on call	122,119	30,953
Total Investments	<u>2,304,136</u>	<u>2,063,573</u>
Investment Return	18.89%	9.07%
	2015	2014
	\$	\$
N Z Assets Management		
Diversified Investment Portfolio	537,017	497,152
Diversified Investment Portfolio cash and on call	26,185	15,429
Total Investments	<u>563,202</u>	<u>512,581</u>
Investment Return	11.41%	3.67%
Total Portfolio Investments and cash on call	<u>6,572,453</u>	<u>6,210,793</u>
Investment Return (Gross & excluding Credit Sail)	15.17%	6.04%



**Waiau Fisheries And Wildlife Habitat
Enhancement Trust**
Notes To The Financial Statements

3 Investments (continued)

Realised and Unrealised Gains

	2015		2014	
	Realised \$	Unrealised \$	Realised \$	Unrealised \$
Forsyth Barr	-	-	257,540	(47,300)
Craigs Investment Partners	43,291	156,108	(3,539)	(18,441)
NZ Assets Management	(309)	58,400	1,709	15,858
Milford Asset Management	-	242,222	-	72,529
Murray & Co Capital	29,237	52,238	-	12,413
	<u>72,219</u>	<u>508,968</u>	<u>255,710</u>	<u>35,059</u>
Total	<u><u>581,187</u></u>		<u><u>290,769</u></u>	

4 Investment Management Fees and Brokerage

	2015 \$	2014 \$
Forsyth Barr	-	15,182
Forsyth Barr Brokerage	-	10,103
Craigs Investment Partners Fees	13,033	12,312
Craigs Investment Partners Brokerage	9,856	16,442
Murray & Co Capital	1,401	2,967
Milford Asset Management	36,168	37,904
NZ Asset Management	7,898	5,798
Total Management Fees	<u><u>68,356</u></u>	<u><u>100,708</u></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	716	20	25
	Signage	19,286	13,240	6,046	6,870
	Stihl Backpack Sprayer	230	230	-	-
	Stihl Weedcutter	513	502	11	34
	People Counter	735	351	384	480
	4 x Fyke 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 Creek	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	9,761	8,702	1,059	12
	Pump Shed - Home Creek	955	436	519	541
	Lookout & Toilet	42,385	10,243	32,142	33,136
	Forestry Blocks	28,048	-	28,048	28,048
	Cattle Stop	9,230	4,593	4,637	4,949
		522,357	39,632	482,725	483,954

Fixed Assets are recorded at cost.

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

Heritage Assets

Waiau Fisheries and Wildlife Habitat Enhancement Trust hold assets of environmental significance. These are reflected in the Financial Statements at initial purchase cost. Subsequent work and value is not able to be reliably measured. Heritage assets include:-

Home Creek (Purchase cost \$1,868)

Meandering stream system and riparian habitat. Re-fencing and pest control work along with re-vegetation with native plants to provide a green belt for the local community

Rakatu Wetlands (Purchase cost \$253,116)

The creation of ecologically sustainable wetlands and small stream ecosystems for the benefit of fisheries and wildlife in the Lower Waiau River catchment. The establishment of a public access and facilitates for recreational and educational use to promote the values of the wildlife and fishery habitats.



Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Financial Statements

Heritage Assets (continued)

Public Access Ways

Whare Creek	(Purchase Cost \$76,362)
Marora/Whitestone	(Purchase Cost \$14,990)
Princhester Creek	(Purchase Cost \$6,475)

Public access ways created to the Waiau River and tributaries to improve access for recreational and educational activities.

Waghorns/Stony Creek (Purchase cost \$26,243)

Restoration of natural Whitestone River meandering process via establishment of 2 wetland areas and protection of small creeks and native vegetation.

Ramparts Road (Purchase cost \$30,805)

Significant wetland, protected and created for habitat protection of the sub-catchment of the Mararora River to ensure sustainability of stream flows.

Lower Waiau Whitebait Habitat (Annual Lease \$2,000)

Lease from Meridan and Management Agreement with the Department of Conservation for the development of 30ha of large open water wetlands hydrologically linked to the Waiau Lagoon to create and enhance habitat for whitebait and other fisheries, public access and educational purposes.

6 Financial Commitments

	2015	2014
	\$	\$
Operating Lease Commitments		
Current	2,000	2,000
Non Current	3,000	5,000

7 Project Costs

	2015	2014
	\$	\$
Included in total project costs are the following charges:		
Southland Fish & Game Council Services *	2,881	2,790
Planning Costs - Riddell Associates	32,399	39,177
M Sutton	73,225	70,676

* 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 2015 (2014: \$2,400).

The trustees have not applied for any units during 2015 and have deferred the application of units until the mandatory return due in 2018. Units will be accumulated until then a claim made for the period 2014 - 2018.

9 Reconciliation of Net Surplus to Cash Flow From Operating Activities

	2015 \$	2014 \$
Net Surplus/(Deficit)	596,695	290,706
Add Non-Cash Items		
Depreciation	2,394	3,138
Total Non Cash Items	2,394	3,138
Add/(Less) Working Capital Movements		
(Decrease)/Increase in Accounts Payable	(2,952)	925
(Increase)/Decrease in GST	(9,256)	1,818
	(12,208)	2,743
Add/(Less) Investment Movements		
Investment Revaluation	(581,187)	(290,769)
	(581,187)	(290,769)
Net Cash Flow from Operating Activities	5,694	5,818





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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 Waiau Fisheries and Wildlife Habitat Enhancement Trust on pages 2 to 15, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of movements in equity and statement of cash flows, for the year then ended, 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 2 to 15 present fairly, in all material respects, the financial position of Waiau Fisheries and Wildlife Habitat Enhancement Trust as at 31 March 2015, and its financial performance and cash flows for the year then ended in accordance with generally accepted accounting practice in New Zealand.


Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
26 June 2015

