

Annual Report

For the Year ended 31st March 2017



Waiau

Fisheries & Wildlife

HABITAT ENHANCEMENT TRUST



Members of Landcorp Farming Ltd's Environmental Reference Group
L to R: Guy Salmon, Mike Joy, Alison Dewes and Phil McKenzie (Landcorp, General Manager - Environment) visiting habitat protection project sites on Landcorp farms in the Te Anau basin, September 2016.

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Front Cover:

The Orawia stream at Feldwick on Gary Hopcroft's property. The limestone backdrop known as "Braida Craggs", is soon to be protected by a QE II Open Space Covenant.

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 Waiau Catchment.

All Trustees were reappointed during the year, for a further three year term ending January 2019.

Trust Services:

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

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Executive Summary:

The twentieth 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 \$338,363. Income for the year was \$478,052, and when the revaluation of the portfolio is included, the operating surplus was \$215,635.

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 6.0% (net return after withdrawals, fees and brokerage) for the year.

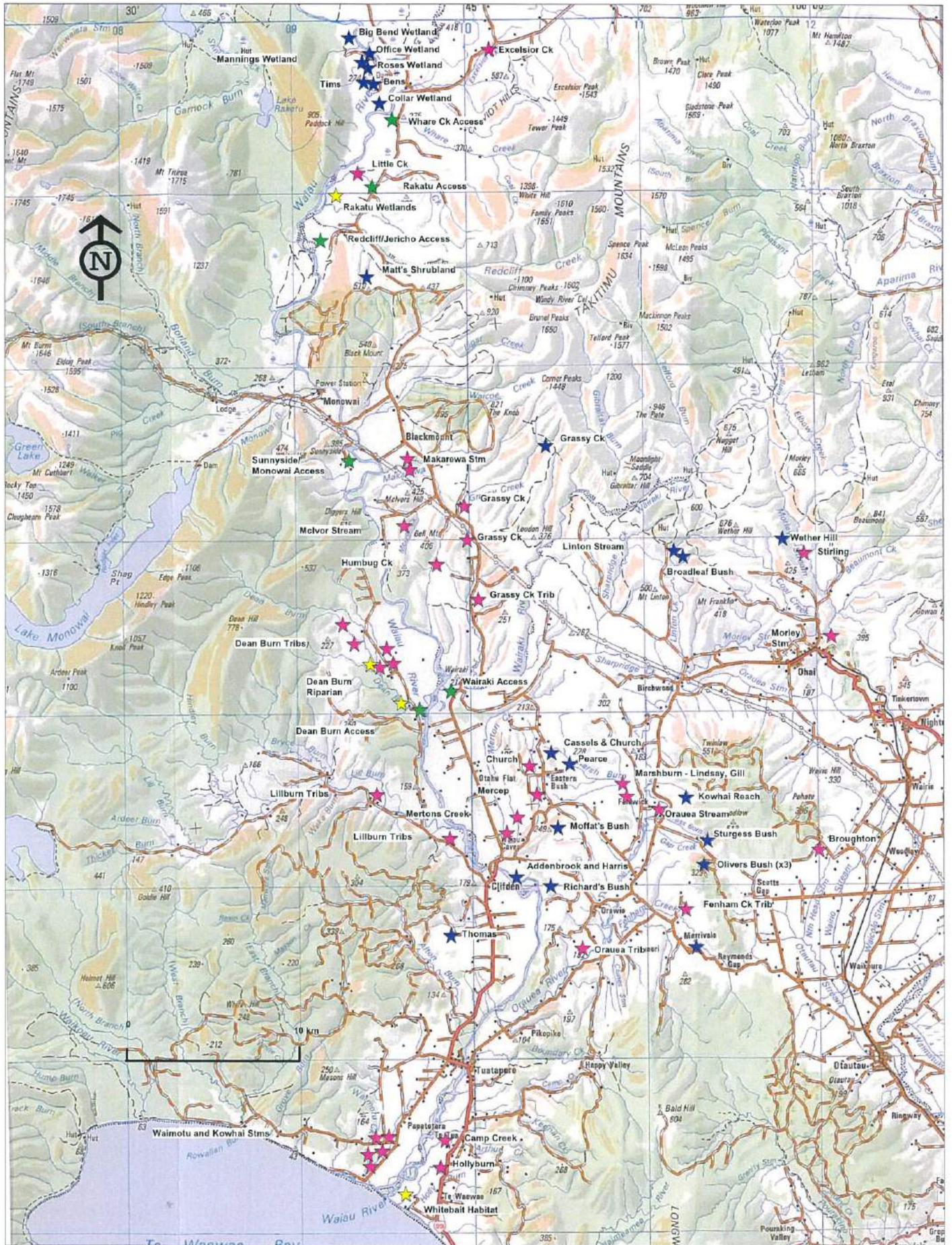
The following is a list of achievements the Trust considers to be the highlights for the year:

- Ongoing monitoring of the whitebait habitats -Whitehead Suite (built in March 2009), McCulloch Suite (constructed March 2012) and Inder Wetland (built February 2015), at the mouth of the Waiau River.
- Establishing a PhD Study on Southland coastal fisheries which includes the whitebait habitat fisheries monitoring.
- Completion of 9 HEA projects protecting 7.61km (23.1 ha) of streams and their riparian margins.
- Completion of 4 joint Waiau Trust/QEII Trust projects protecting 83.3 ha of wetlands, streams and bush.
- Investigation of 15 potential new wetland and stream riparian protection projects.
- Maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Maintaining the predator trap network at the Whitebait project.
- The ongoing relationships between the Waiau Trust and the QEII National Trust, Landcorp Farming Ltd and Meridian Energy Ltd.
- The strategic workshop, looking to the future.
- The establishment of macroinvertebrate/electric fishing long term monitoring programme in Te Anau basin sub-catchments.
- The revision of the Trust Health and Safety Plan.
- Completion of a Communication Plan

The following maps show the location of all the Trust's habitat enhancement and access projects, as at March 2017.

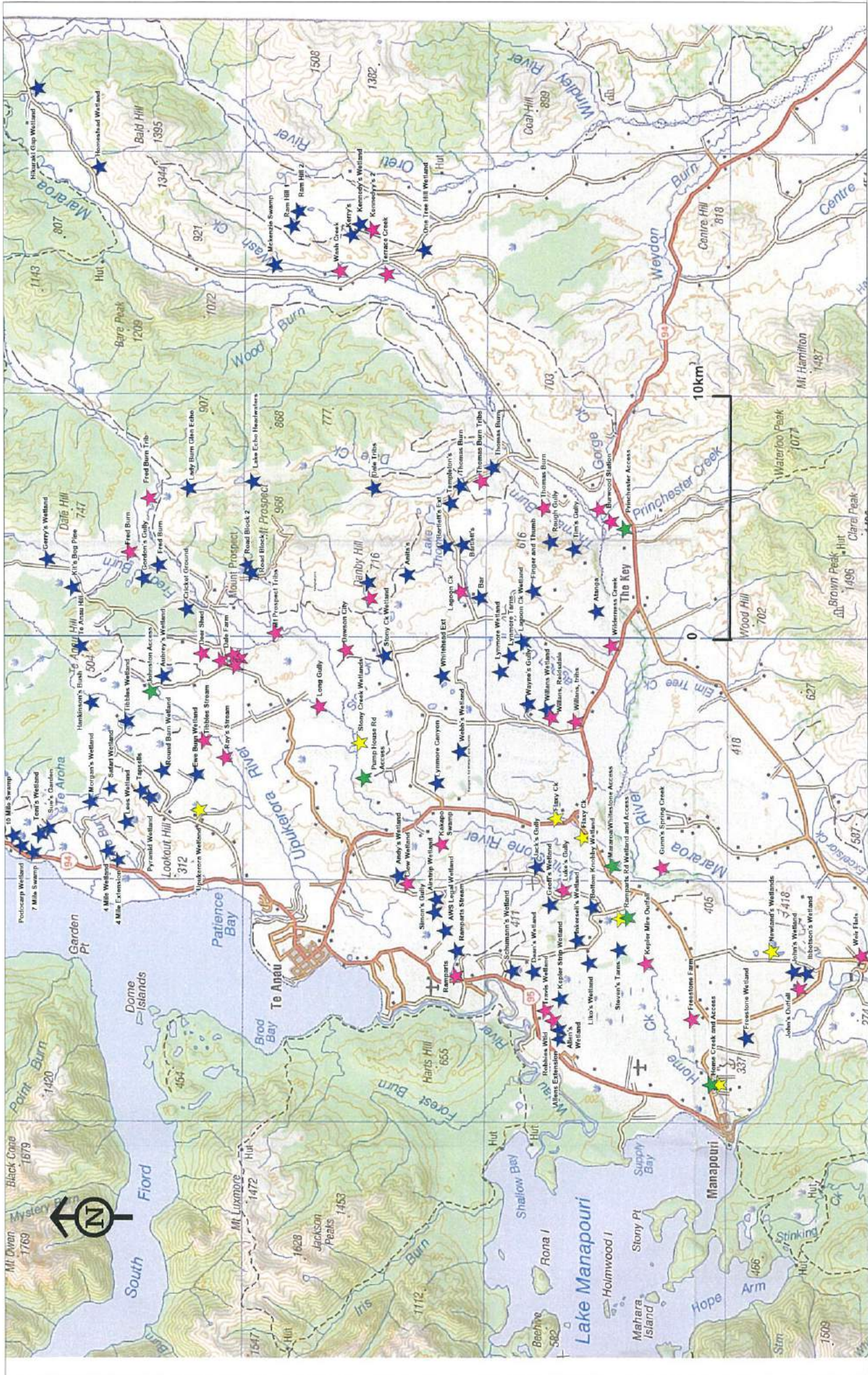
Looking to the future:

- The potential for Whitebait habitat habitat enhancement on the west side of the Waiau River in the vicinity of Papatotora needs further investigation..
- 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 remains a 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.
- Finally working closely with Meridian Energy Ltd, leading up to the renewal of the Resource Consents for the Manapouri Power Scheme, is now a priority, as is telling the story of habitat enhancement in the Waiau catchment.



**Waiau Trust Projects,
below the Mararoa
Weir, at March 2017**

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



Waiau Trust Projects: Te Anau Basin, as at March 2017

★ Habitat Projects
★ Access Projects

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

1. Introduction:

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

This report has been prepared in accordance with Public Benefit Entity (PBE) Accounting Tier Three standards issued by the External Reporting Board. This includes a “Statement of Service Performance” of non-financial information.

The Statement of Service Performance 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.

The Trust Deed Objects, set the Outcomes, around habitat enhancement, public access, education and advocacy for the environment. These, combined with the Strategic Plan, drive the Trust’s activities and determine progress toward achieving short, medium and long term Outcomes.

This Annual Report also performs the important role of being an historic 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.
- 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. A review of this Strategic Plan is now pending as a result of a Strategic Workshop held in June 2017.

2. Summary of Income and Expenditure:

Detailed financial statements for 2016/17 are presented in Section 5 of this report.

2.1 Investment of the Trust Fund:

The Trust completed a review of the Investment Strategy 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 Investment Strategy has clear objectives and operational parameters around both the fixed income and equity assets investments. A new Statement of Investment Policy and Objectives (SIPO) was adopted in June 2014. A review occurred in 2016, with decisions awaited.

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

¹ ECNZ is now Meridian Energy Ltd.

investments. Four Fund Managers - Craigs Investment Partners, New Zealand Asset Management (NZAM), First NZ Capital and Milford Asset Management manage the Fund. A breakdown of the funds managed by each Fund Manager is given in Section 3 B) and 5 of this report.

2.2 Investment Results.

Investment of the Trust Fund has produced very good returns this year. The return from all 4 Fund Managers averaged 6.0% (net return after withdrawals, fees and brokerage)

2.3 Summary of Project Expenditure.

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

For the year 2016/17 the Trust budgeted to spend **\$388,650**. Adjustments were made to project targets during the year and priorities changed as the year progressed. Actual expenditure for the year was **\$338,363**. The first table shows Trust expenditure since inception now totals **\$5,979,507**. This compares to total revenue for the same period of **\$8,470,815**.

3. Statement of Service Performance

A) Project Expenditure and Achievements (Inputs and Outputs)

In May 2016, the Trust considered and adopted the Annual Plan and Budget for the year ending 31 March 2017. 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 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 - \$4,270 Actual - \$2,170

Key Output Measures this year:

Capital (C): Ongoing native plantings

Maintenance (M): Annual pest plant spray

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. Annual native restoration planting at the site has been underway for about 18 years. Further native plantings were organised and carried out by Edith Jones in the autumn, with help from Forest and Bird, Southland Branch. Over 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. It is a difficult site for plant establishment. Summer droughts and late spring frosts can impact new plantings. This year up to 600 native plants were planted

WAI'AU TRUST TOTAL EXPENDITURE SINCE INCEPTION 31/03/1997-31/03/2017

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	TOTAL
Habitat Projects:																						
Monowai Wetland		\$1,820		\$0																		\$1,820
Wairaki Wetland	\$7,901	\$6,432		\$0																		\$6,432
Home Creek Riparian Habitat	\$608	\$2,557	\$9,261	\$30,955	\$8,192	\$3,362	\$975	\$1,504	\$2,317	\$1,440	\$5,958	\$33,997	\$2,117	\$1,925	\$1,988	\$3,036	\$2,954	\$2,276	\$3,259	\$2,401	\$2,170	\$127,918
Lower Wai'au Whitebait Habitat	\$2,247	\$388	\$2,557	\$11,357	\$4,681	\$10,864	\$10,381	\$9,469	\$12,650	\$7,363	\$17,769	\$137,641	\$63,836	\$71,163	\$83,554	\$70,423	\$65,155	\$172,475	\$93,593	\$68,201	\$894,730	
Stony Creek / Whitestone Habitat	\$2,280	\$2,630	\$2,630	\$1,256	\$2,194	\$27,758	\$1,282	\$201	\$589	\$242	\$4,786	\$8,930	\$8,227	\$302	\$600	\$577	\$1,106	\$303	\$897	\$369	\$381	\$85,411
Glen Echo Riparian Habitat	\$421	\$1,411	\$1,411	\$1,256	\$1,102	\$39	\$56															\$39,878
Dean Burn Kowhai Riparian Habitat	\$180	\$372	\$750	\$750	\$9,084	\$39	\$39															\$21,305
Lower Dean Burn Riparian Habitat		\$310	\$336	\$336	\$8,900	\$230	\$39	\$118	\$90													\$10,505
Flaxy Creek Riparian Habitat		\$4,564	\$2,532	\$2,532	\$439,998	\$112,821	\$77,607	\$113,191	\$137,540	\$184,995	\$46,970	\$34,017	-\$26,583	\$21,260	\$31,137	\$30,659	\$20,909	\$22,455	\$25,318	\$28,508	\$22,406	\$1,330,304
Rakatu Wetland		\$1,799	\$520																			\$1,799
Monowai Riparian Lanes		\$2,472		\$62,477																		\$520
Mid-Whitestone Riparian Habitat																						\$89,430
Upukerora Wetland				\$9,123	\$51,485	\$1,219	\$4,016	\$1,726	\$4,137	\$306	\$2,617	\$982	\$1,101	\$702	\$2,728	\$8,367	\$1,197	\$3,490	\$3,023	\$1,850	\$2,277	\$100,346
Ramparts Road Wetland				\$9,663	\$2,007	\$3,760	\$27,020	\$27,773	\$65,911	\$31,279	\$30,854	\$99,348	\$56,938	\$98,874	\$66,577	\$130,145	\$112,569	\$96,553	\$38,918	\$61,063	\$84,057	\$1,033,109
Habitat Enhancement Agreements						\$413	\$9,739	\$387								\$145						\$267
Newlands Wetland Complex											\$8,418	\$11,278	\$238	\$159	\$313	\$349	\$528					\$3,357
Kepler Trig Wetland														\$140								\$1,642
Access Projects:																						\$0
Whare Creek Access	\$17,027	\$371	\$2,002	\$2,002	\$47	\$180	\$508	\$90	\$636	\$219	\$742	\$100	\$563	\$1,015	\$659	\$617	\$463	\$560	\$778	\$954	\$1,846	\$29,597
Motu/Lower Dean Burn Access	\$420	\$11,942	\$954	\$954	\$61	\$261	\$196	\$49	\$258	\$278	\$10	\$100	\$100									\$14,519
Princhester Creek Access	\$280	\$4,066	\$7,846	\$6,793	\$7,904	\$1,798	\$1,453	\$1,172	\$304	\$1,139	\$3,817	\$268	\$396	\$396	\$4,854	\$277	\$407	\$357	\$308	\$341	\$352	\$44,072
Wairaki Access	\$180	\$2,940	\$21	\$21	\$8,457	\$3,651	\$7,223	\$161	\$194	\$194	\$194	\$194	\$730	\$730	\$65	\$231	\$174	\$130				\$24,347
Redcliff/Jericho Access		\$950	\$513	\$513	\$11,475	\$35,543	\$178	\$357	\$648	\$166	\$1,784	\$18,873	\$11,390	\$2,082	\$1,233	\$2,010	\$1,252	\$804	\$720	\$2,635	\$775	\$93,388
Olahu Flat Access		\$120																				\$120
Johnston Upukerora Access		\$4,413	\$49,222	\$22,268	\$16,539	\$21,003			\$738	\$67,446	\$3,244	\$4,873	\$159	\$159	\$484	\$484	\$303	\$663	\$130			\$88,040
Soper Access Whitestone		\$2,097	\$2,097	\$471	\$360	\$983	\$458	\$4,240	\$1,687	\$2,365	\$4,491	\$15,097	\$1,861	\$4,310	\$139	\$65	\$65	\$130				\$17,682
Mararua Whitestone access		\$140		\$1,390	\$281	\$1,047	\$526	\$983	\$1,348	\$8,388	\$7,868	\$649	\$378	\$8,001	\$467	\$277	\$266	\$276	\$455	\$6,831	\$361	\$40,502
Sunnyside/ Monowai access				\$236	\$339									\$602	\$915	\$915	\$560	\$535	\$307	\$542	\$517	\$18,790
Lake Fisheries Research										\$1,333												\$0
Education and Public Awareness										\$2,365	\$4,491	\$15,097	\$1,861	\$4,310	\$7,511	\$10,904	\$11,022	\$5,612	\$2,699	\$3,277	\$5,142	\$114,778
Database & Photo Library										\$2,655	\$5,808	\$2,493	\$1,439	\$8,001	\$1,690	\$1,774	\$3,797	\$2,782	\$3,325	\$4,764	\$3,586	\$80,587
Dunroaig Weir																						\$575
Gull Tern Study											\$533											\$533
Project investigation & facilitation																						\$0
General Planning	\$12,704			\$5,717	\$7,046	\$3,977	\$2,362	\$3,021	\$4,857	\$7,410	\$15,367	\$15,126	\$13,553	\$14,282	\$11,035	\$6,264	\$10,851	\$8,627	\$9,886	\$11,243	\$15,095	\$167,719
General Field				\$7,172	\$9,189	\$9,229	\$8,149	\$8,538	\$12,375	\$14,192	\$18,907	\$18,772	\$20,024	\$23,678	\$17,187	\$21,153	\$20,241	\$12,555	\$14,980	\$14,143	\$23,437	\$299,656
Accounting & Audit Fees	\$355	\$701	\$3,049	\$2,664	\$2,636	\$2,528	\$2,488	\$2,470	\$2,624	\$2,717	\$2,828	\$3,257	\$3,657	\$4,086	\$4,079	\$4,073	\$4,299	\$5,859	\$7,653	\$7,477	\$8,865	\$78,335
Administration & Annual Report	\$2,464	\$15,454	\$11,843	\$15,960	\$12,799	\$11,106	\$10,203	\$13,418	\$7,669	\$9,510	\$11,934	\$8,165	\$11,922	\$10,547	\$14,269	\$12,065	\$13,115	\$13,463	\$12,785	\$13,871	\$14,132	\$246,694
Insurance																						\$0
Legal Expenses		\$772		\$1,035	\$363	\$2,950	\$2,873	\$3,512	\$4,280	\$3,666	\$3,545	\$4,223	\$4,337	\$4,010	\$4,939	\$3,460	\$3,610	\$3,473	\$4,130	\$3,318	\$3,332	\$61,688
Tax opinions										\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trust Board Exps	\$2,338	\$7,525	\$8,671	\$10,808	\$9,791	\$7,785	\$5,478	\$6,673	\$5,878	\$6,147	\$7,813	\$9,653	\$9,201	\$6,521	\$4,719	\$5,604	\$9,725	\$4,669	\$5,621	\$8,446	\$5,554	\$147,618
Investment Fees	\$13,235	\$5,310	\$7,044	\$7,984	\$7,984	\$7,788	\$7,260	\$15,641	\$24,516	\$25,615	\$28,473	\$29,274	\$26,969	\$25,380	\$27,257	\$28,441	\$46,050	\$100,708	\$69,356	\$51,969	\$69,169	\$616,339
Road Counter			\$736																			\$736
Office Equipment (Computer & software)			\$7,400	\$7,400	\$307									\$315	\$1,034							\$10,645
Investment Reviews			\$5,000	\$5,000	\$3,000									\$0	\$0							\$18,000
Locking System															\$1,415							\$1,415
Total expenditure	\$5,157	\$92,740	\$140,632	\$225,595	\$639,667	\$269,861	\$201,326	\$220,579	\$284,536	\$206,608	\$221,252	\$366,881	\$327,588	\$307,840	\$284,313	\$375,676	\$361,775	\$368,703	\$393,426	\$334,789	\$338,363	\$5,979,507
Less Revenue & Revaluations of investment.	\$100,804	\$435,568	\$499,992	\$492,945	-\$2,933	\$173,970	-\$774,670	\$656,619	\$566,726	\$850,910	\$602,999	-\$195,006	-\$229,110	\$854,208	\$625,560	\$285,656	\$692,280	\$659,409	\$990,121	\$630,569	\$553,988	\$6,470,815
Difference	\$95,647	\$342,828	\$359,360	\$267,350	-\$642,600	-\$95,891	-\$975,996	\$436,240	\$272,190	\$644,102	\$381,747	-\$563,887	-\$556,698	\$546,368	\$341,247	-\$90,020	\$330,505	\$290,706	\$595,695	\$295,780	\$215,635	\$2,491,308

NB* Expenditure total includes purchase cost of assets and any sale of assets. Any gains/ losses of the asset sales are included in revenue

including carex secta along the banks of Home Creek. The use of combi guards enhance plant establishment – they help retain moisture and improve the ability to spray around the plants.

The 1.6km circular walking track around the lower part of the property, is 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 throughout the area and the walking track.

A4 Lower Waiau Whitebait Habitat.

Expenditure: Budgeted - \$60,100, Actual - \$58,201

Key Outputs Measures This year:

Capital: Additional rock protection work at Inder intake

Flax plantings around wetlands

Maintenance: Pest plant spray, wetland infrastructure, diversion channel inflows

Monitoring: Spring bird counts

Fish Monitoring survey

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 involved 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 (10 ha), east of the Holly Burn and known as the “Whitehead Suite”, was constructed in March 2009. These were supplied with pumped water from the Holly Burn from October 2009 to March 2016. 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 (10 ha) known as the “McCulloch Suite” and an associated diversion channel supplying water from a side-braid of the Waiau River, 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.

Construction of the third 10 ha wetland (known as the “Inder” Wetland) was completed in early 2015. It is supplied with water from a second diversion channel from the Waiau River side-braid. The diversion intake is 300m upstream from the McCulloch diversion. The diversion became operative in February 2015. The Inder wetland filled and stayed at design level over the winter months. When full it discharges into the McCulloch wetlands.

The consented volume of water for supplying the Inder wetland provided the option to take the water across the Holly Burn to supply the “Whitehead Suite”, originally supplied via the pumping system from the Holly Burn. In December 2015 the pipe, to take water under the bed of the Holly Burn to supply the Whitehead wetlands, was installed. The “siphon” and pipe system became operative on 16 January 2016. The pump was switched off on 1 March 2016. It will now only be used as a back-up supply.

The siphon acts as a pulsed system. It is dependent on water levels in the Inder Wetland, which in turn are dependent on flows in the Waiau River. Since January 2016 a number of pulsed flows into the Whitehead Suite have occurred. The autumn of 2016 was dry, with low river flows and the summer and autumn of 2016/17 have also seen extended periods of low flows (<60m³/s) in the Waiau River, thus low inflows to the wetlands. Adjustments to the siphon intake level (lowered in September 2016) and the Inder wetland outlet channel sill (built up) occurred during the year to ensure all the pulsed inflows provide maximum benefit for the wetlands. However the extended dry periods of little inflow into the new wetland have meant dry wetlands at times, except for the deep refugia pockets. This has been closely monitored during the year.

The Trust applied to the Pacific Development and Conservation Trust (PDCT) for funding of the siphon pipes. This application was successful and \$17,391 was received during the year for the purchase of the pipes. The Trust was extremely grateful for the support of the PDCT.

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.

Resource Consents:

a). Compliance:

The Trust holds Water Permits, to divert water into various wetlands. The two main consents relate to the McCulloch and Inder diversions and have conditions requiring annual reporting, to Environment Southland, of the volumes of water diverted. These requirements were met. The following tables, from the annual compliance report, summarise the annual and seasonal volumes the water diverted by the McCulloch diversion (operative from 15 April 2012) and by the Inder diversion (operative from 10 February 2015). The McCulloch and Inder pipes



Whitebait Project:

Looking south, an aerial view of the whitebait habitats and their location in the wider landscape. The Waiau River is in the foreground, the whitebait habitats mid-left (with the two diversion channels in the foreground). The beach barrier separating the Waiau Lagoon and Te Wae Wae Bay can also be seen. (Photo Bill Jarvie, January 2017).

diverted 170 l/s and 392 l/s respectively, for the 2016 calendar year. Figure 1 and 2 graph the annual and seasonal diversion volumes for both diversion pipes since they became operative. A distinct seasonal pattern exists. The annual volumes are reasonably consistent. The Inder pipe diverts more consistent volume of water, across the seasons.

Table 1: McCulloch Diversion – Volumes Diverted – litres/s.

Year	Annual	Summer ●	Autumn	Winter	Spring
2012	130.9*			86.7	197.2
2013	155	127.7	103.3	198.8	181
2014	152	129.5	124.8	198.1	154
2015	151	110.6	135.4	213.4	157.5
2016	170	88.7	154.9	160.7	150.3

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

Table 2: Inder Diversion – Volumes Diverted – litres/s.

Year	Annual	Summer ^	Autumn	Winter	Spring
2015	*449	420*	429	467	468
2016	392.8	365.2	409.6	422.8	405.9

● 10 – 28th February only
 * Part year only 10 February to 31 December 2015
 ^ Includes December of the previous year

Figure 1:

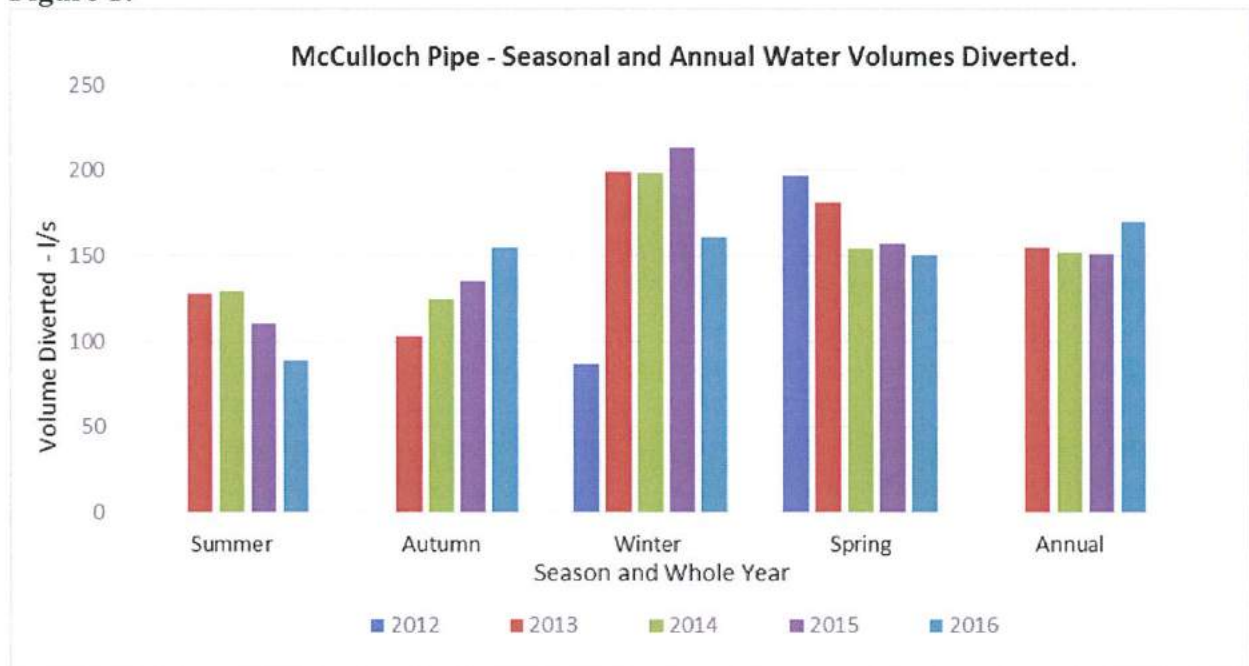
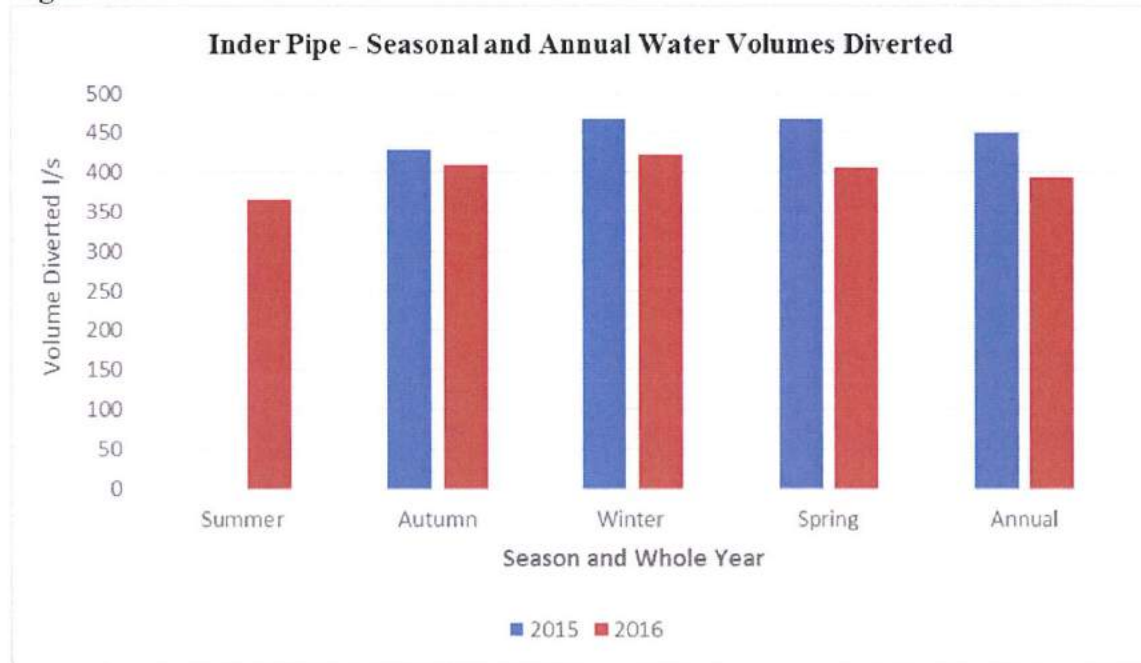


Figure 2:



The annual compliance report also includes a flood/fresh event analysis. The inflows into the wetlands occur as pulses, depending on river flows. Each fresh/flood event can have more than 1 peak or pulse. These pulses are very important to the sustainability of the wetlands and result in variable wetland water levels. Table 3 shows the annual number of flood events and pulses for each year for the McCulloch wetlands and for the Inder wetland.

Table 3: Flood Events and Pulses into Wetlands

Year	Number flood events	Number of pulses.	No. of McCulloch Pipe full flow events	McCulloch hrs/days pipe was full	No. Inder pipe full flows events	Inder hrs/days pipe was full
2012	30	55	44 *	1904 hrs/79 d*		
2013	40	61	25	2803 hrs/117 d		
2014	39	87	27	3484 hrs/145 d		
2015	60	119	38	2366 hrs/99 d	41*	2822 hrs/118 d*
2016	58	125	33	2159 hrs/90 d	35	2591 hrs/108 d

*Part year only.

As can be seen the number of flood events and pulses varies considerably, as does the number of hours and days of pipe full flows. For example, 2015 and 2016 have been years of more smaller peaked floods and pulses, which produced fewer days of pipe full flows down the McCulloch diversion, compared with 2013 and 2014.

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.

b). Land Use Consent.

The Land Use Consent to disturb the bed of the Waiiau River side-braid, for wetland water supply enhancement was exercised on three occasions during the year. The Consent, granted in October 2015, enables the Trust to carry out small scale disturbance of the bed of the side-braid to enhance water flows down the two diversion intake pipes and into the McCulloch and Inder wetlands, on an as required basis. Large floods change the river bed and channels, while low flows (<50m³/s) can cut off flows down side-braids. Both types of events this year necessitated the need to reconnect the river to the wetland intake pipes. Consent compliance requirements involve reporting to Environment Southland annually and after each time the consent is exercised. These requirements were met in full.

Maintenance:

The nature of this project and its location, in a highly dynamic environment, means maintenance is an ongoing task. Additional capital/maintenance rock work on the upstream side of the Inder intake was installed in June. The flow pattern within the side-braid had changed with more pressure on the river bank at this location.

High flow events occurred in May, resulting in some maintenance work around the bridge and wetland sills and outlets. The sills were further “shored up” with additional rock work in March 2017, to prevent future scour. The Inder outlet sill was realigned with rock at a level of 200mm above the siphon intake.

Ground spraying of gorse/broom occurred in the spring - along the wetland dams, around the shorelines of the wetlands, the Inder diversion channel banks and regrowth at previous spray sites.

Monitoring

a). Bird Surveys

Two bird counts were completed this year, both on the new Inder wetland. The results are set out in table 4 below.

Table 4: Results of Bird Counts (Inder Wetland)

Date	Waterfowl	Water Associated Species	Other Species	Comments
8/8 2016	Mallard Duck: 4 Shoveler Duck: 22 Paradise Duck: 7 NZ Scaup: 152 Black Swan: 2	Pukeko: 8 Black-fronted Dotterel: 2 Little Shag: 2 White-faced Heron: 1 Canada geese: 138		Inder wetland full and discharging down the outlet channel
24/8/2016	Mallard Duck: 6 Grey Teal: 46	Pied Silt: 72 Spur-winged Plover: 18 Black-fronted Dotterel: 2 Banded Dotterel: 15 Pukeko: 7 Glossy Ibis: 2	Welcome Swallow: 30+ Harrier Hawk: 2 NZ Falcon: 1	Inder wetland water level low (1/3 full) with large exposed areas.

Fluctuating water levels in the Inder wetland, results in extensive areas of exposed wetland bed and shoreline, at times. This is of great advantage to feeding waders and is evident in the good numbers of waders recorded during the 24th August count in 2016. Of particular note this year was the presence of 2 Glossy Ibis. Outside the survey dates an Australasian Bittern was observed twice and a Sanderling. Both the Glossy Ibis and the Sanderling are described as vagrant migrants to New Zealand (nzbirdsonline.org.nz).

The completed Inder wetland offers the best site for bird monitoring, primarily because visibility is good. It is logical that this wetland should become the primary bird monitoring site for this habitat enhancement project, from now on.

Table 5 below is a list of all the bird species recorded during the spring surveys of the past 7 years, plus any additional species recorded outside survey times.

Table 5: Species Recorded over 7 years of Spring Surveys and General Observations:

Waterfowl	Water Associated Species	International Migrants	Other Species	Total
Mallard Duck Shoveler Duck Paradise Duck NZ Scaup Grey Teal Black Swan	Pied Silt White Faced Heron Black Fronted Tern White fronted Tern Caspian Tern Black Shag Little Shag Royal Spoonbill Pukeko White Heron Australasian Bittern Black-fronted Dotterel NZ Dotterel SW Plover St Pied Oystercatcher Marsh Crake Black-billed Gull Southern Skua Wrybill Plover (juvenile)	Eastern Bar-tailed Godwit Banded Dotterel Asiatic Tern White-winged Black Tern Sanderling Glossy Ibis	Welcome Swallow Harrier Hawk NZ Falcon	
6	19	6	3	34

A diversity of wildlife species use the wetlands. Some of the species present are international migrants – the Eastern Bar-tailed Godwit and the Banded Dotterel. White Heron often visit for a few weeks each year and an Australasian Bittern is resident from time to time. Sightings of an Asiatic tern and a White-winged black tern have been made; the occurrence of these migrants in southern New Zealand is rare.

b). Research project – Fish Survey.

Fish surveys are part of our ecological response monitoring at this project site. Fish surveys of the Whitehead and McCulloch wetlands were completed in 2013 and 2014. In 2015 a preliminary survey of the new Inder wetland was completed.

This year, in conjunction with Environment Southland, a project brief to study fisheries in the Waiau catchment including created wetlands, was developed with the view to attracting a graduate student to do a Masters or PhD. Rose Holloway has now begun her PhD study on fisheries of Southland’s coastal wetlands, including the Waiau Lagoon and whitebait project site with some funding from the Waiau Trust for 3 years. In February Rose, with the help of the ES staff and the Trust, undertook a fisheries survey of the whitebait habitats – a first step in her PhD study. It involved 18 net locations in the three wetland suites and the two diversion channels. The net locations replicate the earlier survey sites, plus new sites in the Inder wetland. Key findings were:

- Nine fish species were recorded, with Common bully being the most abundant, followed by Shortfin eel, Inanga then Longfin eel.
- A total of 1948 fish were caught at 18 sites
- Numbers of fish caught in February 2017 were fewer than numbers caught at the 12 equivalent sites in February 2014.
- The summers of 2016 and 2017 both had extended dry periods of low inflows to the wetlands. Evaporation exceed inflows resulting in reduced habitat from wetlands drying out

except for the deep refugia pockets.

The results highlight the importance of the Land use consent the Trust holds, enabling enhancement of flows into the diversion pipes and the wetlands.

Table 6: Preliminary Results – February 2017 fish survey.

Fish species	Total numbers caught
Common bully	1310
Shortfin eel	505
Longfin eel	54
Inanga	67
Lamprey	1
Smelt	1
Shrimp	5
Brown Trout	3
Perch	2
Total	1948

Land Management:

Fowle Contracting of Tuatapere continue to harvest the standing grass at the project site, on areas of the project site not required for wetland creation. This is a three year contract until 2019. Baleage is cut, usually twice per year, on the 12 ha of higher terrace. Hay is made on the lower area surrounding the wetlands. The Trust remains responsible for soil testing and fertiliser application on the higher terrace. Fertiliser was applied in September and again in March 2017.

Establishing flax around the wetland margins is a priority and enhances the habitats. In March several truckloads of locally sourced (ex-farm) flax were planted, by digger, around the wetlands. The availability of this local flax is of great value to the Trust. 100 Carex secta were planted along the dam face of Whitehead 2 wetland in February.

Pest Control:

Results from the permanent trapping programme are shown in table 7. This is an ongoing commitment for the Trust, involving 24 DOC 200 traps and a small number of Timms traps. During the year 1 April 2016 to March 31 2017 the traps were checked on 15 occasions, while visiting the area for other purposes. Not all traps were checked on each occasion. Stoats, rats and cats are the main predators. Their numbers are a concern.

Table 7: Pests caught at Whitebait Project site.

Pest	Number caught 16/17	Total caught since trapping began - 2015
Stoats	31	40
Weasels	6	7
Ferrets	0	3
Rats	14	22
Cats	2	10
Hedgehogs	9	9
Rabbits	2	4

Public Access, Visitors and Interpretation Panels:

Public access is an important component of this project. An access road takes people across the Holly Burn to a carpark at the NW end of the Inder wetland, but this is only useable during low river flows. The Trust is mindful of the risk of flooding, from the Waiau River and Lagoon, at the wetland site. This is a Health and Safety issue. In June, new signage was erected warning about inundation of the access road. In March 2017 a new permanent carpark and lookout was constructed at the top of the terrace overlooking the wetlands. An additional car park and turn around space has been created on the lower terrace near the inundation warning sign.

Signage, to tell the story about the project, will be installed in the coming year

The Future:**a). Fine Tuning:**

Major wetland construction is now completed at the site, except for the Nohoanga site, where there is potential for an additional wetland connected to the Whitehead wetlands and the Lagoon. Discussions with the Ngai Tahu and the local Runanga are ongoing. The Nohoanga site must be activated by the Runanga first, before the wetland can be built.

b). Protection.

The success of these wetlands as Shortfin and Longfin eel habitat has heightened Trust concern about permanent protection of the habitats and the eel fishery the habitats now support; the key risk being commercial eeling. This became a reality in March 2016, when a commercial eeler was found fishing these created wetlands. This was extremely disappointing and frustrating for the Trust. This activity is counter-productive in terms of the purpose for which the wetlands were built. The wetlands are a conservation project.

In May discussions were held with the commercial eelers about the location of the boundaries of the project. "No go" zones are clearly mapped.

The Trust is continuing to investigate options for protection of the habitats and the resident eel population. Legal advice on protection options was received in April. A meeting of all stakeholders was held in October. Any additional legal protection of the area is likely to be a drawn out process. In the meantime the Trust will deal with the "no take" issue through appropriate on-site signage and advocacy.

c). Project Expansion.

The Papatotora side (west side) of the Lower Waiau River, also offers opportunity for whitebait habitat enhancement. Some habitat enhancement work was completed on DOC administered stewardship land, in 2004. Contact was made with DOC and the grazing concession holder during the year. In the coming year the Trust will undertake field work to establish the potential for further habitat enhancement in conjunction with the DOC and grazing concession holder.

A10 Rakatu Wetlands.

Expenditure: Budgeted - \$ 29,800 Actual - \$22,406

Key Outputs Measures This year:

*Maintenance: Dam wave lap repairs, Low Creek outlet channel clean
Access road repairs and grading*



Whitebait Project, Waiau Mouth

Ongoing maintenance
and adjustments

In September the siphon intake in the Inder wetland was lowered by 200mm. This means more flows will reach the Whitehead suite of wetlands on more occasions



High river flows in May 2016 resulted in inundation of the wetlands, testing wetland robustness. Some minor damage occurred and was repaired.



Part of the learning process at the Whitebait project suggests creating more “safe areas” for the native fish to survive through the dry times was required. This image shows a selected low spot being further excavated within Whitehead 2 wetland.

Comparison – Before/After



Whitebait Project, Waiau Mouth. In June additional rock bank protection work was completed on the upstream side of the Inder intake pipe, at the Waiau River side-braid. The photos show the digger at work (**above**) and the completed job (**below**). This side-braid of the river and intake pipe is crucial for supplying water to the wetlands.



Comparison – Before/After.



Whitebait Project, Waiau Mouth. In March 2017 a new car park and lookout area were constructed, on the high terrace above the wetlands. The **above** photo shows the site prior to construction. **Below** is the finished car park with walking access to a lookout. Signage is yet to be installed.



*Pest plant programme
Pest animal trap network*

Monitoring: Spring bird counts.

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.

Table 8: The Rakatu Project

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. Manuka trial
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 22 DOC 200 traps, plus 8 cat traps were installed. All are checked on a regular basis.

Capital expenditure:

New signs indicating public access to the Waiau River, along the walking track were installed.

Ongoing Maintenance:

Maintenance expenditure this year included minor repairs and grading of the access road to the car park. Speight Stream 2 dam wave lap damage was repaired and Low Creek outlet channel bed was lowered to realign with the design water levels. The annual gorse/broom spraying around the wetlands and walking tracks and the cleaning contract for toilets and information shelter was completed.

Monitoring:

a). Spring Bird Counts.

The Trust has now been undertaking spring bird counts at Rakatu for eight years. Table 9 is the summary of data from spring bird counts conducted during 2016. Two separate wetland habitats were sampled. Four counts were completed. As in previous years a total of 8 waterfowl species and 7 water associated species were recorded. Of particular note is the overall good number of waterfowl broods recorded.

Table 10 summarises all species recorded at Rakatu over the last 8 years. Included are the species recorded by local ornithologist Shawn Herron. In the past Shawn has carried out bird surveys at Rakatu and has kindly made his data available to the Trust. His observations of bush and passerine species are more extensive than our own surveys and add to the understanding of habitat available at Rakatu.

Table 9: Results of 2016 Bird Counts at Rakatu – Species Present and Numbers.

Dates	Waterfowl Species and numbers	Water Associated Species	Other
10/11/2016	NZ Scaup: 142 + 1 brood. Shoveler : 12 Mallard : 5 Grey Teal : 7 Paradise Duck: 35 + 5 broods Black Swan: 1 Canada Geese: 7 Grey Duck: 1	Spur-winged Plover : 6 Little Shag :3 Pied Stilt :1 SI Pied Oystercatcher: 2 Pukeko: 8 + 1 brood SI Fernbird: 1	Harrier Hawk:1 Bellbird: 2
2/12/2016	NZ Scaup :72 +5 broods Shovelers: 5 + 1 brood Mallard: 22 + 2 broods Paradise Duck: 19 +5 broods Black Swan:1 Canada Geese: 2 Grey Duck: 4 + 1 brood	Spur-winged Plover: 2 Little Shag :3 Pied Stilt: 9 SI Pied Oystercatcher: 2 Black-billed Gull: 14 Pukeko: 3 SI Fernbird: 2	Harrier Hawk: 1 Bellbird: 2 Welcome Swallow: 6
5/12/2016	NZ Scaup 91 +11 broods Shoveler: 9 Mallard: 17 + 2 brood Grey Teal: 17 Paradise Duck:32 + 6 broods Black Swan:3 Canada Geese: 3 Grey Duck: 3	Spur-winged Plover : 10 Little Shag :2 Pied Stilt :8 SI Pied Oystercatcher: 1 Black-billed Gull: 100+ Pukeko:4 SI Fernbird: 2	Harrier Hawk:3 Welcome Swallow: 4
13/12/2016	NZ Scaup: 90 + 14 brood. Shoveler : 3 Mallard : 42 + 1 brood Grey Teal : 18 Paradise Duck: 24 + 5 broods Black Swan: 0 Canada Geese: 0 Grey Duck: 0	Spur-winged Plover : 0 Little Shag :6 Pied Stilt :11 SI Pied Oystercatcher: 0 Black-billed Gull: 12 Pukeko: 10 + 1 brood SI Fernbird: 1	Harrier Hawk:2 Welcome Swallow: 7

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, but numbers of individual species do vary from year to year. All waterfowl species have been recorded as breeding on site (except Canada Geese), at some stage, over the 8 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 Fernbird, plus the secretive Australasian bittern and Marsh crake (and chicks) both of which have been observed outside the official survey times. The shag species and White-faced herons are clearly finding a food source within the open water habitats. We noted an increase in Little shags, about 2009. Prior to 2009 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. Little shag numbers have now dropped back from those highs. The current status of the Perch population in the Rakatu Wetlands is unclear, noting none were caught during the March 2016 Iwi survey. This needs further investigation.

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

Table 10: Species Recorded over 8 years of Spring Surveys, General Observations and the Herron Surveys:

Waterfowl	Water Associated Species	Other Species	Total
Mallard	Pied Silt	Welcome Swallow	
Shoveler Duck	White Faced Heron	Bellbird	
Paradise Duck	Black Fronted Tern	Grey warbler	
NZ Scaup	Black Shag	Silveryeye	
Grey Duck	Little Shag	NZ Pipit	
Grey Teal	Pukeko	Pantail	
Black Swan	SW Plover	Tui	
Canada Goose	SI Pied Oystercatcher	NZ Wood Pidgeon	
Peral 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	14	22	45

b). Trap Network.

The predator trap network of 57 DOC 200 traps around Rakatu and the neighbouring Redcliff Wetlands was checked and re-baited on 3 occasions during the year (4/May 2016, 10/November 2016 and 1/February 2017). Table 11 below sets out the results.

Table 11: 2016/17 Pest Kills.

Date	Stoats	Ferrets	Weasels	Hedgehogs	Rats	Cats
4/5/2016	4	2		8	13	4
10/11/2016	3			3	12	Not set
1/2/2017	7			3	23	Not set

The cats and ferrets were trapped using 7 Timm's kill traps, operated for 6 weeks over May and June 2016. The next table shows annual pest numbers trapped since the programme started in 2011.

The results for the first three (3) years of the original 35 trap network are shown. The final 3 rows are the total for the extended network of 57 traps (the new baseline).

Of note is the high number of rats killed during the 2016/17 year, particularly in late summer. This is the highest number caught since the programme began and is probably the

consequence of the high beech seed production in 2015/16 and 2016/17. The latest trap check (May 2017) indicates higher than normal stoat numbers – probably a flow on effect from the beech mast and high rat numbers. Although not targeted, high mouse numbers have also been observed at Rakatu over the year.

Table 12: 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
10/3/2015 – 9/2/2016	21	1	3	15	7	Not set
10/2/2016 – 1/2/2017	14	2	0	14	48	4

An integrated approach to pest management (all animal pests), is required. The Trust has installed 7 Timms traps for the purpose of controlling feral cats and ferrets. These are not permanently set, as they require fresh meat. They are set during the winter months, based on the premise that at this time of the year there will be the lesser amount of food around for cats. In the coming year, the Trust intends to purchase some larger DOC 250 traps, which are better suited for cats and ferrets.

Predictably predators are a problem at Rakatu and Redcliff. Trapping requires extra resources, but we are hopeful good outcomes will result from this initiative. Interpretation of the results to date is difficult. Reduction in pest animals should be reflected in an increase in bird numbers, particularly the ground nesting species. Good brood numbers were recorded this year.

c). Fish Surveys:

No fish survey work was planned or carried out by the Trust during the year.

d). Vehicle and Visitor Numbers.

The vehicle counter on the access road operated from 14 March 2016 to 4 April 2017 (387 days). It was read on 4 occasions, and the numbers recorded are summarised in the table below.

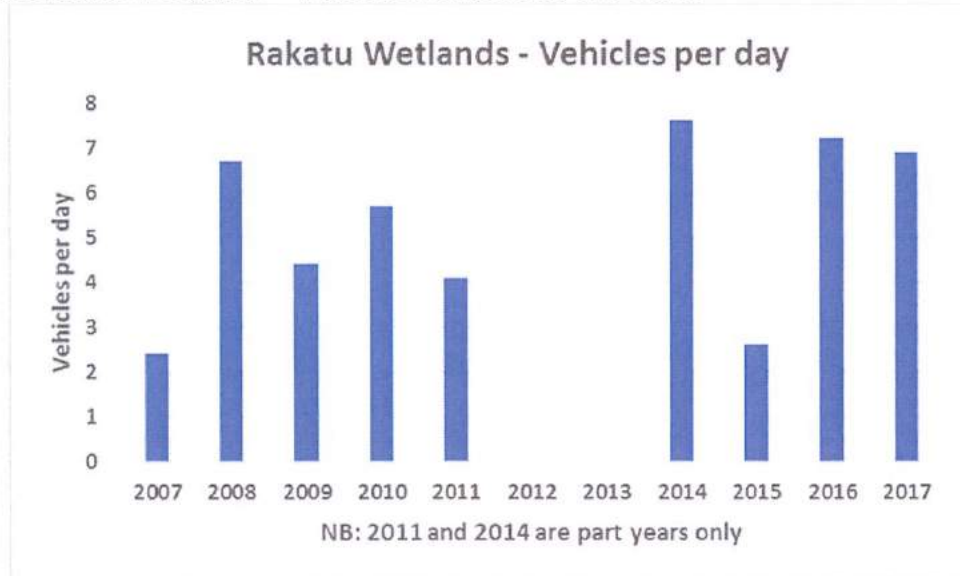
Table 13: Vehicles visiting Rakatu - March 2016 to April 2017.

Dates	Days	Season	No. vehicles	Vehicles per day
14 March 2016 – 17 May 2016	64	Autumn	446	7
17 May – 19 September 2016	126	Winter/spring	260	2
19 Sept – 20 December 2016	92	Spring/summer	662	7.2
20 December 2016 – 4 April 2017	105	Summer/autumn	1285	12.2
Totals	387		2653	6.9

Seasonal and annual vehicles per day are very similar to last year. There is a clear seasonal pattern, with low numbers in the winter high numbers over the summer months with the autumn and spring numbers falling in between. Taking an “annual” average of 7 vehicles per day equates to 2500 vehicles over a 12 month period. If each vehicle carries two people (conservative), then visitor numbers to Rakatu over a 12 month period are about 5100. The Trust intends to purchase a new people counter in the coming year to more accurately measure visitor numbers.

Figure 3 below shows the number of vehicles per day since 2007. The record is not complete. New Zealand has experienced a significant increase of tourists in the last few years. The 2016 and 2017 data have had consistently higher numbers of vehicles.

Figure 3: Rakatu Wetlands – Vehicle Numbers to Car Park



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

A5 Stony Creek/Whitestone Habitat Enhancement.

Expenditure: Budgeted - \$2,190, Actual - \$381

Key Outputs Measures This year:

*Maintenance: Boundary fence upgrade
Spray*

Achievements and Progress:

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

The lease the Trust negotiated last year with the neighbouring land owner, continued. It provides for the occasional grazing of 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 these seasonal wetlands will provide good breeding and feeding habitat for a variety of waterfowl

and water related birds. Neither the proposed boundary fence upgrade or the spray programme was needed this year.

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 - \$0

Key Outputs Measures This year:

Maintenance: Willow control if necessary.

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. No work was required in 2016.

A9 Flaxy Creek Riparian Habitat.

Expenditure: Budgeted - \$500 Actual- \$0

Key Outputs Measures This year:

Administration: Respond to any new fencing requests.

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.

A15 Ramparts Road Wetland and Riparian Habitat.

Expenditure: Budgeted - \$2,280, Actual - \$2,277

Key Outputs Measures This year:

Maintenance: Pest plant spray programme.

Monitoring: Spring bird counts

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.

During the year a request was received from the neighbouring landowner to relocate one of the easements to the wetland, at the upper end of the property. The Trust agreed to this and no costs were incurred.

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, 2015 and 2016. Data from the 20/12/2016 survey is presented in the table 14.

Table 14: Ramparts Wetland Bird Survey 20/12/2016

Water Dependent Species	Water Associated Species	Other Species
NZ Scaup: 16 Paradise Shelduck: 7 + 1 brood Mallard Duck: 4 NZ Shoveler: 1 Grey Teal : 4 + 1 brood Grey Duck: 7 + 1 brood	White-faced Heron: 1	

A White-faced Heron was recorded, as well as Grey Duck (present and breeding) for the first time at this wetland, this spring. Table 15 summarises the bird species recorded at the Ramparts open water wetland to date.

Table 15: Summary of Ramparts Wetland Bird Species Recorded to Date.

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

Although the open water wetland is relatively small, it has been colonised by 6 species of waterfowl and 5 water associated species. Colonisation has been rapid. Mallard Ducks and Grey Teal bred at the site in the first spring and now 4 species of water dependent birds have been recorded as breeding at this wetland. This is a good result given the size, the marginal vegetation and the geographic location of the wetland. The 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, but it is expanding.

The pest plant control programme, designed to maintain the integrity of the wetland and the indigenous vegetation cover, continued this year. The access track was also sprayed.

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

Expenditure: Budgeted - \$ 130,000 Actual - \$84,057

Key Outputs Measures This year:

Capital: HEA projects completed (9)

Joint Waiau Trust/QEII Trust projects completed (4).

Monitoring: Establishment of Macroinvertebrate and Electric fishing sampling programme

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 assessed 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. Nine (9) Habitat Enhancement Agreement projects and four (4) Joint Waiau Trust/QE II Trust projects were completed. A further 15 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 9 projects completed under the HEA category during the year. Protection of 7610 m of stream and 23.1 ha of wetland and riparian habitat was achieved. The Trust now has 72 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 (2) of the 9 projects came under this scenario.

Table 16: Habitat Enhancement Agreements (HEAs) Signed This Year.

Landowner	Catchment/ Stream	Length of Fence (m) Riparian Area (ha)		Stream Length Protected (m)	Capital Cost To Trust (\$)
Landcorp Farming Ltd, Centre Hill Station - Kennedy's Wetland	Wash Creek	950	2.0	0	3088
D Church	Merton Stream	430	0.2	430	1397
Landcorp Farming Ltd, Kepler Farm -Kepler Mire Outfall	Home Creek	2200	5.0	1100	7700
Landcorp Farming Ltd, Kepler Farm -Robbies Wetland	Upper Waiau	1300	7.7	0	3390
Landcorp Farming Ltd Duncraigen - Weir flats	Mararoa River	2000	0.9	1100	7110
Landcorp Farming Ltd, Dale Farm - Dale Tributaries	Whitestone	1615	1.7	1100	7920
G & V Dyson	Dean Burn	1620	1	1620	6075
PM & DM Stirling- Wether Hill	Morley Stream	1615	3.4	1200	5652
Glen Echo Ltd	Fredburn trib,Whitestone	2120	1.2	1060	9325
TOTAL		13850 m	23.1 ha	7610 m	51,657

Joint Waiau Trust/QEII Trust Projects:

The table below details the 4 Joint Waiau Trust/QEII National Trust projects completed this year, protecting 83.3 ha of habitat (subject to final survey). These are mainly headwater



Mt Prospect Station (Cockburn property) – Road Block 2 Covenant. 52 ha of wetlands and margins were protected this year. **Photo 1** above – a general view looking north, linking with the DOC estate on the right. The area drains to the Whitestone River



Road Block 2: Photo 2 - the Covenant includes an area of regenerating peat dome, including wire rush, sphagnum and dracophyllum.



Road Block 2: Photo 3 - a sedgeland wetland, with associated bog pine contribute to the diversity of the wetland sequences.



Road Block 2: Photo 4 – the drier red tussock and matagouri sequences and regenerating shrublands (including the knoll, top right), are a feature of the Covenant.

wetlands, gullies and stream systems with significant native vegetation cover, hence they met the QEII National Trust criteria. The Trust now has 94 Joint projects on the books.

Table 17: Joint Waiau Trust/QEII National Trust Projects completed this Year.

Landowner and General Location	Description and Catchment	Fence Length (m)		Capital Cost To Trust (\$)
		Area Protected (ha)		
Landcorp Farming Ltd, Eweburn,	Safari Wetland, Eweburn	200	14.9	1200
Landcorp Farming Ltd, Kepler Farm	Allen's Extension, Home Creek	520	8.2	1820
Landcorp Farming Ltd, Eweburn	Four Mile Extension, Lake Te Anau	1560	8.2	3192
GW & RJ Cockburn, Mt Prospect	Road Block 2, Mt Prospect Creek, Whitestone River	8040	52	13,114
TOTALS		10320 m	83.3 ha	\$19,326

Waiau River Liaison Committee:

The Waiau 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.

Landcorp Environmental Reference Committee.

In September Mark Sutton and Jan Riddell accompanied Landcorp's Environmental Reference Committee on a field trip to 5 Landcorp farms, where the Trust has been involved in stream and wetland protection. The Committee looked closely at the work being done and were particularly supportive of the "headwaters to confluence" holistic approach being taken. Measuring ecological outcomes in catchments, where protection has happened was discussed in detail, with the offer of using Landcorp farms for the macroinvertebrate and electric fishing sampling programme.

Ecological Monitoring:

During the year the Trust initiated an ecological monitoring programme of HEA projects, to better document the ecological outcomes associated with stream and wetland riparian enhancement and protection work. This programme is based around macroinvertebrate sampling (a key measure of ecosystem health) and electric fishing to record and monitor fish species present and their densities. Working in cooperation with Environment Southland, 6 sites in the Te Anau Basin were selected. The sites are in 4 separate catchments in close proximity to each other. Five (5) of the sites involve 2 Landcorp properties. Figure 4 shows the sampling sites located in the various catchments. The sites are generally downstream of the protected streams, wetlands and gullies in the catchment, although not all stream systems are completely protected.

In March, at each site, ES carried out macroinvertebrate sampling while the Waiau Trust undertook the electric fishing of the stream at 4 sites only, due to extremely low flows.

Results from the macroinvertebrate sampling are not yet available, but Table 18 shows the results from the electric fishing survey at the 4 sites completed.

This will be a long-term programme for the Trust – at least 10 years. Once all the results are in, the programme will be reviewed, discussed further with ES and modified if necessary.

Comparisons - Before/After



Landcorp Farming Ltd, Kepler Farm – Deans Wetland Covenant. This 4.1 ha wetland, in the Home Creek catchment, was protected in 2008. The **above** (January 2011) and **below** (October 2016) photos, highlights the significant regeneration of the bog pine and maunka wetland margin vegetation over a 5 year period.





Landcorp Farming Ltd, Kepler Farm – Allen’s Extension Covenant. This is an 8.15 ha extension to the original (2008) 8.4 ha Allen’s Covenant. The created open water area (0.5 ha), **below**, enhances wildlife values of this regenerating wetland. The wetland is located in the Home Creek catchment.



Comparisons – Before/After



Landcorp Farming Ltd, Kepler Farm – Robbies Wetland HEA. Protection of this 7.7 ha wetland, plus the creation of open water habitat (below), was completed this year. This adds diversity to the network of protected and regenerating wetlands on Kepler Farm in the Home Creek catchment.



Comparisons – Before/After



Landcorp Farming Ltd, Dale Farm - HEA. Protection of this unnamed tributary of the Whitestone River has been worked on in recent years. This year a further 1100m of stream and riparian margins (1.7ha) was protected (foreground of both photos). Fencing of this stream and it's small tributaries enhance water quality and ecosystem health. The photo below highlights the cumulative protection achieved over time.





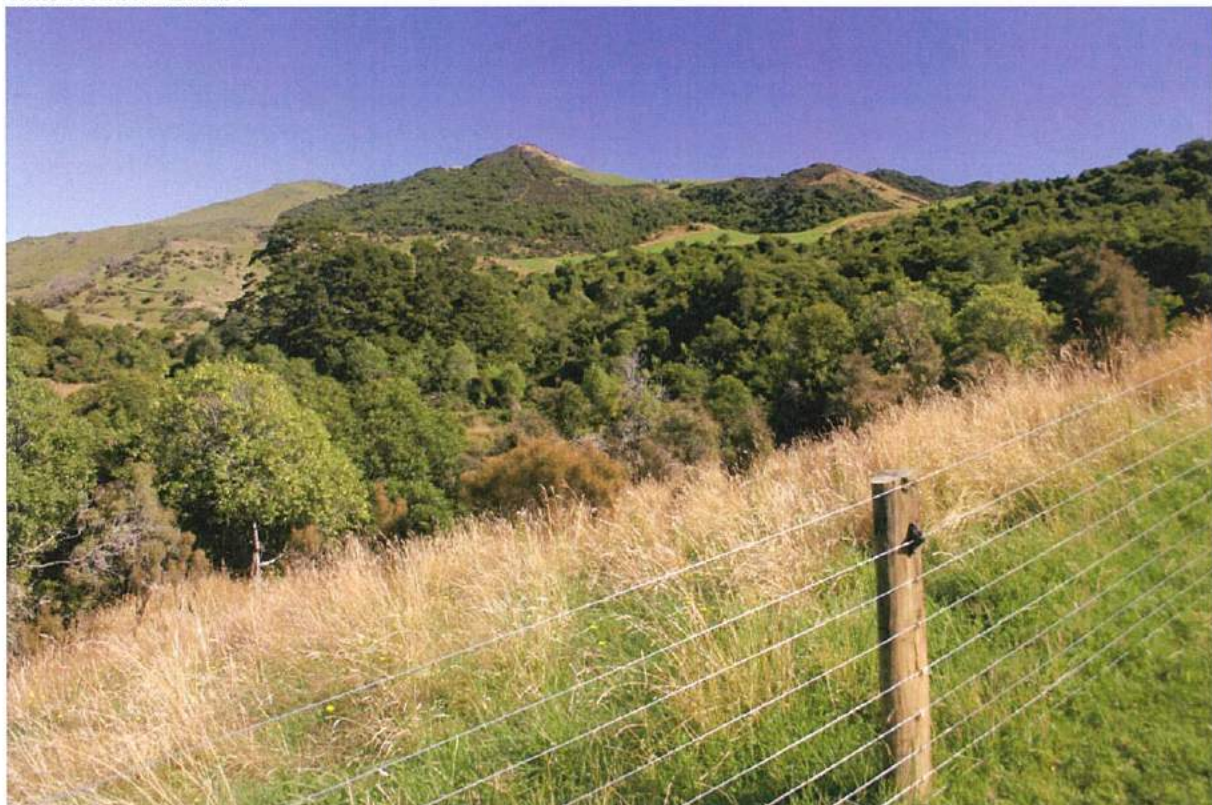
Landcorp Farming Ltd, Centre Hill Station - Kennedy's 2 Wetland. Completed this year, an HEA protects 2 ha of a red tussock dominated peat dome wetland located in Wash Creek, Mararoa catchment.



Glen Echo Station, unnamed tributary, Fred Burn. An HEA protects 1060m of stream, draining to the Whitestone River through the deer unit of Glen Echo Station. This section of stream is contiguous with a section protected by the owner some years ago.



Stirlings, Wether Hill, Ohai, Orauea Catchment. Looking east, an **HEA** protecting 1.2 km (3.4 ha) of the lower Morley Stream was completed this year. The area includes remnant native bush stands.



Upstream of the top photo, another view of the Morley Stream and associated bush/shrublands protected as part of the **HEA** agreement. The broadleaf bush area in the background is protected with a QE II Covenant.

Additional sites may be added in the future.

Table 18: Results of the February 2017 Electric Fishing Survey

Site	Location	Species caught and population estimate (2 runs of machine)		Density per m²
Wilderness Ck (1)	u/s SH 6	LF eel	4	0.065
		Galaxiid sp	8	0.13
		Upland bully	7	0.114
		Brown trout	2	0.032
Lagoon Creek (2), Bartlett's Covenant, upper reaches of the Lagoon Creek Catchment	Mararoa Station d/s of farm bridge midway through Bartlett's Covenant,	LF eel	1	0.02
		Galaxiid sp	present	0.06
		Giant kokopu	10	0.2
		Upland bully	present	0.02
		Koura	1	0.02
		B trout	4	0.08
Thomas Burn (3), Upper valley floor	Mararoa Station u/s site above the farm crossing.	LF eel	2	0.024
		Galaxiid sp	16	0.190
		Brown trout	9	0.107
Thomas Burn (4), u/s of the Mararoa River confluence	Mararoa Station u/s site above the farm bridge	LF eel	5	0.064
		Galaxiid sp	14	0.179
		Upland Bully	8	0.103
		Brown trout	3	0.038

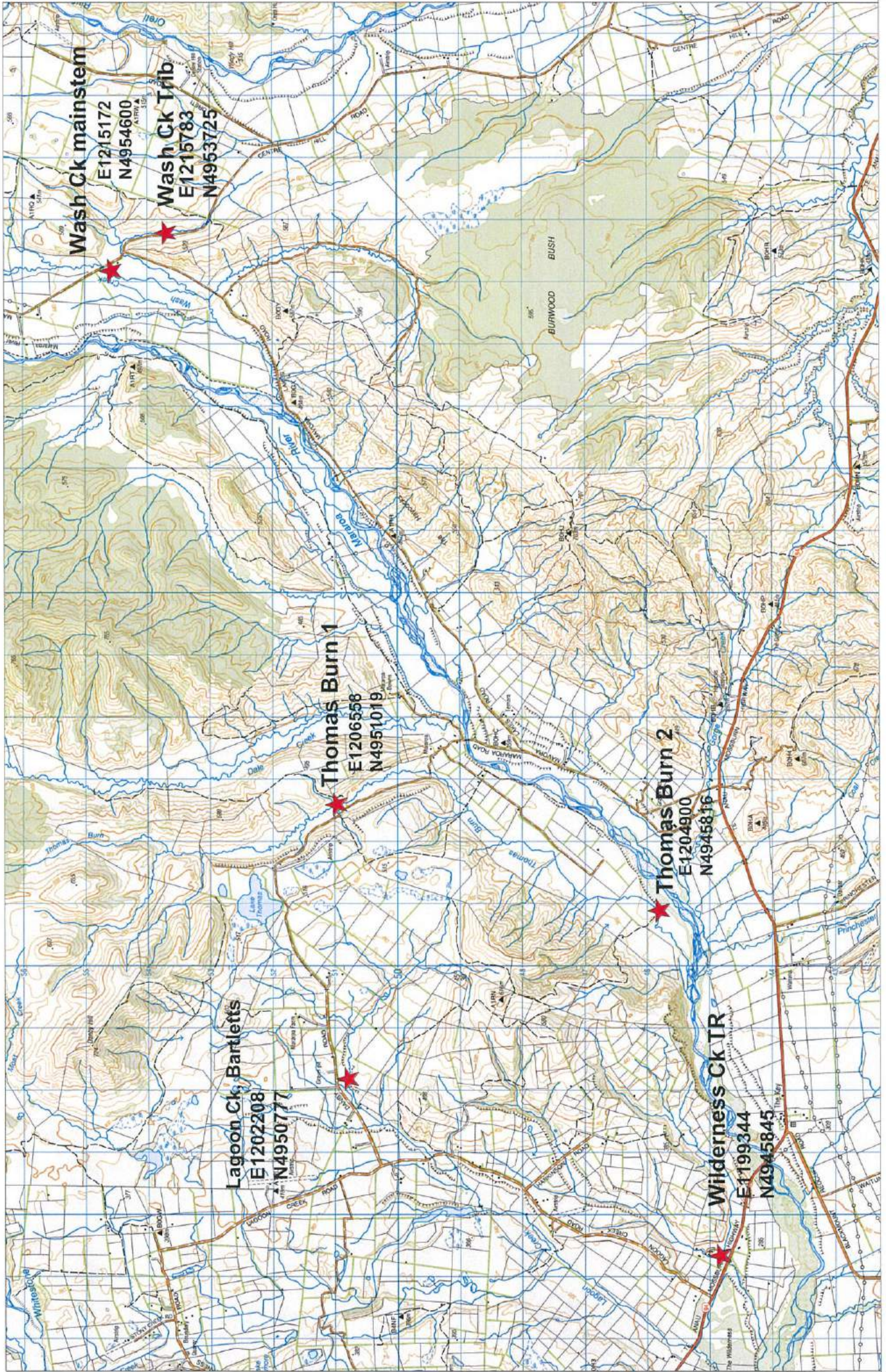


Figure 4: Waiau Trust - Long-term Macroinvertebrate and Electric Fishing Sampling Sites, Te Anau Basin.

Ecological Response Monitoring - Macroinvertebrate and Fish Sampling, Feb 2017



Ecological Response Monitoring programme.

In 2016/17, 6 **macroinvertebrate sampling and electric fishing sites** were established in Wash Creek, Thomas Burn, Lagoon Creek and Wilderness Creek catchments, Te Anau Basin, where habitat protection work has been carried out.

Above: Bartlett's Covenant, Mararoa Station - Lagoon Creek catchment sampling site.

Left: Nathan Hughes, Environment Southland, carrying out macroinvertebrate sampling at the Bartlett's Covenant site, February 2017.

Macroinvertebrate and Fish sampling February 2017 - continued



Bartlett's Covenant sampling site: A good diversity of fish species were recorded at this site, in February 2017, including a population of Giant Kokopu (**above**) not previously known about.



Thomas Burn, Mararoa Station – the mid-reach macroinvertebrate and electric fishing sampling site. The site is within the **Thomas Burn Covenant**, protected since 2010.

Macroinvertebrate and Fish sampling February 2017 - continued



Thomas Burn Covenant sampling site. One very large female Long-fin eel caught, plus a diversity of other fish species occur at this site.



The Lower Thomas Burn sampling site – protected via an HEA since 2005. The site is downstream of 12 km of protected water way and just upstream of the confluence with the Mararoa River. At this location the stream flows through the farm deer unit. Again a good diversity of fish species were caught.

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 - \$6,480, Actual - \$3,841

Key Outputs Measures This year:

Maintenance: Annual road maintenance programme

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, open for public use, 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 the other 9 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 slightly less than expected, as spraying and grading is not always needed at every access, every year.

The Trust did incur additional costs at the Whare Ck access. Use of this access by freedom campers became a problem, as the tourist season progressed. Up to 20 vehicles per night were recorded at the height of the season. Human faeces, toilet paper, open camp fires (often left burning after the campers had departed) and damage to barriers occurred. Resources were spent monitoring the situation, extinguishing camp fires, reinstating barriers to the river and erecting "no camping" signs. This is a nationwide problem. Provision of facilities for freedom campers does not fall under the Trust mandate. The Trust has written to the Minister of Tourism encouraging the development of new policy and regulation for the whole of New Zealand to deal with this growing problem.

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.

Table 19: 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, 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, although planning work was completed for the partial funding of a PhD study on fisheries of Southland coastal water bodies, including the whitebait habitat project near the Waiau Mouth and Lagoon. This expenditure will be accounted for under this output category for the next 3 years.

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

3.4 Output D – Education, Information and Consultation.

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

Expenditure: Budgeted - \$3,500, Actual - \$5,142

Key Outputs Measures This year:

Administration: Update Trust project information sheets.

Maintenance: Maintain and monitor website

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 Waiau Working Party. In our day-to-day business we have contact with Department of Conservation, LINZ, Waiau River Liaison Committee, Te Waiau Mahika Kai Trust, Te A o Marama, Meridian Energy Ltd and Fish and Game NZ, Southland Region. These people and agencies help us progress projects. The Trust is grateful to all those people we have worked with, as their co-operation has enabled us to advance the objects of the Trust and good environmental outcomes in the Waiau catchment.

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

Meridian Energy and the Waiau Working Party (of which the Trust is a member) are currently looking at ways of achieving additional environmental outcomes for the Waiau Catchment. 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 Waiau 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 December the NZ Freshwater Sciences Society Conference was held in Invercargill. The Waiau Trust, in conjunction with Jane Kitson of Te Runanga o Ngai Tahu/Oraka Aparima Runaka, ran the Waiau Restoration field trip. Twenty three (23) participants visited Rakatu



The NZ Freshwater Sciences Society Conference Field Trip - participants at Rakatu Wetlands, December 2016. The theme of the Waiau catchment field trip was restoration. Rakatu Wetlands and the Whitebait project were on the itinerary. It was a good opportunity to discuss wetland ecosystem restoration.

Wetlands and the Whitebait project sites on the trip. Good discussion and feedback occurred throughout the day. The Trust's project information sheets were updated for this event.

In July, Rakatu Wetlands were visited as part of the Ballance Farm Environment Awards Field Day. Our neighbours, and lessee, (Shane and Bridget Speight) were the Southland winners of the Farm Awards for 2016. 100+ people attended the field day and visited Rakatu.

In November, Mark Sutton guided a group of Te Anau people around the Whitebait project. In March Jan Riddell attended the Te A o Marama Board meeting and updated members about the Waiau habitat work.

The 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 received from the live date and then annually for each financial year.

Table 20: Analysis of Website Visits.

Statistics	7/4/14-31/3/15	1/4/15-31/3/16	1/4/16 – 31/3/17
Number of sessions	520	4,248	1233
Number of users	428	3,864	997
Percentage of new sessions	82.12%	90.91	80.13
Page views	1006	5,059	2667
Pages viewed per session	1.95	1.19	2.16
Average session duration	1.22 minutes	30 secs	1min 31 secs
Sessions >3 minutes duration	48	211	204
Page views >3 minutes duration	390	652	824
Ave number page views > 3 minutes	8.12	3.09	4.24

The website has received fewer visits this year. The majority are of a very short duration. The longer duration visits look at a greater number of pages and will therefore learn more about the Waiau Trust and the work done. 40% of the site visitors are New Zealanders, followed by UK (14.6%, Russian (10.95%) and USA (8.4%)

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 - \$6,000, Actual - \$3,586

Key Outputs Measures This year:

*Maintenance: Photographic library
Databases and maps.*

Achievements and Progress:

The Habitat Enhancement Agreement and Joint Waiau Trust/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 project.

The habitat enhancement ecological response monitoring reports commissioned or prepared by the Trust are also an important part of our information base.

All Waiau 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-\$12,000, Actual- \$13,970

Key Outputs Measures This year:

Administration: Respond to landowner requests to investigate potential new projects.

Achievements and Progress:

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

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

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

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

3.8 Output H – General Project Management.

H3 General Planning.

Expenditure: Budgeted - \$12,000, Actual - \$23,437

Key Outputs Measures This year:

Administration: Revise Health and Safety Plan

Prepare for strategic workshop

Achievements and Progress:

This output covers all general planning work, by Contract 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 come under this output category, as does preparation of meeting agendas, meeting attendance, other day-to-day planning/management issues and enquires, and keeping abreast with restoration research etc.

The Trust's Health and Safety Plan was reviewed and update this year, to bring it in to line with the new Health and Safety at Work Act 2015, which came into force on 4 April 2016.

In May the Trust discussed the concept of reinforcing and building on the relationship with Meridian Energy Ltd, leading up to the renewal of the Manapouri Power Station Resource Consents in 2031. A background strategic think piece paper was prepared and a workshop

held in June. A number of work streams and actions came out of this workshop, including, a Communication Plan, a review of the Trust Deed, more extensive ecological outcome monitoring and resourcing etc. Most of these actions are underway.

Following from the strategic workshop, the implementation of Trust's Monitoring Strategy expanded this year, to include the macroinvertebrate/electric fishing programme described above. This plus the PhD fisheries study along with the bird counts and the pest trapping programme at Rakatu and Whitebait project sites, provide more information on ecological outcomes. Ecological response monitoring stems from the need to show the ecological benefits of habitat enhancement. It is a key accountability matter. The Strategy defines monitoring programmes that reflect the type and scale of our projects.

H4 General Field.

Expenditure: Budgeted - \$15,000, Actual - \$15,431

Key Outputs Measures This year:

Administration: Management oversight of all projects.

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 - \$25,850, Actual - \$26,349

Key Outputs Measures This year:

Administration: Annual Report completed by 30 June.

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 - \$5,800, Actual - \$5,554

Key Outputs Measures This year:

Administration: Hold 5 meetings of the Trust Board.

Achievements and Progress:

The Trust met on five (5) occasions during the year, incorporating a field trip to Mt Prospect Station in the Te Anau basin, in February. Trustees inspected the impressive protection initiatives completed and planned on Mt Prospect in the Whitestone catchment. 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 - \$70,000, Actual - \$70,169

The fund management system, involving 4 Fund Managers, continued. A review of the performance of the Fund managers and SIPO was completed in November 2016. Recommendations for minor changes were made and these are under consideration.

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 financial 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. This has been done internally to date. The ecological monitoring programme the Trust has in place for major projects is a key component for determining if Outcomes are being achieved.

The requirement to report non-financial information, under the new financial reporting requirements for Registered Charities/PBE's (effective from 1 April 2015), formalizes and complements the practice, outlined above, the Trust has adopted for some years.

Other aspects of the Trust's audit of activities, relate to compliance with the Charitable Trusts Act 1957, the Trustees Act 1956, the Trustee Amendment Act 1988 and the Charities Act 2005. An Outcome audit also needs to look at compliance and performance with the Trust Deed and the Strategic Plan.

The annual financial position of the Trust is 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), Trustees Amendment Act (1988), Charities Act 2005 and Health and Safety at Work Act (2015):

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. This requirement has been met.

Under the new Financial Reporting Requirements for Charities, the Trust reports under Tier 3, which requires accrual accounting, but no independent audit. The Trust continues with an independent audit, as required by the Trust Deed and in line with the high standard of transparency and accountability adopted in the past. The more complex fund management arrangements now in place also influenced this decision.

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. This was reviewed in 2016 and awaiting decision. The SIPO is conservative in nature. It has **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.

At the end of March 2017 the Fund is managed by four Fund Managers. Table 21 below details the Fund Managers, the original amount of money each had to invest and the balance at 31 March 2017. The total balance as at 31 March 2017 represents a 6.0% investment return for the 2016/17 year. This is net of Trust withdrawals, fees and brokerage.

Table 21: Fund Managers and Investment Fund Values.

	Craigs Investment Partners	Milford Income Fund	First NZ Capital	NZ Asset Management	Total/ Ave % return
Original Investment	2,980,168	2,000,000	720,000	500,000	6,200,168
Balance at March 2017	3,451,835	2,553,293	779,551	549,085	7,333,764
Net Investment return after withdrawals, fees & brokerage.	8.0%	10.32%	3.78%	-1.49%	6.0%

Table 22 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 agreed asset allocation limits (targets) for each Fund Manager, as at 31 March 2017.

Each Fund Manager provided written reports to the Trust, coinciding with programmed meetings. Detailed quarterly reports were produced, plus the end of year report. 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.

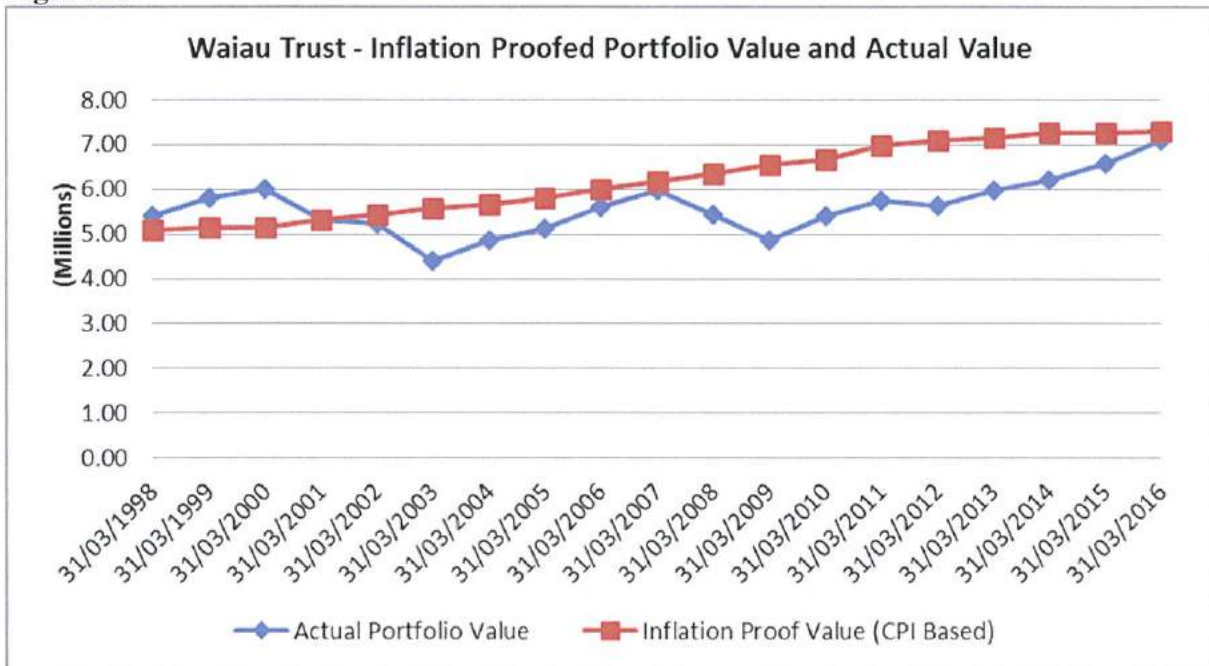
Maintaining the value of the Fund, with respect to inflation, is an underlying driver for the Trust and is monitored on a yearly basis. Figure 5 shows the value of the fund at the end of each financial year (since inception and after drawings) and the value of the fund, had it been successfully inflation 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 about \$133,000 below the level it should theoretically be at, but has edged closer to that level, given the investment returns this year.

Table 22: Waiau Trust Investments as at 31 March 2017

	Craigs Investment Partners	Milford Income Fund	First NZ Capital	NZ Asset Managers	Total	% of fund	Target %
Cash	\$105,469	\$190,986	\$24,267	\$47,087	\$367,809	5%	5%
Total Cash (I)	\$105,469	\$190,986	\$24,267	\$47,087	\$367,809	5%	5%
NZ Fixed Interest	\$1,944,811	\$288,778	\$459,790		\$2,693,379	37%	55%
Australia & Global Fixed Interest	\$1,174,004		\$0		\$1,174,004	16%	
Total Fixed Interest (I)	\$1,944,811	\$1,462,782	\$459,790	\$0	\$3,867,383	53%	55%
Nz Properties	\$186,108	\$425,123	\$80,657		\$691,888	9%	10%
Aust Properties	\$125,144				\$125,144	2%	
Total Properties (G)	\$311,252	\$425,123	\$80,657	\$0	\$817,032	11%	10%
NZ Equities	\$538,780	\$332,184	\$185,911		\$1,056,875	14%	15%
Australia Equities	\$440,149	\$118,983	\$28,926		\$588,058	8%	13%
International Equities	\$111,374	\$12,256	\$0	\$501,998	\$625,628	9%	2%
Total Equities (G)	\$1,090,303	\$463,423	\$214,837	\$501,998	\$2,270,561	31%	30%
Other		\$10,979			\$10,979	0%	
Total portfolio	\$3,451,835	\$2,553,293	\$779,551	\$549,085	\$7,333,764	100%	100%

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 also go some way toward inflation proofing the Fund.

Figure 5:



The long-term horizon drives Trust thinking. Enhanced habitats need to operate in perpetuity to ensure permanent environmental outcomes and ongoing resources are required for the Trust to continue with its valuable habitat enhancement and other project work.

c). Other Income Sources:

The Trust receives 12% of total 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 sees itself operating in perpetuity and is now thinking strategically out to 2031 when the Meridian Energy Ltd Resource Consents for the Manapouri Power Scheme expire and will need to be renewed. The Trust will continue to work with Meridian Energy to promote a shared vision of the catchment from a natural ecosystem perspective and how it might look beyond 2031. This will include continuing with the Trusts current habitat enhancement work including habitat enhancement agreements. In addition the Trust intends to identify a series of new flagship projects as part of a its strategic programme of works which will require new levels of funding into the future.

The Trust continues to look for efficiencies and effectiveness in the expenditure of the Trust Fund, in terms of project management, implementation and administrative structures. Reviews of expenditure and reassessment of project priorities throughout the year, depending

on investment performance, are considered to be a prudent management approach. Contracts for the provision of secretarial/administration, field and planning services remain cost effective. Records of hours each contractor spends on Waiau Trust work are kept. Based on 1832 hours being the equivalent of one full-time person, this year contract hours totaled 1489 (including 50 hours for general administration). This is 81% of one full-time person, which is similar to last year.

Trust costs continue to increase and management of 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.

e) Health and Safety:

The Waiau Trust's current health and safety policy states:

"The Waiau Fisheries and Wildlife Habitat Enhancement Trust is committed to maintaining a safe and healthy working environment for our contractors in the workplace. Some of our projects enable public access for recreational purposes, so the Health and Safety Plan also applies to visitors to project sites."

The new Health and Safety at Work Act (2015) came in to affect in April 2016. Governance responsibilities for health and safety require rigorous process and reporting on health and safety and implementation of Plans. The revised Health and safety Plan was approved by the Board in September 2016.

Currently, at each Trust meeting, Trustees receive a health and safety report, documenting the change in status of known hazards any new hazards that have arisen at project sites and any incidents. During the year 1 new hazard was identified at the Whitebait project site as a result of flooding in May. Repairs were completed by July.

3.11 Compliance with the Trust Deed:

a). Objects of the Trust:

The major compliance elements in the Trust Deed are the "Objects of Trust". The emphasis is on enhancement of fisheries and wildlife habitat, facilitation of public access to the enhanced Waiau River and fisheries research, as detailed in the eight specific Objects. Meeting the Objects of 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). The capital works at the expanded whitebait habitat project adjacent to the Waiau Lagoon (Object 4 of the Deed), are now more or less completed and the project is in maintenance and monitoring mode.

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

The Trust has 14 major habitat enhancement projects on the books, 4 of which are also accounted for as joint Waiau Trust/QEII National Trust projects. There are 72 completed Habitat Enhancement Agreement projects (A100) for stream riparian and wetland habitat, plus 94 completed joint Waiau Trust/QEII National Trust projects. These 180 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 will be an integral part of the whitebait project in the future. 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.

As a result of the strategic workshop in June 2016 the Deed Objects are under review to better reflect Trust activities, 20 years on.

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 A o 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 figures (6,7 & 8) and tables (23 & 24) summarise the quantity and types of habitat created and enhanced and shows progress over time. The Trust has 180 habitat projects, enhancing a total of 2656 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

Figures 6, 7 & 8: Numbers of Projects at 31 March 2017

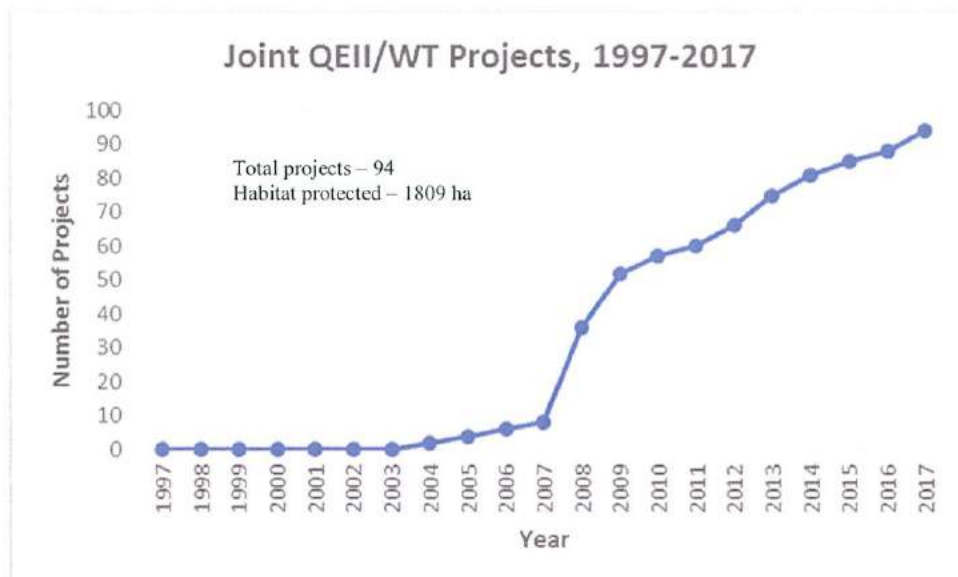
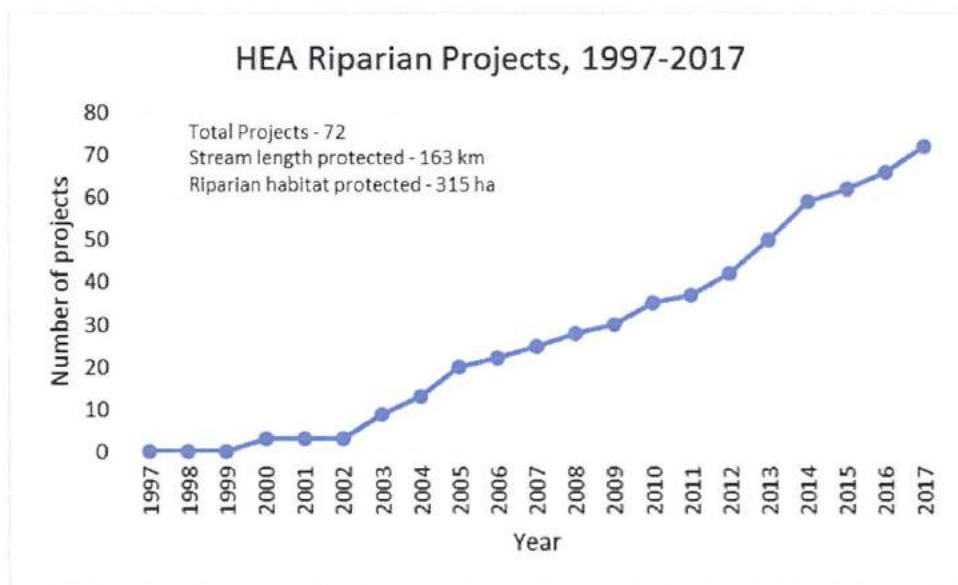
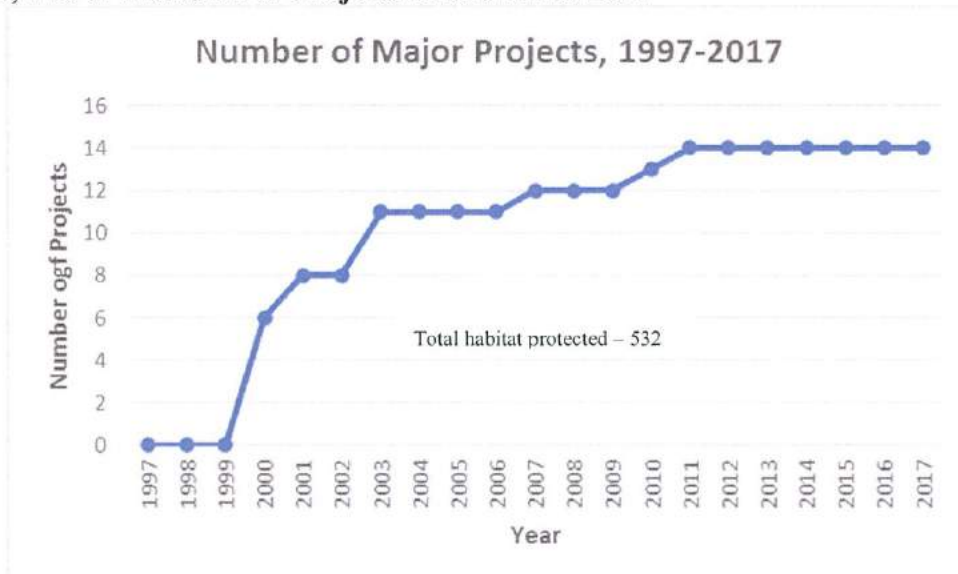


Table 23: Waiau Trust & QE II National Trust Joint Projects - March 2017

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	Pyramit Wetland	Landcorp Farming	Eweburn Farm	1,940	20.0
Eweburn Stream	Morgans Wetland	Landcorp Farming	Eweburn 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	1,008	15.1
Upukerora	Tibbles Wetland	Landcorp Farming	Eweburn Farm	2,400	51.8
Upukerora	Round Barn Wetland	Landcorp Farming	Eweburn Farm	900	7.4
Ramparts Stream	AWS Wetland Ramparts Stream	Landcorp Farming	Stuart Farm	6,748	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
Union Stream/ Orauea	Wildings / Wilanda Downs	Landcorp Farming	Wilanda Downs	940	28.9
Union Stream/ Orauea	Broadleaf Bush/Wilanda Downs	Landcorp Farming	Wilanda Downs	1,175	8.8
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	Eweburn Farm	1,715	13.7
Lake Te Anau	Seven Mile Swamp	Landcorp Farming	Eweburn Farm	600	3.7
Whitestone /Stony Creek	Lynmore - Extension	Landcorp Farming	Lynmore Farm	1,235	21.8
Upukerora	Te Anau Hill	Landcorp Farming	Date Farm	2,485	103.7
Redcliff Creek/Jericho Creek	Matt's Shrubland + extension	Landcorp Farming	Jericho Farm	1,720	12.8
Mararoa	Inkersells Wetland	Landcorp Farming	Stuart 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
			Sub total	63,336	967

Table 23: Waiau Trust & QE II National Trust Joint Projects Continued

Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)
Whitestone	Simon's Gully	Landcorp Farming	Stuart Farm	530	5.3
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 Olautau	2,700	19.7
Whitestone	Andy's Wetland	Andrew Gillespie	55 Ramparis 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	Kils Bog Pine	Landcorp Farming	Dale Farm	890	3.9
Wash Creek	Ramhill 1 & 2	Landcorp Farming	Hikuraki Station	6,280	35.2
Mararoa/Lagoon Cr	Waynes Gully	Landcorp Farming	Lynmore Farm	500	3.2
Te Anau tributary	Toni's Wetland	Landcorp Farming	Eweburn Farm	7,800	38.4
Mararoa	Rough Wetlands + extension	Landcorp Farming	Lynmore Farm	1,900	6.6
Mararoa	Tim's Gully	Landcorp Farming	Mararoa Station	5,120	24.7
Sharpridge Creek	Chamberlains Wetland	J Newson & M Chamberlain	538 Olahu-Eastern Bush Road, Birchwood	2,240	28.1
Upukerora	Carole's Wetland	Landcorp Farming	Eweburn Farm	11,065	22.5
Upper Waiau	Kepler Five Bush	Landcorp Farming	Kepler Farm	2,030	3.9
Orauea	Olivers Bush	G & J Broughton	Feldwick	2,610	5.1
Fred Burn	Fred Burn	Landcorp Farming	Dale Farm	7,390	14.3
Marshburn-Orauea	Cassells & Church	David Church	Feldwick	4,127	9.1
Wash Creek - Mararoa	One Tree Wetland	Landcorp Farming	Centre Hill Station	3,645	16.7
Mararoa	Lagoon Creek Wetlands	Landcorp Farming	Lynmore Farm	1,890	8.9
Lower Waiau	Mannings Wetland	Landcorp Farming	Duncraig Farm	2,645	11.0
Lower Waiau	Big Bend Wetland	Landcorp Farming	Duncraig Farm	1,255	8.0
Wash Creek - Mararoa	Kerry's Wetland	Landcorp Farming	Haycocks Station	1,685	12.1
Lagoon Cr, Thomas Burn	Templetons	Landcorp Farming	Mararoa Station	3,500	19.1
Waiau River	Roses	Landcorp Farming	Duncraig Farm	1,750	7.0
Lagoon Creek	Bartletts	Landcorp Farming	Mararoa Station	4,710	63.1
Lake Te Anau	Four Mile	Landcorp Farming	Eweburn Farm	1,055	10.1
Lower Waiau	Addenbrooke & Harris	Addenbrooke & Harris	2804 Ohai - Clifden Highway	480	9.8
Lower Waiau	Office	Landcorp Farming	Duncraig Farm	570	1.6
Lower Waiau	Collar	Landcorp Farming	Duncraig Farm	995	6.3
Mararoa	Dale Burn trib.	Landcorp Farming	Mararoa Station	2,920	17.2
Whitestone	Dawson City - Mt Prospect	GR, G&R Cockburn	3348 Kakapo Road, Te Anau	4,800	30.0
Waiau Arm	Ibbolsons's Riverslea	Landcorp Farming	Riverslea Farm	1,450	6.5
			Sub Total	158,338	1,478

Table 24: Habitat Enhancement Agreements (HEA) March 2017						
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	Humbug Creek	Humbug 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
110	Whitestone	Kakapo Swamp Outlet Stream	Owen Buckingham	1400	1400	4.20
112	Mararoa	Thomas Burn	Landcorp Farming Mararoa SIn	3100	5500	13.80
113	Mararoa	Wash Creek	Landcorp Farming Haycocks	6220	3685	12.70
114	Upper Waitau Mainstem	Ramparts Stream	Landcorp Farming Stuart Farm	810	405	0.50
115	Whitestone	Unnamed Streams	Kevin Woolhouse	2270	1135	1.40
116	Lake Manapouri	McLeods Drain Home Creek	Landcorp Farming Freestone	4850	2715	5.40
118	Lilburn	Unnamed Streams	Neil & Gray Robertson	4200	3450	3.33
119	Flaxy Creek	Flaxy Creek	Montana Farming P & M Tippet	3000	1500	3.75
120	Whitestone	Dawson City Wetlands	Landcorp Farming Mararoa SIn	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 Dodd	870	2510	2.51
126	Dean Burn	Trib Dean Burn	Mount Spence Holdings P Marshall	1800	900	1.35
127	Whitestone	Unnamed streams	Landcorp Farming Dafe 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 Dodd	480	240	0.50
130	Kowhai Creek	Kowhai Creek	Bruce Howden	1280	640	1.70
131	Crauea	Unnamed Tributary	Glenbrae Ltd E & A Cade	600	300	0.80
132	Lower Waitau Mainstem	Humbug, Grassy, McIvor Creek	P & K Gow	3130	1565	1.57
133	Crauea	Morley Stream	Landcorp Farming Wilanda Downs	1400	1400	2.80
134	Lilburn	Fenham Creek trib	D & S MacGillivray	670	335	1.30
		Sub Total		59,933	41,215	115.64

Table 24: Habitat Enhancement Agreements (HEA) March 2017

HEA #	Sub catchment	Waterbody Name	Landowner	Fence length(m)	Stream length(m)	Area (ha)
135	Hone Creek/Kepler Mire	Stuart Farm - Radio Mast	Landcorp Farming Stuart Farm	460	250	1.00
136	Mararoa	Grassy Creek	Richard & Trudy Slee	900	780	1.60
137	Camp Creek	Camp Creek	Bevan Collie & Fiona Hopkins	9600	6180	6.20
138	Lower Waiau Mainstem	Merton Creek	David Church	2930	3312	5.50
139	Orauea	Orauea River	Gary Hopcroft	1190	1190	1.00
140	Mararoa	Unnamed trib - Mararoa	Roderick McCall & Anne Roska	265	130	0.33
141	Flaxy Creek	Flaxy Creek	Paul Preston	2125	1990	5.97
142	Orauea	Marshburn Stream	Christopher Lindsay	1638	1638	1.20
143	Hollyburn	Hollyburn	Thomas O'Brien	1400	710	1.45
144	Mararoa	Spring Trib	Graeme & Joy Gunn	1120	700	1.38
145	Mararoa	Thomas Burn Trib	Landcorp Farming Mararoa Sin	1450	725	1.10
146	Wairaki	Grassy Creek Tnb	Russell & Elizabeth Gray	600	600	0.82
147	Mararoa	Wilderness Creek	Elyja Holdings David Dudunski	6670	5592	7.60
148	Orauea	Mouley Tribs	Landcorp Farming Wilanda Downs	6410	4340	11.80
150	Orauea	Marshburn Stream	HC & LMJ Gill	1960	1960	2.30
151	Lower Waiau	Excelsior Creek	Landcorp Farming Duncraig	1178	750	3.90
152	Lower Waiau	Clifden Caves Stream	Phillip & Rebecca Marcep	4410	2126	5.30
153	Waiau Arm Lake Manapouri	John's Oufall tributaries	Landcorp Farming Riverslea Farm	2235	2090	3.80
154	Mararoa River	Lagoon Creek	Landcorp Farming Mararoa Sin	1350	940	1.50
155	Mararoa River	Lagoon Creek	Landcorp Farming Lynmore Farm	3608	1950	5.73
156	Whitestone	Fred Burn Stream	Landcorp Farming Dale Farm	4800	2364	8.70
157	Dean Burn	Dean Burn tributary	Lindsay & Glenda Wilson	1000	500	0.70
158	Mararoa	Unnamed trib - Mararoa	Burwood Station Hamish McLean	2908	1172	2.50
159	Kowhai Creek	Kowhai Creek tributary	Homestead Trust	1000	500	0.70
159	Waimotu Stream	Waimotu Stream	Homestead Trust	3400	1700	3.40
160	Whitestone	Unnamed trib - Whitestone	Landcorp Farming Dale Farm	1480	700	2.70
		Sub Total		126,020	86,004	203.82

Table 24: Habitat Enhancement Agreements (HEA) March 2017						
HEA	Sub catchment	Waterbody Name	Landowner	Fence length(m)	Stream length(m)	Area (ha)
#						
161	Oraua	Fenham Stream tribs	David MacGillivray	1410	710	5.21
162	Dean Burn	Unnamed trib Dean Burn	G & V Dyson	6730	4170	6.40
163	Whitestone	Unnamed trib - Whitestone	Landcorp Farming Stuart Farm	2680	1650	35.80
164	Upukerora	Ray's Stream	Landcorp Farming Eweburn	2700	1380	1.70
165	Whitestone	Unnamed trib - Whitestone	Landcorp Farming Dale Farm	1360	690	2.50
166	Whitestone	Stony Creek	G & R Cockburn Mt Prospect	1700	1740	2.80
167	Lilburn	Unnamed tribs	Fraser & Sharon Hamplon	490	490	0.75
168	Mararoa	Unnamed tribs	Murray & Tania Willans	2350	1250	11.57
169	Oraua	Unnamed tribs Grass Burn	George & Justine Broughton	500	250	0.35
170	Camp Creek	Arthur Creek	Southwest Properties	900	850	9.90
171	Whitestone	Mt Prospect Flats Streams	G & R Cockburn Mt Prospect	3367	1500	2.54
172	Kakapo Swamp	Clow's Welland	David & Sally Clow	440	0	2.60
173	Upper Waiau	Travis Welland	Landcorp Farming Kepler Farm	600	0	7.00
174	Home Creek	Kepler Mire Outfall	Landcorp Farming Kepler Farm	2200	1100	5.00
175	Wash Creek	Kennedy's Welland	Landcorp Farming Centre Hill Station	950	0	2.00
176	Mararoa	Weir Flats	Landcorp Farming Duncraig	2000	1100	0.90
177	Upper Waiau	Robbies Welland	Landcorp Farming Kepler Farm	1300	0	7.70
178	Whitestone	Unnamed Trib	Landcorp Farming Dale Farm	1615	1100	1.70
179	Fredburn trib, Whitestone	Unnamed trib	Glen Echo Ltd	2120	1060	1.20
180	Oraua	Monley Stream	PM & HM Stirling	1615	1200	3.40
		Total		163,067	106,244	314.84

following table 25 summarises 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. 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.

As reported earlier a new macroinvertebrate and electric fishing monitoring programme was instigated at 6 sites in the Te Anau basin, where the Trust has completed on-farm stream and wetland protection. This long-term programme is run in conjunction with Environment Southland. All results will be provided to the relevant landowners.

Table 25: 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, 2014, 2015. Analysis of water flow volumes through wetlands Baseline fisheries surveys of Whitehead and McCulloch Wetlands – 2013 and 2014 Pest animal trap lines installed and maintained. Pest tallies
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 Fitter 2008) Fish Survey, 2014 Spring Bird counts completed 2010, 2011, 2012, 2013, 2014, 2015 Predator trap network installed 2011 and maintained. Pests tallies. Visitor numbers (2006-2015).
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, 2013, 2014, 2015
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 Macroinvertebrate/electric fishing programme.

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

The Trust has extensive photographic library of all projects. Comparisons of sites over time is a good visual measure of ecosystem restoration and health.

b). Improved Ecosystem Health:

The Waiau community, as expressed through the Waiau Working Party, is focused 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. An ecosystems approach to habitat enhancement has been adopted. 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 ecosystem 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. The new macroinvertebrate/electric fishing programme will quantify ecosystem health within the catchments sampled.

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 180 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 Waiiau Mahika Kai Trust, and Te A o 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 Waiiau 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.

a). Summary

The twentieth full year of operation of the Waiiau Fisheries and Wildlife Habitat Enhancement Trust has resulted in further advancement of the Trust's Objects. Project and administration expenditure for the year totaled **\$338,363**. Income for the year was **\$478,052**, and when the revaluation of the portfolio is included, the operating surplus was **\$215,635**.

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 **6.0%** (net return after withdrawals, fees and brokerage) 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), McCulloch Suite (constructed March 2012) and Inder Wetland (built February 2015), at the mouth of the Waiiau River.
- Establishing a PhD Study on Southland coastal fisheries which includes the whitebait habitat fisheries monitoring.
- Completion of 9 HEA projects protecting 7.61km (23.1 ha) of streams and their riparian margins.
- Completion of 4 joint Waiiau Trust/QEII Trust projects protecting 83.3 ha of wetlands, streams and bush.
- Investigation of 15 potential new wetland and stream riparian protection projects.
- Maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Maintenance of the predator trap network at the Whitebait project.

- The ongoing relationships between the Waiau Trust and the QEII National Trust, Landcorp Farming Ltd and Meridian Energy Ltd.
- The strategic workshop, looking to the future.
- The establishment of macroinvertebrate/electric fishing long term monitoring programme in Te Anau basin sub catchments.
- The revision of the Trust Health and Safety Plan.
- Completion of a Communication Plan

b). Looking to the Future:

- The potential for Whitebait habitat enhancement on the west side of the Waiau River, in the vicinity of Papatotora, needs further investigation.
- 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 remains a 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.
- Finally working closely with Meridian Energy Ltd, leading up to the renewal of the Resource Consents for the Manapouri Power Scheme, is now a priority, as is telling the story of habitat enhancement in the Waiau catchment.

While recognising there is an enormous amount yet to be achieved, the Trust is proud of what has been achieved to date.

Waiau Fisheries And Wildlife Habitat Enhancement Trust

2017 Performance Report

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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.
Sources of Cash & Resources	The Trust's main source of revenue is derived from investment income.
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 First NZ Capital 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 2017

	2017 \$	2016 \$
<u>REVENUE</u>		
Donations and Grants		
Rakatu Wetland - Donation Box	286	391
Other Donations	230	-
Pacific Development & Conversation Trust Grant	17,391	-
	17,907	391
Sales of Goods and Services		
Stony Creek - Grazing Lease	-	1,600
Rakatu Wetland - Grazing Lease	17,704	17,704
Whitebait Habitat - Sale of Balage	23,655	23,045
Rebates - Fertiliser	88	107
	41,447	42,456
Interest BNZ	291	422
Interest and Dividends	418,407	306,281
	418,698	306,703
Total Revenue	478,052	349,550
<u>LESS EXPENDITURE</u>		
<u>Project Costs</u>		
Home Creek Riparian Habitat		
Admin and Planning	604	342
Ongoing Maintenance	1,566	2,059
	2,170	2,401
Lower Waiau Whitebait Habitat		
Admin and Planning	28,044	39,825
Capital Expenses	19,354	3,616
Siphon and Pipe Work Impairment	-	38,473
Ongoing Maintenance	10,803	11,679
	58,201	93,593
Stony Creek / Whitestone Habitat		
Admin and Planning	381	369
Rakatu Wetland		
Admin and Planning	15,193	15,236
Capital Expenses	40	5,860
Monitoring	-	150
Ongoing Maintenance	7,173	7,262
	22,406	28,508

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 2017

		2017 \$	2016 \$
Ramparts Road Wetland			
Admin and Planning	941		438
Ongoing Maintenance	1,336		1,412
		2,277	1,850
Habitat Enhancement Agreements			
Admin and Planning	10,775		9,513
Capital Expenses	70,984		49,302
Ongoing Maintenance	2,298		2,248
		84,057	61,063
Newlands Wetland			
Admin and Planning		267	-
Whare Creek Access			
Ongoing Maintenance	420		954
Admin and Planning	1,318		-
Ongoing Maintenance	108		-
		1,846	954
Princhester Creek Access			
Admin and Planning		352	341
Redcliff / Jericho Access			
Admin and Planning	215		722
Ongoing Maintenance	560		1,913
		775	2,635
Mararoa Whitestone Access			
Admin and Planning	351		341
Land Value Impairment	-		6,490
		351	6,831
Sunny Side/Monowai Access			
Ongoing Maintenance		517	542
Education and Public Awareness			
Admin and Planning	4,901		3,061
Website	241		216
		5,142	3,277
Databases			
Admin and Planning		3,586	4,764
Project Investigation and Facilitation			
Admin and Planning		15,095	11,243
General Field		15,431	17,194

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 2017

	Note	2017 \$	2016 \$
General Planning			
Planner Consultancy Service		22,148	13,527
Planner Travel		1,289	616
		23,437	14,143
TOTAL PROJECT COSTS		236,291	249,708
Administration Expenses			
Audit Fees		3,452	3,373
Accounting Fees		5,433	4,104
Administration		4,259	3,047
Annual Report		6,985	6,270
Bank Charges		-	-
Depreciation		2,186	2,510
Insurance		3,332	3,318
Printing, Stamps & Stationery		-	1,542
Repairs and Maintenance		248	52
Telephone & Tolls		454	450
		26,349	24,666
Trust Board Expenses			
Trust Travel and Accommodation		4,450	4,450
Trust Board Meeting Expenses		1,104	1,266
Trust Field Trips		-	2,730
		5,554	8,446
Financial Planning			
Investment Management Fees	5	63,600	42,139
Brokerage	5	5,569	9,830
Investment Reviews		1,000	-
		70,169	51,969
Total Administration Expenses		102,072	85,081
Total Expenditure		338,363	334,789
TRADING SURPLUS/(DEFICIT)		139,689	14,761
Revaluation of Investments	4	75,946	281,019
OPERATING SURPLUS		215,635	295,780

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

Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement of Movements in Accumulated Funds For The Year Ended 31 March 2017

	2017 \$	2016 \$
Accumulated Funds at the Beginning of the Year	7,678,126	7,382,346
Net Surplus/(Deficit) For The Year	215,635	295,780
Accumulated Funds at the End of the Year	<u>7,893,761</u>	<u>7,678,126</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 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash and Cash Equivalents	3	452,700	315,944
Accounts Receivable		1,893	-
Goods and Services Tax		2,531	9,919
Total Current Assets		457,124	325,863
Non-Current Assets			
Fixed Assets as per Schedule	6	471,539	473,725
Investments	4	6,965,953	6,880,463
Total Non-Current Assets		7,437,492	7,354,188
TOTAL ASSETS		7,894,616	7,680,051
Current Liabilities			
Accounts Payable		855	1,925
Total Current Liabilities		855	1,925
TOTAL LIABILITIES		855	1,925
NET ASSETS - Per Trustees' Accumulated Funds		7,893,761	7,678,126

Signed:

Trustee

Dated 26 June 2017

Trustee

Dated 26 June 2017

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 2017

	2017 \$	2016 \$
Cash Flow from Operating Activities		
Cash was received from:		
Receipts from providing goods or services	41,447	42,456
Interest & Dividends	416,805	306,703
Donations and Grants	17,907	391
Cash was applied to:		
Payments to Suppliers and Employees	(337,246)	(325,496)
GST (Paid)/ Refunded	7,388	2,410
Net Cash Flow from Operating Activities	146,301	26,464
Cash flow from Investing and Financing Activities		
Cash was received from:		
Proceeds from the Sale of Financial Assets	-	204,000
Cash was applied to:		
Purchase of Financial Assets	(9,545)	(308,785)
Net Cash Flow from Investing and Financing Activities	(9545)	(104,785)
Net Increase/(Decrease) in Cash	136,756	(78,321)
Cash and Cash Equivalents, Beginning of Year	315,944	394,265
Cash and Cash Equivalents, End of Year	452,700	315,944
Represented By:		
Bank of New Zealand	84,891	110,726
Craigs Investment Partners Cash Account	105,469	82,757
NZ Asset Management Cash Account	47,087	19,452
First NZ Capital Cash Account	24,267	34,073
Milford Fund Cash Account	190,986	68,936
	452,700	315,944

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 Performance Report

1 Statement of Accounting Policies

Reporting Entity and Basis of Preparation

Waiau Fisheries And Wildlife Habitat Enhancement Trust is a charitable trust and has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

The Trustees have also elected to apply PBE IPSAS 29 Financial Instruments - Recognition and Measurement of the portfolios held recognising these as fair value through surplus or deficit.

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.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Revenue Recognition

Donations and Grants

Donation Revenue is recorded when the cash is received. Grant revenue is recognised when received unless a use or return condition is attached in which can any used portion is recorded as a liability

Goods

Revenue is recorded when the goods are sold to the purchaser.

Lease income

Revenue is recorded on a straight line basis over the term of the agreement.

Interest & Dividends

Revenue is recorded as it is earned during the period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair 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.

Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

Investments

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

Current investments represent funds invested with an original maturity between 3 and 12 months. Term investments represent funds invested with an original maturity exceeding 12 months.

Financial Instruments

The Trust initially recognises financial Instruments when it becomes party to the contractual provisions of the instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Trust classifies financial assets into the following categories: fair value through surplus or deficit, held to maturity, loans and receivables and available for sale.

Financial instruments are initially measured at fair Value, plus for those instruments not subsequently measured at fair value through surplus or deficit, directly attributable transactions costs.

Subsequent measurement is dependent on the classification of the financial instrument, and is specifically detailed in the accounting policies below:

Fair value through surplus or deficit

A financial instrument is classified as fair value through surplus or deficit if it is:

- Held for trading
- Designated at initial recognition; if the Trust manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Trusts documented risk management or investment strategy

Those fair value through surplus or deficit instruments sub classified as designated at initial recognition comprise the following portfolios:

- Craigs Investment partners
- NZ First NZ Capital
- Milford Asset Management
- NZ Asset Managers

Financial Instruments classified as fair value through surplus or deficit are subsequently measured at fair value with gains or losses being recognised in surplus or deficit

Taxation

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

Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report



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.

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.

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.

3 Cash and Cash Equivalents

	2017	2016
	\$	\$
Bank of New Zealand Ltd	84,891	110,726
Craigs Investment Partners Cash Account	105,469	82,757
NZ Asset Management Cash Account	47,087	19,452
First NZ Capital Cash Account	24,267	34,073
Milford Fund Cash Account	190,986	68,936
	<u>452,700</u>	<u>315,944</u>



Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

4	Investments - fair value through surplus or deficit	2017	2016
		\$	\$
	Craigs Investment Partners		
	Diversified Investment Portfolio	3,346,365	3,235,851
	Diversified Investment Portfolio cash and on call	105,469	82,757
	Total Investments	<u>3,451,835</u>	<u>3,318,608</u>
	Net Investment Return after Withdrawals, Fees & Brokerage	8.00%	8.63%
		2017	2016
		\$	\$
	First NZ Capital		
	Diversified Investment Portfolio	755,284	764,276
	Diversified Investment Portfolio cash and on call	24,267	34,073
	Total Investments	<u>779,551</u>	<u>798,349</u>
	Net Investment Return after Withdrawals, Fees & Brokerage	3.78%	8.60%
		2017	2016
		\$	\$
	Milford Income Fund		
	Diversified Investment Portfolio	2,362,307	2,341,425
	Diversified Investment Portfolio cash and on call	190,986	68,936
	Total Investments	<u>2,553,293</u>	<u>2,410,361</u>
	Net Investment Return after Withdrawals & Fees	10.32%	9.16%
		2017	2016
		\$	\$
	N Z Assets Management		
	Diversified Investment Portfolio	501,997	538,911
	Diversified Investment Portfolio cash and on call	47,088	19,452
	Total Investments	<u>549,085</u>	<u>558,363</u>
	Net Investment Return after Withdrawals & Fees	-1.49%	-0.68%
	Total Portfolio Investments and cash on call	<u><u>7,333,764</u></u>	<u><u>7,085,682</u></u>
	Net Investment Return after Withdrawals, Fees & Brokerage	6.00%	8.15%

Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

4 Investments - fair value through surplus or deficit (continued)

Realised and Unrealised Gains

	2017		2016	
	Realised \$	Unrealised \$	Realised \$	Unrealised \$
Craigs Investment Partners	(12,000)	51,227	1,101	138,352
NZ Assets Management	25,823	(27,321)	(26,470)	29,733
Milford Asset Management	-	38,719	-	103,138
First NZ Capital	(8,884)	8,382	(3,970)	39,135
	<u>4,939</u>	<u>71,007</u>	<u>(29,339)</u>	<u>310,358</u>
Total	<u>75,946</u>		<u>281,019</u>	

5 Investment Management Fees and Brokerage

	2017 \$	2016 \$
Craigs Investment Partners Fees	18,071	17,730
Craigs Investment Partners Brokerage	5,569	7,644
First NZ Capital	7,853	7,504
First NZ Capital Brokerage	-	2,185
Milford Asset Management	30,491	9,373
NZ Asset Management	7,185	7,533
Total Management Fees	<u>69,169</u>	<u>51,969</u>

Milford Asset Management Fund is a PIE investment with fees calculated on a management and administration expenses ratio which includes a base administration fee and a performance based fee (if performance exceeds a benchmark).

2016 Milford fees have not been restated but would have totalled \$28,757 had they been calculated on the above basis.

Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

6 Fixed Assets

	Cost	Opening Book Value	Depn	Closing Book Value
2017				
Plant	22,119	5,647	705	4,942
Land	403,369	403,369	-	403,369
Office Equipment	9,761	640	251	388
Buildings	43,340	31,676	955	30,271
Forestry Blocks	28,048	28,048	-	28,048
Land Development	9,230	4,345	274	4,071
	<u>515,867</u>	<u>473,725</u>	<u>2,186</u>	<u>471,539</u>
2016				
Plant	22,119	6,461	814	5,647
Land	403,369	403,369	-	403,369
Office Equipment	9,761	1,059	419	640
Buildings	43,340	32,661	985	31,676
Forestry Blocks	28,048	28,048	-	28,048
Land Development	9,230	4,637	2925	4,345
	<u>515,867</u>	<u>476,235</u>	<u>2,510</u>	<u>473,725</u>

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 and included in Land above. 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 \$329,478)

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 Performance Report

Heritage Assets (continued)

Public Access Ways

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 Mararoa River to ensure sustainability of stream flows.

7 Financial Commitments

	2017	2016
	\$	\$
Operating Lease Commitments		
Current	1,000	2,000
Non Current	-	1,000

Meridian Lease of 54.35 Hectares. Sec 1-3 plan 12225. Registration number 35841 Waiau Mouth. Lease due for renewal 30 September 2017.

Capital Commitments

There are no capital commitments as at 31 March 2017 (2016: Nil).

8 Contingencies

There are no contingent liabilities and no contingent assets as at 31 March 2017 (2016: Nil).

9 Related Parties

Peter Sutton is a Trustee of the Trust and is related to Mark Sutton, project manager for the Trust. Mark's services for the year totalled \$74,238 (2016: \$76,657).

Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

10 Additional Information - Emissions Units

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

Post 1989 Units held total 1,188 and have a value of \$2,400 at 31 March 2017 (2016: \$2,400).

The trustees have not applied for any units during 2017 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.



Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

11 Reconciliation of Net Surplus to Cash Flow From Operating Activities

	2017	2016
	\$	\$
Net Surplus/(Deficit)	215,635	295,780
Add Non-Cash Items		
Depreciation	2,186	2,510
Land Impairment Whitestone access	-	6,490
Total Non Cash Items	<u>2,186</u>	<u>9,000</u>
Add/(Less) Working Capital Movements		
(Decrease)/Increase in Accounts Payable	(1,070)	293
(Increase)/Decrease in Accounts Receivable	(1,893)	-
(Increase)/Decrease in GST	7,389	2,410
	<u>4,426</u>	<u>2,703</u>
Add/(Less) Investment Movements		
Investment Revaluation	(75,946)	(281,019)
	<u>(75,946)</u>	<u>(281,019)</u>
Net Cash Flow from Operating Activities	<u><u>146,301</u></u>	<u><u>26,494</u></u>



Waiau Fisheries and Wildlife Habitat Enhancement Trust
Statement of Service Performance
For Year Ending 31 March 2017

Description of the Entity's Outcomes:		
1.	Protection, restoration, creation and enhancement of fisheries and wildlife habitat in the Waiau Catchment, including whitebait habitat in the vicinity of the Waiau River mouth.	
2.	Provision of public access to the resources of the Waiau River.	
3.	Provision of facilities and information to enhance the understanding of the public of the values for which the Waiau Trust was established.	
4.	Fund research and monitoring to measure habitat enhancement ecological outcomes.	
Description and Quantification of Entity's Outputs	Actual \$ This Year	Budget \$ This year
Home Creek Project M: Ongoing native restoration plantings and Annual pest plant spray	1564	2400
Whitebait Project C: Carparks, rock work, flax planting M: Pest plant spray, wetlands intakes and outfalls, flood repairs	19,354 2258	7000 8000
Rakatu Wetlands M: Pest plant spray	4528	8000
HEA Projects: C: Joint projects (budgeted 9, completed 4) C: HEA projects (budgeted 8, completed 9) MON: Macroinvertebrate and electric fishing programme developed for 4 catchments with protected habitats	19,326 51,657 800	51,300 37,538 0
Access Projects: M: Spraying, grading, fence repairs, 9 sites	1456	4380
Ramparts Wetland: M: Track and pest plant spray	1336	1000
Project Investigation and advice: A: 15 potential new projects	13,970	12,000
Additional Output Measures: Total number of habitat projects completed (1997-2017): 180, protecting 2656 ha of habitat. Over time, the cumulative number of habitat enhancement projects completed (and area protected) contributes to the ecosystem health of the Waiau catchment. Total number of Access projects completed (1997-2017): 12 created and open to the public. 4 habitat project sites have walking access and other facilities. The cumulative number of public access projects contributes to recreational use of resources and understanding of the natural values of the resources.		
Additional Information: The Trust intends to operate in perpetuity. Habitat and access projects will require ongoing maintenance and management to ensure their long term sustainability.		

A = Administration, C = Capital, M = Maintenance, MON= Monitoring



Independent Auditor's Report to the Trustees of Waiau Fisheries and Wildlife Habitat Enhancement Trust

Opinion

We have audited the performance report of Waiau Fisheries And Wildlife Habitat Enhancement Trust (Trust) on pages 2 to 17, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2017, the statement of financial position as at 31 March 2017 and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable; and
- b) the performance report on pages 2 to 17 presents fairly, in all material respects,:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of the Trust as at 31 March 2017 and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Responsibilities of Those Charged with Governance for the Performance Report

Those charged with governance are responsible on behalf of the Trust for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) The preparation and fair presentation of the performance report, which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board; and

- (c) For such internal control as those charged with governance determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, those charged with governance are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represent the underlying transactions and events in a manner that achieves fair presentation.

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



Crowe Horwath New Zealand Audit Partnership

CHARTERED ACCOUNTANTS

Dated at Invercargill this 26 day of June 2017