

# Annual Report

For the Year Ended 31st March 2018



*Waiau*

*Fisheries & Wildlife*

HABITAT ENHANCEMENT TRUST



**Trustees and Craigs Investment Partners Advisors on a field trip to EweBurn Farm (Landcorp Farming Ltd), February 2018.**

*L to R: Julian Morris (Craigs), Jan Riddell (Trust Planner), Mike O'Brien (Trustee), Peter Sulton (Trustee), John Whitehead (Trustee), Andrew Feierabend (Trustee), Glenys Dickson (Trustee), Jason Kennedy (Craigs) and Cam McCulloch (Trust Chairman). Absent: Fred Inder (Trustee).*

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#### **Front Cover:**

The Lower Waiou River 1 km upstream of the Waiou Lagoon, looking west towards the Hump Ridge and Princes Mountains, Fiordland.

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

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

### **The Trustees are:**

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

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

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

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

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

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

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

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.

### **Contacts:**

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## **Executive Summary:**

The twenty-first 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 \$342,638. Revenue for the year was \$399,631, and when the revaluation of the portfolio is included, the operating surplus was \$147,842.

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 5.38% (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.
- Initiation of investigations for a new whitebait habitat project on the Papatotara side of the Lower Waiau River.
- Completion of Year 1 of a PhD Study on Southland coastal fisheries which includes the whitebait habitat fisheries monitoring.
- Completion of 15 HEA projects protecting 3.9 km (48.4 ha) of streams, wetlands and their riparian margins, involving 15.6km of fencing
- Completion of 7 joint Waiau Trust/QEII Trust projects protecting 92 ha of wetlands, streams and bush habitat
- Investigation of 21 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 ongoing implementation of macroinvertebrate/electric fishing long-term monitoring programme in Te Anau basin sub-catchments.

The following maps show the location of all the Trust's habitat enhancement and access projects, as at March 2018.

### **Looking to the future:**

- Building the Papatotara whitebait habitat on the west side of the Lower Waiau River, Waiau Mouth.
- 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.

## **1. Introduction:**

The Waiau Fisheries and Wildlife Habitat Enhancement Trust (Waiau Trust) is pleased to present the twenty- first 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.

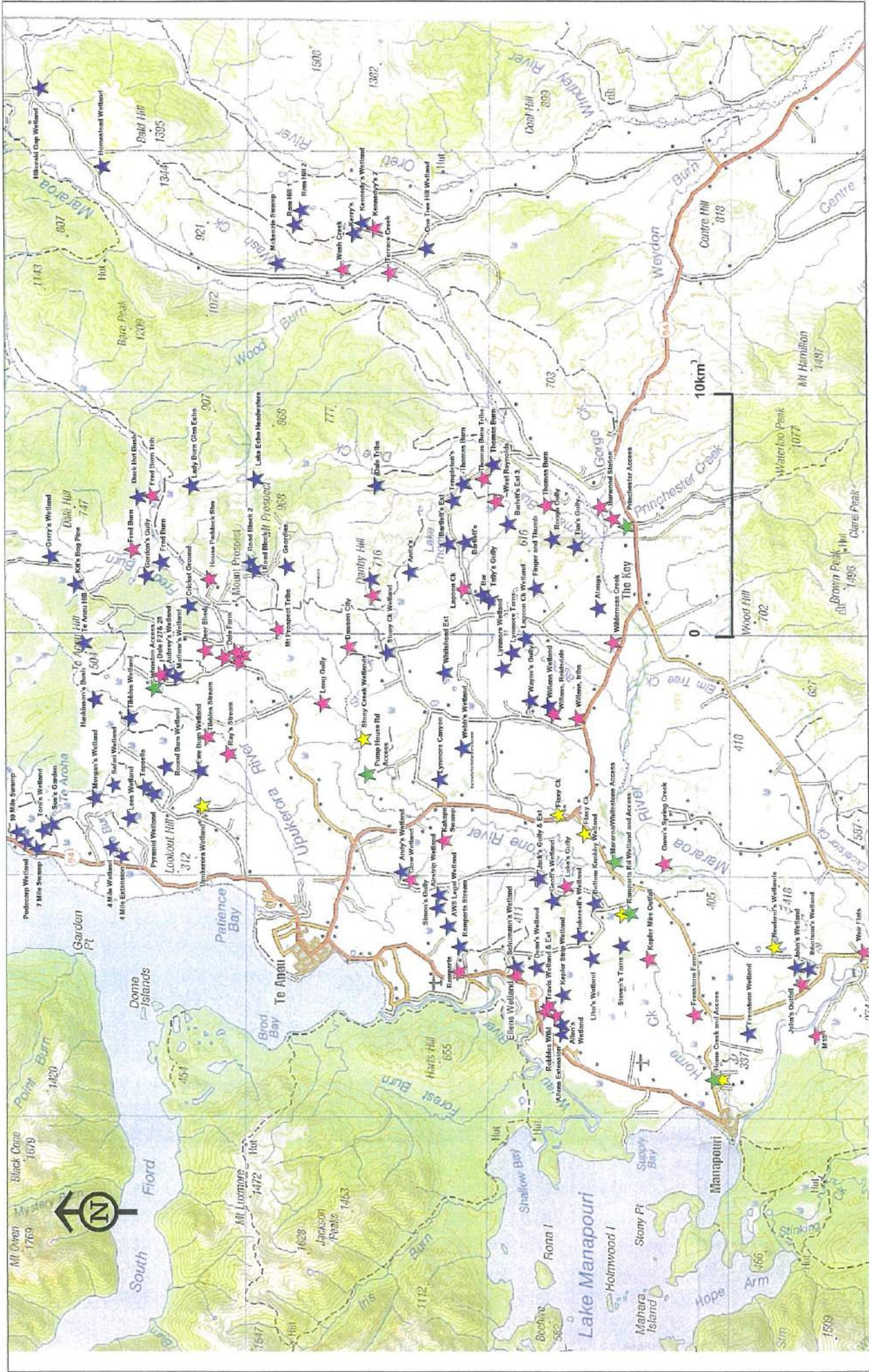
### **1.2 The Trust Objects:**

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.



Waiau Trust Projects: Te Anau Basin, as at March 2018

★ Habitat Projects  
★ Access Projects

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



**Waiau Trust Projects,  
below the Mararoa  
Weir, at March 2018**

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



- ii. In order to carry out the first purpose to negotiate, where appropriate the protection, restoration, improvement, creation or procurement of fisheries and wildlife habitat with landowners and to ensure the best possible public access to fisheries and wildlife resources.
- iii. To provide and maintain two access tracks for anglers' access in the vicinity of Whare Creek and Redcliff Creek confluences such that advantage can be taken of the fishery.
- iv. In accordance with the first and second purposes, to provide for the creation of additional areas of whitebait habitat on land owned by ECNZ<sup>1</sup> or held by the Minister of Conservation adjacent to the Waiau Lagoon as defined by studies carried out for the Waiau Working Party, as necessary.
- v. To provide for the rearrangement and ongoing maintenance of the rock weir immediately below the Duncraigen Bridge identified in studies carried out by ECNZ as necessary to enhance the habitat for fish and the aesthetic sense of landscape values of the river between the weir and the Manapouri Lake Control Structure at minimum flows.
- 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 2016.

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

Detailed financial statements for 2017/18 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, and amendments to the SIPO approved in 2017.

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

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

investments. Three Fund Managers - Craigs Investment Partners, 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 good returns this year. The return from all 3 Fund Managers averaged 5.38% (net return after withdrawals, fees and brokerage), producing \$369,479 of investment income. Total income for the year was \$399,631.

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

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

For the year 2017/18 the Trust budgeted to spend \$411,380. Adjustments were made to project targets during the year and priorities changed as the year progressed. Actual expenditure for the year was \$342,638.

The first table shows Trust expenditure since inception now totals \$6,322,145. This compares to total revenue for the same period of \$8,961,295.

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

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

In April 2017, the Trust considered and adopted the Annual Plan and Budget for the year ending 31 March 2018. 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 - \$3200 Actual - \$2,157

#### **Key Output Measures this year:**

*Capital: Ongoing native plantings*

*Maintenance: 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 19 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 1000 native plants were planted

WAIJU TRUST TOTAL EXPENDITURE SINCE INCEPTION 31/03/1997-31/03/2018

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL	
<b>Habitat Projects:</b>																								
Monowai Wetland	\$1,820			\$0																			\$1,820	
Wairaki Wetland	\$6,432			\$0																			\$6,432	
Home Creek Riparian Habitat	\$7,901	\$9,261	\$30,955	\$6,132	\$3,362	\$975	\$1,504	\$2,317	\$1,440	\$5,968	\$33,997	\$2,117	\$2,117	\$1,925	\$1,968	\$3,036	\$2,954	\$2,226	\$3,259	\$2,401	\$2,170	\$2,157	\$130,075	
Waiyau Mouth Whitebait Habitat	\$608	\$2,557	\$11,357	\$4,681	\$1,854	\$10,381	\$9,469	\$12,650		\$7,363	\$17,769	\$137,641	\$137,641	\$63,836	\$71,163	\$83,554	\$70,423	\$65,155	\$172,475	\$93,593	\$58,201	\$48,697	\$943,427	
Whitebait Habitat, Papatōrora																							\$6,356	
Stony Creek / Whitestone Habitat	\$2,247	\$388	\$1,452	\$12,194	\$27,758	\$1,282	\$201	\$589	\$242	\$4,786	\$8,930	\$827	\$302	\$302	\$600	\$577	\$1,106	\$303	\$897	\$369	\$381	\$394	\$65,805	
Glen Echo Riparian Habitat	\$280	\$2,630	\$1,256							\$805	\$23,000												\$39,878	
Dean Burn Kowhai Riparian Habitat	\$421	\$1,411	\$7,023	\$1,102	\$39	\$56				\$606	\$8,595	\$267											\$21,305	
Lower Dean Burn Riparian Habitat	\$180	\$372	\$750	\$9,084	\$39					\$60													\$10,505	
Flaxy Creek Riparian Habitat		\$310	\$336	\$8,900	\$230	\$39	\$118	\$90															\$21,056	
Rekato Wetland	\$4,584	\$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	\$24,076	\$1,354,380	
Monowai Riparian Lands	\$1,799																						\$1,799	
Mid-Whitestone Riparian Habitat	\$520																						\$520	
Ukukerora Wetland	\$2,472	\$52,477	\$2,477	\$4,002	\$2,431	\$17,206	\$5,604	\$1,747	-\$182,369														-\$96,430	
Ramparts Road Wetland	\$9,123	\$51,485	\$1,219	\$4,016	\$1,726	\$4,137			\$306	\$2,617	\$962	\$1,101	\$702	\$2,728	\$8,387	\$1,197	\$3,490	\$3,023	\$1,850	\$1,850	\$2,277	\$1,258	\$101,604	
Habitat Enhancement/Agreements	\$9,663	\$2,007	\$3,760	\$27,020	\$27,773	\$65,911			\$31,279	\$30,654	\$99,348	\$56,938	\$98,874	\$56,577	\$130,145	\$112,569	\$96,553	\$38,918	\$61,063	\$84,057	\$84,057	\$112,343	\$1,145,452	
Newlands Wetland Complex				\$413	\$9,739	\$387					\$9,418	\$11,278	\$238	\$159	\$313	\$145							\$31,357	\$31,357
Kepler Tng Wetland														\$140		\$349	\$528	\$625					\$1,785	
<b>Access Projects:</b>																							\$0	
Whare Creek Access	\$17,027	\$371	\$2,002	\$47	\$180	\$508	\$90	\$636	\$219	\$742	\$100	\$100	\$583	\$1,015	\$859	\$617	\$463	\$560	\$778	\$954	\$1,846	\$641	\$30,438	
Mout/Lower Dean Burn Access	\$420	\$11,942	\$654	\$51	\$261	\$196	\$49	\$258	\$278	\$10	\$10	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$200	
Pinchcreek Creek Access	\$280	\$4,086	\$7,846	\$6,733	\$7,904	\$1,453	\$1,172		\$304	\$1,139	\$3,817	\$268	\$396	\$4,854	\$277	\$407	\$357	\$308	\$308	\$341	\$352	\$364	\$44,436	
Wairaki Access	\$180	\$2,940	\$211	\$8,457	\$3,651	\$161			\$194	\$730	\$730	\$231	\$174	\$130	\$65	\$231	\$174	\$130	\$455	\$6,831	\$351	\$363	\$40,865	
Redcliff/Jericho Access	\$950	\$513	\$11,475	\$35,543	\$178	\$357	\$648		\$166	\$1,784	\$18,873	\$11,390	\$2,082	\$804	\$1,233	\$2,010	\$1,252	\$804	\$720	\$2,635	\$775	\$1,067	\$94,455	
Otahu Flat Access	\$120																						\$120	
Johnston Ukukerora Access	\$4,413	\$48,222	\$22,288	\$16,539	\$21,003					\$1,333	\$87,446	\$3,244	\$169		\$139	\$484	\$303	\$683	\$130				\$85,112	
Soper Access Whitestone	\$2,097	\$471	\$360	\$983	\$458	\$4,240	\$1,687	\$2,365	\$4,491	\$15,097	\$1,861	\$15,097	\$1,861	\$4,310	\$7,511	\$16,904	\$11,022	\$5,612	\$2,699	\$3,277	\$5,142	\$1,966	\$92,553	
Maranata/Whitestone access	\$140	\$1,390	\$281	\$1,047	\$526	\$983	\$1,348		\$265	\$12,505	\$16,550	\$2,524	\$602	\$8,001	\$1,690	\$1,774	\$3,797	\$2,782	\$3,325	\$4,764	\$3,588	\$3,476	\$48,915	
Sunnyside/Monowai access				\$236	\$339						\$14,444	\$378				\$915	\$550	\$535	\$307	\$542	\$517	\$638	\$19,428	
Lake/Coastal Fisheries Research																							\$0	
Education and Public Awareness	\$4,413	\$48,222	\$22,288	\$16,539	\$21,003					\$1,333	\$87,446	\$3,244	\$169		\$139	\$484	\$303	\$683	\$130				\$85,112	
Database & Photo Library	\$140	\$1,390	\$281	\$1,047	\$526	\$983	\$1,348		\$265	\$12,505	\$16,550	\$2,524	\$602	\$8,001	\$1,690	\$1,774	\$3,797	\$2,782	\$3,325	\$4,764	\$3,588	\$3,476	\$48,915	
Dunroaigh Weir																							\$575	
BB Gull/Item Study																							\$533	
Project Investigation & facilitation																							\$533	
General Planning	\$12,704	\$13,031	\$7,172	\$9,189	\$9,229	\$8,149	\$8,538	\$12,375	\$14,192	\$15,907	\$18,772	\$20,024	\$23,678	\$23,678	\$17,187	\$21,153	\$20,241	\$12,556	\$14,980	\$14,143	\$23,437	\$13,148	\$312,804	
General Field																							\$116,322	
Accounting & Audit Fees	\$355	\$701	\$3,049	\$2,664	\$2,636	\$2,520	\$2,468	\$2,470	\$2,624	\$2,717	\$2,828	\$3,257	\$3,657	\$4,086	\$4,029	\$4,073	\$4,299	\$5,659	\$7,653	\$7,477	\$8,885	\$8,846	\$87,181	
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	\$14,289	\$12,065	\$13,115	\$13,463	\$12,785	\$13,871	\$14,132	\$13,781	\$260,475	
Insurance																							\$66,516	
Legal Expenses	\$772			\$1,035	\$363	\$2,873	\$3,512	\$4,260	\$3,666	\$3,666	\$3,545	\$4,223	\$4,337	\$4,010	\$4,938	\$3,460	\$3,610	\$3,473	\$4,130	\$3,318	\$3,332	\$2,001	\$4,171	
Tax opinions																							\$1,882	
Trust Board Exps	\$2,338	\$7,525	\$9,671	\$7,008	\$9,791	\$7,785	\$5,476	\$6,673	\$5,878	\$6,147	\$7,813	\$8,653	\$9,201	\$6,521	\$4,719	\$5,604	\$9,725	\$4,669	\$5,621	\$6,446	\$5,564	\$5,425	\$153,043	
Investment Fees	\$13,235	\$5,310	\$7,044	\$7,984	\$7,984	\$7,260	\$15,641	\$24,516	\$25,615	\$29,473	\$29,274	\$26,869	\$25,380	\$27,257	\$28,441	\$46,050	\$100,708	\$68,356	\$51,969	\$69,169	\$56,759	\$673,088		
Road Counter		\$736																					\$736	
Office Equipment (Computer & software)																							\$10,645	
Investment Reviews																							\$18,000	
Locking System																							\$1,415	
<b>Total expenditure</b>	\$5,157	\$92,740	\$140,632	\$225,595	\$639,667	\$288,861	\$201,326	\$220,579	\$294,536	\$206,808	\$221,252	\$368,881	\$327,568	\$307,840	\$284,313	\$375,676	\$361,775	\$368,703	\$393,426	\$334,789	\$338,363	\$342,638	\$6,322,145	
<b>Less Revenue &amp; Revaluations of investment.</b>	\$100,804	\$435,568	\$499,992	\$492,945	-\$2,933	\$173,970	-\$774,670	\$656,819	\$566,726	\$850,910	\$602,999	-\$195,006	-\$229,110	\$854,208	\$625,560	\$285,656	\$689,280	\$659,409	\$990,121	\$630,569	\$553,898	\$480,480	\$8,961,295	
<b>Difference</b>	\$95,647	\$342,828	\$359,360	\$257,350	-\$642,600	-\$95,891	-\$975,906	\$436,240	\$272,190	\$644,102	\$381,747	-\$563,887	-\$556,686	\$546,368	\$341,247	-\$90,020	\$330,505	\$290,706	\$596,695	\$295,780	\$215,635	\$147,842	\$2,639,150	

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



(*Carex secta*, flax, *Coprosma* sp, Toe toe and Red tussock). The use of combi-guards enhances plant establishment – they help retain moisture and improve the ability to release 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; being an integral part of the Manapouri community “green belt”. The track is maintained to a high standard. Dry ground followed by higher flows in Home Creek in autumn 2018 caused damage to a small section of the track through bank slumping. This presented a health and safety issue for the public using the track and “danger tape” was erected as a warning. It is planned to re-route this section of the track away from the stream bank. This work will be done in April, in the new financial year.

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.

The Trust holds a “Licence to Occupy” the LINZ administered land within the Home Creek project site. This Licence was renewed for a further 5 years in July 2017.

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

**Expenditure:** Budgeted - \$44,900, Actual - \$48,697

#### **Key Outputs Measures This year:**

*Capital: 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 fluctuated with the seasons and the volume of water pumped, but they provided 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 successful from a fisheries and wildlife perspective.

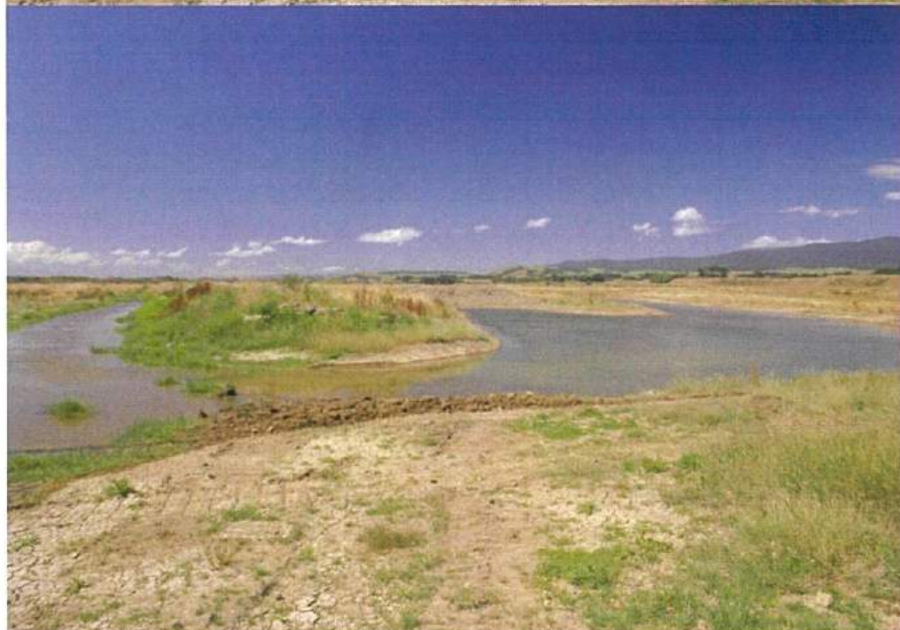
Construction of the third 10 ha wetland (known as the “Inder” Wetland) was completed in early 2015. It is supplied with water from a second diversion channel from the Waiau River side-braid. The diversion intake is 300m upstream from the McCulloch diversion. The diversion became operative in February 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 summer and autumn of 2016/17 saw extended periods of low flows (<50m<sup>3</sup>/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 that year to ensure all the pulsed inflows provide maximum benefit for the Whitehead wetlands.

2017/18 has been an extremely dry year, with few lake supplied freshes and floods down the Lower Waiau from mid-February to September 2017 and again from October 2017 to March 2018. The spring/summer low river flows had a significant effect on the wetlands, with the seasonal and annual inflows to the wetlands being the lowest recorded to date. During the summer dry spell only the deep runners in the Inder wetland retained water. In February 2018 the Trust increased the number and extent of the deep refugee pockets and enhanced the interconnections between these refugia in the Inder wetland. This was unplanned work and a major maintenance expenditure item this year.

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.



## Whitebait Project

**Enhancing wetland sustainability.**

**February 2018**

The 2017/18 drought over summer and autumn resulted in the drying out of the shallow parts of the wetlands.

This provided an opportunity to improve hydrological connections, and enlarge and deepen refugee areas providing more permanent water during dry times.

The photos show the digger at work adjacent to the Inder wetland inflow channel. The result is the expanded area of open water habitat. This was repeated at several locations within the Inder Wetland.

All material removed was placed in low spots around the margins of the wetland.



**Whitebait Project:** A new cabbage tree grove, planted on an area where sediment, removed from within the Inder wetland to create larger refugia, has been deposited. March 2018.



**Whitebait Project – Fisheries Research:** PhD student Rose Holloway undertaking her March 2018 fish survey in the wetlands, once they refilled after the prolonged dry spell.



## 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. Tables 1 & 2, 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 diverted 109 l/s and 362 l/s respectively, for the 2017 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 Inder pipe diverts more consistent volumes 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
2017	109	127.2	67.7	148.6	109.4

•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
2017	362	376	316	414	368

•10 – 28<sup>th</sup> February only

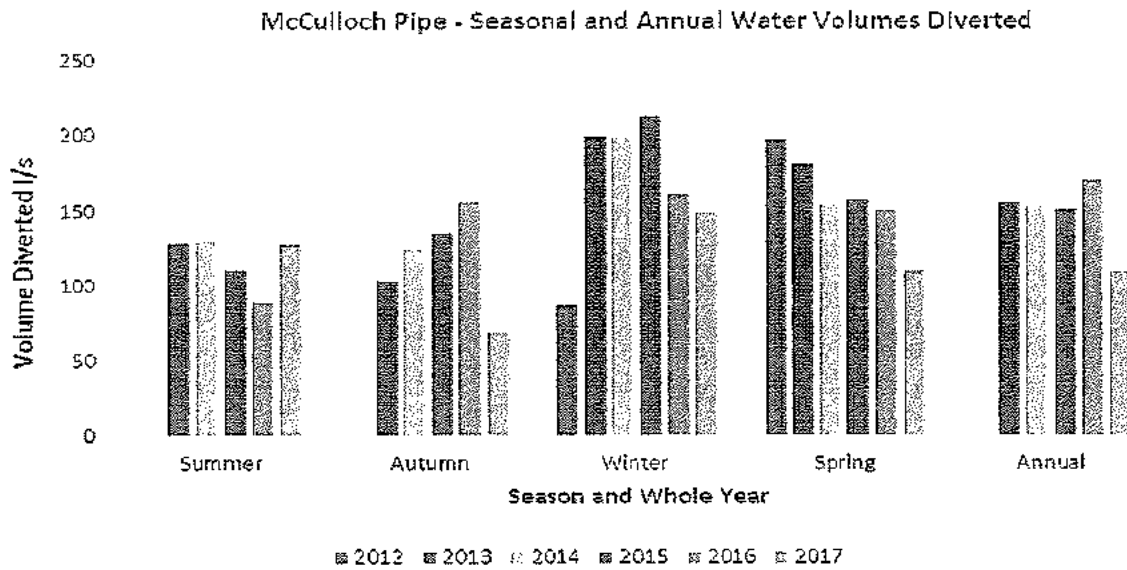
\* Part year only 10 February to 31 December 2015

^ Includes December of the previous year

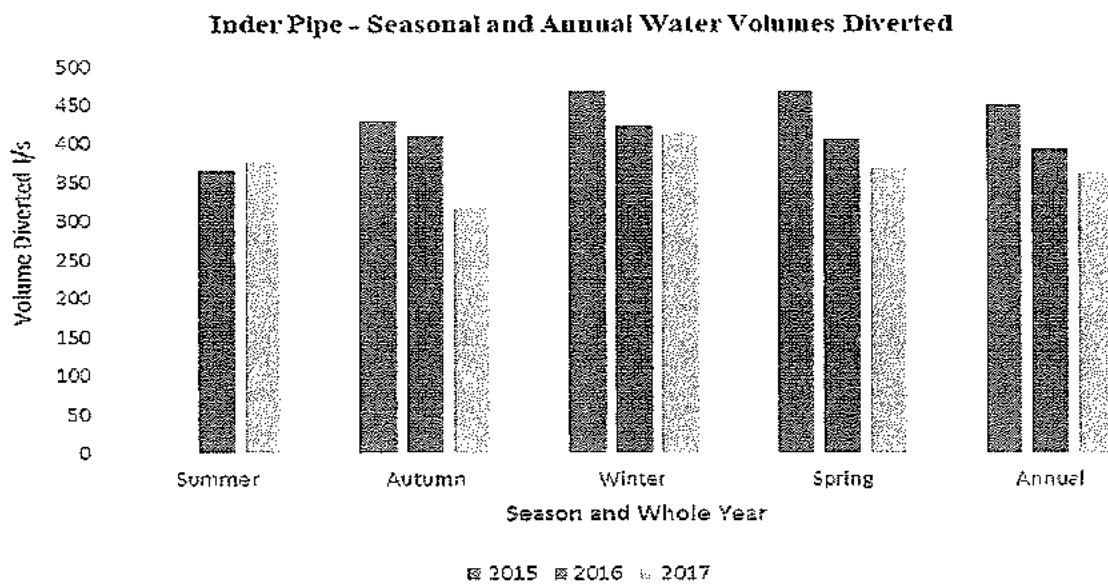
The tables and graphs highlight the very low wetland inflows to both wetlands, this being attributable to the very low river flows. This situation had a significant effect on the sustainability of the wetlands during summer, with the wetland being dry for several weeks, except for the deep runners. Habitat was severely reduced.

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.

**Figure 1:**



**Figure 2:**



**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 flow events	Inder hrs/days pipe was full
2012	30	55	44 *	1904 hrs (79 days*)		
2013	40	61	25	2803 hrs (117 days)		
2014	39	87	27	3484 hrs (145 days)		
2015	60	119	38	2366 hrs (99 days)	41*	2822 hrs(118days*)
2016	58	125	33	2159 hrs (90 days)	35	2591 hrs(108 days)
2017	46	84	23	1650 hrs(69 days)	23	1927 hrs/80 days)

\*Part year only.

As can be seen the number of flood events and pulses for each year varies considerably, as does the number of hours and days of pipe full flows. 2017 was a year having a low number of pulses and a low number (frequency) and days (duration) of pipe full events.

Wetland water inflow information, along with on-site observations, increases the understanding of how the wetlands are operating and the factors influencing their long-term sustainability. 2017 was not a great year for the wetlands.

#### **b). Land Use Consent.**

The Land Use Consent to disturb the bed of the Waiau River side-braid, for wetland water supply enhancement was exercised on three occasions during the year (March and December 2017 and February 2018) The Consent, granted in October 2015, enables the Trust to carry out small scale disturbance of the bed of the side-braid to maintain water flows down the two diversion intake pipes and into the McCulloch and Inder wetlands, as required. Large floods change the river bed and channel pattern, while low flows (<50m<sup>3</sup>/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 before and after each time the consent is exercised and providing an annual summary. These requirements were met in full.

The lesson learnt this year, given the very dry spring and summer, is that it is important to exercise this consent as early as possible in order to maintain wetland inflows and water levels. Delaying the drying out process of the wetlands, for as long as possible, is important for wetland sustainability.

#### **Maintenance:**

The nature of this project and its location, in a highly dynamic environment, means maintenance is an ongoing task.

The Inder wetland outlet sill was “shored up” with additional rock work in March 2017, to prevent future scour. The Inder outlet sill level was also reset at a level of 150mm above the siphon intake lid.

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.

During the year grout pockets appeared in the concrete deck of the access bridge across the HollyBurn. These were repaired, at no cost to the Trust, by Hynds. Painting of the bridge rails to prevent rusting was also completed.

#### **Monitoring**

##### **a). Bird Surveys**

No bird counts were completed this year. The dry conditions in the wetlands this year were a major disadvantage for waterfowl, but waders and shorebird species do benefit, particularly as wetland water levels fall. Such conditions result in extensive areas of exposed wetland bed and shoreline, providing a good food source for these species.

The Inder wetland offers the best site for bird monitoring, primarily because visibility is good. This wetland is now the primary bird monitoring site for this habitat enhancement project.

Table 4 below is a list of all the bird species recorded during the spring surveys of the past 8 years, plus any additional species recorded outside survey times.

**Table 4: Species Recorded over 8 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 Stilt 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 SI 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	
<b>6</b>	<b>19</b>	<b>6</b>	<b>3</b>	<b>34</b>

A good 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.

As part of the Nga Kete o te Wananga – Matauranga, Science and Freshwater Management programme, a monitoring hikoi, run by the Murihiku Runanga Advisory Group, occurred at the Whitebait project site in February 2018, just after the wetlands refilled. Three (3) coarse meshed nets were set overnight. Thanks to Jane Kitson for providing this information for our records (Table 5).

**Table 5: Hikoi Eel Netting Results – 24 February 2018**

Site/net No.	No. Short-fin eel	No. Long-fin eel	Total Eels caught	Average length all eels -mm	Average weight all eels -kg
McCulloch 1	43	3	46		
Inder 2	11	2	13		
Inder 3	16	0	16		
<b>Total</b>	<b>70</b>	<b>5</b>	<b>75</b>	<b>603.5</b>	<b>0.463</b>

Research student Rose Holloway has now completed year 1 of her PhD study on fisheries of Southland’s coastal wetlands, including the Waiau Lagoon and whitebait project site, with



A monitoring hikoi, run by the Murihiku Runanga Advisory Group, occurred at the Whitebait project site and Rakatu wetlands in February 2018.

This is part of the Nga Kete o te Wananga – Matauranga, Science and Freshwater Management designed to bring together matauranga Maori and science knowledge systems to inform and improve decision making and collaborative management of natural resources.

**Top:** Releasing netted eels back into the wetlands at the Whitebait project site.

**Bottom:** Weighing and measuring the eel catch at Rakatu wetlands.

Involving the young and the "not so young" is part of the programme  
Photo: Jane Kitson.





some funding from the Waiau Trust for 3 years. Six weekly sampling has been the main focus at the whitebait project site this year. The prolonged period of low flows in the Waiau River and low wetland inflows has been disruptive to her sampling programme. Only small numbers of fish were caught in the deep refugia of the wetlands and inflow channels. This however has had a positive outcome, in that Rose can document the recolonization of the wetlands as water levels return to normal.

#### **Land Management:**

Clifden 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.

Unplanned expenditure occurred on preparing a small area of “flood free” land for a trial of direct drilling of native species, within the wetland complex. This is being run in conjunction with DOC who have purchased a direct seed drill from Australia. It is specifically designed for direct sowing of native plant seeds. Ground preparation is crucial. The seeding will occur in the spring of 2018.

A cabbage tree grove was planted on an area of deposited soil (from the refugia deepening work) in March 2018.

#### **Pest Control:**

Results from the permanent trapping programme are shown in Table 6. This is an ongoing commitment for the Trust, involving 24 DOC 200 traps, a small number of Timms traps and 5 DOC 250 traps (designed for ferrets and feral cats). During the year 1 April 2017 to 31 March 2018 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 of concern. The pest control is an important aspect of this project.

**Table 6: Pests Caught at Whitebait Project Site.**

<b>Pest</b>	<b>Number caught 2016/17</b>	<b>Number caught 2017/18</b>	<b>Total caught since trapping began - 2015</b>
Stoats	31	28	68
Weasels	6	7	14
Ferrets	0	1	4
Rats	14	7	29
Cats	2	6*	16
Hedgehogs	9	18	27
Rabbits	2	1	5

\* All cats caught in DOC 250 traps

#### **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. Last year 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 of 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 Trust is planning to expand the refuge areas in the McCulloch wetlands in 2018 and possibly the Whitehead wetlands in the future. This worked well this year at the Inder wetland.

**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. No go” zones are now clearly mapped and agreed to. After extensive investigations it is clear additional legal protection of the area is likely to be a drawn out process. The proposed signage will highlight the “no commercial eel take” from the wetlands in the meantime.

**Lower Waiau Whitebait Habitat – Papatotara.**

**Expenditure:** Budgeted - \$12,000 Actual - \$8,356

**Key Output Measures This Year:**

*Administration and Planning: Complete investigative field work for new wetlands  
Prepare wetland designs  
Consult with Concession Holder and DOC*

**Achievements and Progress:**

Investigations into the potential for wetland development on the west side of the Lower Waiau River, near the river mouth were completed this year. This new site is opposite the whitebait habitat creation described above.

Figure 3 is the concept plan for wetland creation at the site. The key elements of the proposal include:

- damming of 2 spring-fed streams to create 4ha of open water habitat.
- maintaining permanent fish passage between the wetlands, the “blue hole” and the Waiau River.
- permanent fencing of the wetlands and the wetland margins
- permanent fencing of the streams and their riparian margins supplying the wetlands.
- restoration of a remnant stand of Kahikatea.



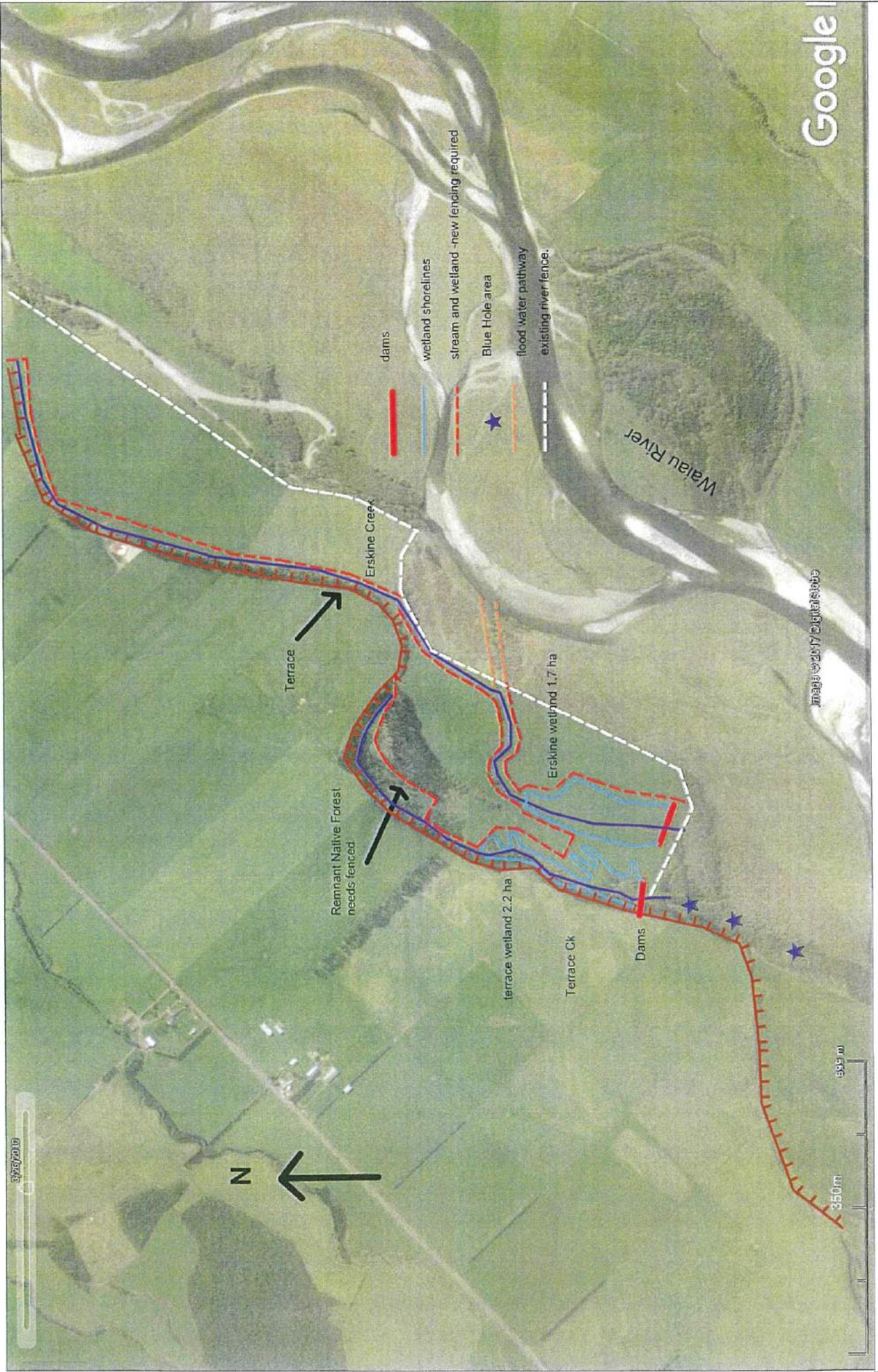


Figure 3: Proposed Whitebait Habitat Enhancement - Papatotara Wetlands

## Whitebait Project, Papatotara



The proposed dam site (looking upstream) on Erskine Stream, one of the two spring-fed streams to be dammed to create 4 ha of open water habitat.



A remnant stand of Kahikatea in the headwaters of Terrace Creek will be fenced and protected as part of the Papatotara wetland enhancement project. This is the only stand of Kahikatea remaining on the floodplain of the Waiau River downstream of Tuatapere.

The Trust is of the view, that although the habitat is not of the same scale of the wetland creation on the east side of the river, it is a worthwhile project.

The project site is Stewardship land, under Section 62 of the Conservation Act 1987. It is administered and managed by DOC. Currently this parcel of Stewardship land (149ha) is under a Grazing Concession to local farmers. The Trust has worked very closely with the Concession Holder and the DOC. The project will require about 9 ha of the parcel of Stewardship land.

Wetland design has been finalised and the next step is to apply for a resource consent to dam the water for the purpose of wetland creation.

### **A10 Rakatu Wetlands.**

**Expenditure:** Budgeted - \$ 33,320 Actual - \$24,076.

#### **Key Outputs Measures This year:**

*Capital: New signage at car park,  
Enhancement of Speights Stream 4 wetland.  
Purchase of DOC 250 traps*

*Maintenance: Access road grading  
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 7: The Rakatu Project**

<b>Actions</b>	<b>Details</b>
<b>Natural wetland protection</b>	4 wetlands, totaling 65.5 ha de-stocked and protected allowing natural regeneration processes to re-establish. These natural areas link with, and incorporate, created wetlands.
<b>Wetland creation</b>	20 interconnected open water habitats created, totaling 49 ha, with 18km of shoreline. All fenced.
<b>Stream protection</b>	13.3 km of small stream habitat protected or incorporated into new wetlands.
<b>Forestry</b>	15.5 ha of forestry managed to provide ongoing income for the project.
<b>Native vegetation restoration</b>	Small areas to be trialed using natural regeneration processes, seed scattering techniques, native plantings and exotic plantings under planted by natives.

	Some amenity planting completed. Manuka trial. Preparation of ground for direct seeding of native species.
<b>Visitor facilities</b>	1.4km road and car park. 9.8 km of walking tracks, offering 4 different walking options, with stiles, bridges, toilet, lunch shelter, lookouts, signage and interpretative panels built.
<b>Pest Plant Control</b>	Annual spray programme to prevent spread on dry lands, wetland margins, access tracks and dams. Wetland water level design incorporates gorse/broom patches. Public walking tracks to be sprayed 2-3 times per year.
<b>Pest Animal Control</b>	Network of 35 DOC 200 traps set around Rakatu and the neighbouring Redcliff wetlands – installed 2011. In 2014 an additional 22 DOC 200 traps, plus 8 cat traps (Timms traps) were installed. 5 DOC 250 traps added to network in 2017. All are checked on a regular basis. Animal captures recorded.
<b>Ecosystem Monitoring</b>	Fish surveys – 5 yearly intervals Spring bird counts - annual

### **Capital expenditure:**

Five DOC 250 traps were purchased this year. These larger traps are designed to catch feral cats (regularly observed) and ferrets.

As for the whitebait project site a similar trial of direct drilling of native species seed is planned at Rakatu. A small area of land, within the Low Creek wetland riparian margins, has been prepared for the trial. This was unplanned expenditure. The direct drilling of seed will occur in the spring of 2018.

Planned capital expenditure on the new car park signage and enhancement of Speights Stream wetlands was not completed.

### **Ongoing Maintenance:**

Maintenance expenditure this year included repairs to the public Look Out (concrete reinforcing along the front of the structure), grading of the access road to the car park, pest plant control (walking tracks, gorse and broom), the cleaning contract (for toilets and Look Out), a contribution to the Canada Goose cull, walking track signage upgrade and fence repairs.

Professional advice was sought about the timing of harvest of two of the Rakatu forestry blocks, given the current good log prices. It was decided to postpone harvest, but to regularly review the situation depending on Investment Fund performance, log prices and project expenditure requirements.

### **Monitoring:**

#### **a). Spring Bird Counts.**

The Trust has now been undertaking spring bird counts at Rakatu for nine years. Table 8 is the summary of data from spring bird counts conducted during 2017. 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 9 summarises all species recorded at Rakatu over the last 9 years. Included are the species recorded by local ornithologist Shawn Herron in 2012 and 2013. His observations include bush and passerine species and this data adds to the understanding of habitat available at Rakatu.

**Table 8: Results of 2017 Bird Counts at Rakatu – Species Present and Numbers.**

Dates	Waterfowl Species and numbers	Water Associated Species	Other
14/11/2017	NZ Scaup: 122 + 1 brood(6) Shoveler : 6 Mallard : 25 + 1 brood (4) Grey Teal : 15 Paradise Duck: 12 + 5 broods (10,6,7,5,2) Black Swan: 2 broods (4,5) Canada Geese: 10 Grey Duck: 10	Spur-winged Plover : 38 Little Shag :0 Pied Stilt :5 SI Pied Oystercatcher: 14 Pukeko: 3 SI Fernbird: 5 Black Shag:1 White-faced Heron:1	Harrier Hawk:6 Bellbird: 0 Grey warbler:4
23/11/2017	NZ Scaup :157 +2 broods (1,3) Shoveler: 9 Mallard:42 Grey teal: 11 Paradise Duck: 5 broods (6,5,4,3,2) Black Swan:1 + 2 broods (4,3) Canada Geese: 11 Grey Duck: 0	Spur-winged Plover: 15 Little Shag :1 Pied Stilt: 8 SI Pied Oystercatcher: 4 Pukeko: 2 SI Fernbird: 6 Black Shag: 0 White-faced Heron:1	Harrier Hawk: 2 Bellbird: 2
29/11/2017	NZ Scaup:118 +7 broods (1,3,3,4,1,4,1) Shoveler: 12 Mallard: 30 + 1 brood (3) Grey Teal: 21 Paradise Duck:5 broods (6,4,2,5,2) Black Swan: 2 broods (2,4) Canada Geese: 7 Grey Duck: 10 + 1 brood (1)	Spur-winged Plover : 10 Little Shag :5 Pied Stilt :15 SI Pied Oystercatcher: 0 Pukeko:0 SI Fernbird: 5 Black Shag: 2 White-faced Heron: 1	Harrier Hawk:3
7/12/2017	NZ Scaup: 61 + 3 broods (2,1,1), Shoveler : 8 Mallard : 74 + 1 brood (2) Grey Teal : 13 Paradise Duck: 5 broods (5,6,4,1,2) Black Swan: 0 Canada Geese:5 Grey Duck::7	Spur-winged Plover : 9 Little Shag :6 Pied Stilt :7 SI Pied Oystercatcher: 2 Black-billed Gull: 12 Pukeko: 2 SI Fernbird: 6 Black Shag: 1 White-faced Heron: 6	Harrier Hawk:2 Grey warbler: 3

The data shows a good diversity of species is 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), over the 9 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 SIs Fernbird, plus the secretive Australasian Bittern and Marsh Crake (and chicks) both of which have been observed outside the official survey times. It is worth recording that SIs Fernbird are being heard, seen and counted in greater numbers at Rakatu. This is likely to be as a result of the pest trapping programme and the recovery of vegetation within and around the margins of the wetlands. 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 correspond with 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 and 2018 Iwi hikoi. 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 9 years of Spring Surveys, General Observations and the Herron Surveys:**

Waterfowl	Water Associated Species	Other Species	Total
Mallard Duck	Pied Stilt	Welcome Swallow	
Shoveler Duck	White Faced Heron	Bellbird	
Paradise Duck	Black Fronted Tern	Grey Warbler	
NZ Scaup	Black Shag	Silvereye	
Grey Duck	Little Shag	NZ Pipit	
Grey Teal	Pukeko	Pantail	
Black Swan	SW Plover	Tui	
Canada Goose	SI Pied Oystercatcher	NZ Wood Pidgeon	
Feral Goose	Australasian Bittern	Harrier Hawk	
	SI Fernbird	NZ Falcon	
	Marsh Crake	Blackbird	
	Black-billed Gull	Song Thrush	
	Black-backed Gull	Dunnock	
	Coot	Skylark	
		House Sparrow	
		Chaffinch	
		Redpoll	
		Goldfinch	
		Starling	
		Yellowhammer	
		Greenfinch	
		Magpie	
<b>9</b>	<b>14</b>	<b>22</b>	<b>45</b>

**b). Fish Surveys:**

As at the Whitebait project site the Nga Kete o te Wananga – Matauranga, Science and Freshwater Management programme, Murihiku Runanga Advisory Group, ran a monitoring hikoi, at the Rakatu in February 2018. Three (3) coarse meshed nets were set overnight in Speights Stream 1 wetland. Thanks to Jane Kitson for providing this information for our records (Table 10).

**Table 10: Hikoi Eel Netting Results – 24 February 2018**

Site/net No.	No. Short-fin eel	No. Long-fin eel	Total Eels caught	Average length all eels -mm	Average weight all eels -kg
Speights Stm 1	4	9	13		
Speights Stm 2	4	16	20		
Speights Stm 3	0	11	11		
<b>Total</b>	<b>8</b>	<b>36</b>	<b>44</b>	<b>625mm</b>	<b>0.667</b>

**c). Trap Network.**

The predator trap network around Rakatu and the neighbouring Redcliff Wetlands consists of 57 DOC 200 traps. This year 5 DOC 250 traps (designed for ferrets and cats) were added to the network on 16 January 2018. The traps were checked and rebaited on 5 occasions during the year (22/May 2017, 20/August 2017, 16/January 2018, 26/February 2018 and 24<sup>th</sup> April 2018). Table 11 below sets out the results.

**Table 11: 2017/18 Pest Kills.**

Date	Stoats	Ferrets	Weasels	Hedgehogs	Rats	Cats
22/5/2017	14	1	1	1	6	0
20/8/2017	18	0	2	2	3	0
16/1/2017	10	0	0	2	2	0
26/2/2018	4	1*	0	11	3	0
24/4/2018	8	1*	1	3	3	0
Total for 5 sets	54	3	4	19	17	0

\* Ferrets caught in new DOC 250 traps

Table 12 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 4 rows are the total for the extended network of 57 traps (the new baseline). Total pest captures are shown in the bottom row.

Of note is the high number of stoats killed during the 2017/18 year, particularly during the autumn/winter months. This is the highest number caught since the programme began and is probably in response to the high beech seed production in 2016/17, followed by an increase in rat numbers in that same year.

**Table 12: Trapping 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
2/2/2017 – 24/4/2018	54	3	4	19	17	0
Total captures since 1/4/2011	212	6	10	95	96	5

An integrated approach to pest management (all animal pests), is required. It must include feral cats and ferrets. In the past the 7 Timms traps, for the purpose of controlling feral cats and ferrets, were set during the winter months. These were not set this year. The larger DOC 250 traps, have replaced the Timms traps, but note that they have not killed any cats since they were installed. As noted above, the DOC 250 traps have been successful at catching cats at the Whitebait project site.

Predictably predators are a problem at Rakatu and Redcliff. Trapping requires extra resources. Servicing the trap network 5-6 times during the year is a level of servicing the

Trust can sustain. Interpretation of the results is difficult, but we are hopeful good outcomes will result from this initiative, in the medium to long-term. Reduction in pest animals should be reflected in an increase in bird numbers, particularly the ground nesting species.

**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.

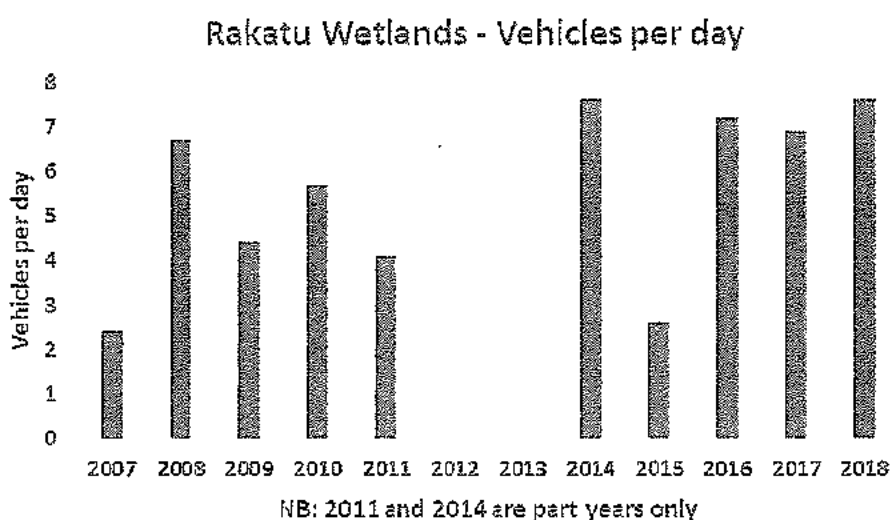
**Table 13: Vehicles visiting Rakatu - April 2016 to April 2018.**

Dates	Days	Season	No. vehicles	Vehicles per day
4 April 2017 – 29 September 2017	178	Autumn/winter/sp	530	3
30 September – 18 December 2017	80	Spring	699	8.7
19 December – 31 January 2018	44	summer	661	14.1
31 January 2018 – 5 April 2018	65	Summer/autumn	884	13.6
<b>Totals</b>	<b>367</b>		<b>2774</b>	<b>7.6</b>

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 4 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, 2017 and 2018 data have had consistently higher numbers of vehicles.

**Figure 4: 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.



## Rakatu Wetlands:



Lookout structure above Speights Stream 1 wetland: Concrete reinforcing was installed at the front of the structure, as part of the normal maintenance programme at this site.



Beginning to prepare the ground for the trial of direct drilling of native seeds, adjacent to the Low Creek wetlands at Rakatu. This involved mowing twice and spraying. A further spray will be needed prior to the direct seeding, in early spring.

**Rakatu Wetlands:**



One of 5 DOC 250 traps installed at Rakatu during the year. These larger traps are specifically designed for cats and ferrets. As can be seen this trap has successfully caught and killed a ferret.

**Ramparts Wetland:**



This 1 ha open water wetland (built in 2011), at the downstream end of a restoring peat wetland now supports 6 waterfowl species and 5 water dependent bird species.

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

**Expenditure:** Budgeted - \$2,200, Actual - \$394

**Key Outputs Measures This year:**

*Maintenance: Spraying if required.*

**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.

In 2016 the Trust negotiated a grazing lease with the neighbouring landowner allowing sheep only/light grazing of the area. This arrangement has now ceased. No spraying was required at the site 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 2017.

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

**Expenditure:** Budgeted - \$2,400, Actual - \$1,258

**Key Outputs Measures This year:**

*Capital : Carex planting around wetland*

*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.

Since the purchase of this property a number areas upstream of this wetland have been fenced and protected by QEII Covenant part of the Trust’s Habitat Enhancement Agreement project.

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

In 2011 a 1 ha open water wetland at the lower end of the property was constructed. Baseline spring bird counts were carried out in 2011, 2012, 2015, 2016 and 2017. Data from the 2 surveys in 2017 is presented in the Table 14.

**Table 14: Ramparts Wetland Bird Survey 2017**

Survey Date	Water Dependent Species	Water Associated Species	Other Species
19 July 2017	NZ Scaup: 43 Paradise Shelduck: 2 Mallard Duck: 23 NZ Shoveler: 7 Grey Teal : 0 Grey Duck: 0	White-faced Heron: 2 Pied Stilt: 0 Pukeko: 0	Harrier Hawk: 0
15 November 2017	NZ Scaup: 24 Paradise Shelduck: 2 Mallard Duck: 13 NZ Shoveler: 4 Grey Teal : 7 + 1 brood (3) Grey Duck: 0	White-faced Heron: 2 Pied Stilt: 4 Pukeko: 2	Harrier Hawk: 1

A White-faced Heron was recorded, as well as Grey Duck (present and breeding) for the first time at this wetland, in 2016

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 Duck 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 Duck 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 - \$ 140,000 Actual - \$112,343

**Key Outputs Measures This year:**

*Capital: HEA projects completed (15)*

*Joint Waiau Trust/QEII Trust projects completed (7).*

*Monitoring: On going photographic record of project site restoration*

*Year 2 of the ecosystem response monitoring programme -Macroinvertebrate and fine sediment.*

**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. It was a very busy year for this project.

Fifteen (15) Habitat Enhancement Agreement projects and seven (7) Joint Waiau Trust/QE II Trust projects were completed. A further 21 potential new projects were investigated, under Output J. These are at various stages of planning by land owners. 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 15 projects completed under the HEA category during the year. Protection of 3.9 km of stream and 48.4 ha of wetland and riparian habitat was achieved. The Trust now has 85 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 15 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, Kepler	Eilen's Wetland, Upper Waiau	1350	6		4725
Burwood Station	Tribs of Mararoa	1567	1.6	850	5484
D Church	Merton Stream	400	0.4	400	1397
Landcorp Farming Ltd, Kepler Farm	Kepler Mire Outfall, Home Creek	1000	3.5	1600	2450
Landcorp Farming Ltd, Dale farm	F27 & 28 , tributary of Upukeroa	1800	0.9	900	8030
Landcorp Farming Ltd Mararoa Sins	West Reynolds wetland Lagoon creek	600	3.1		2750
Glen Echo Str	House Paddock Stream, Whitestone	700	0.4	400	3778
Landcorp Farming Ltd, Lynmore	Lynmore Gully C25, tributary of Reidsdale	1205	1.7	580	4375

**HEA Project:**



**Landcorp Farming Ltd, Kepler Farm: Travis Wetland Extension.** 5.9ha of a headwater gully (**above**) and side tributary (**below**) were protected this year. This area adjoins 7 ha of the lower reaches of this small stream system protected in 2016. A total of 28 ha (in 5 separate projects) protect this tributary of the Upper Waiau River. Interconnected gullies, waterbodies and a small open water wetland add diversity to this small freshwater ecosystem and contribute to on-farm values.



**HEA Project:**



**Landcorp Farming Ltd, Dale Farm: F27 & 28.** This small tributary of the Upukeroa River was fenced this year, protecting 900m of stream and 0.9ha of riparian habitat within the farm deer unit. Prior to the fence being erected, the silt overlying the gravel bed of the stream was removed and placed within the riparian margin (**see below**). This practice enables a more rapid improvement of the stream water quality and ecosystem values.





**HEA project:**



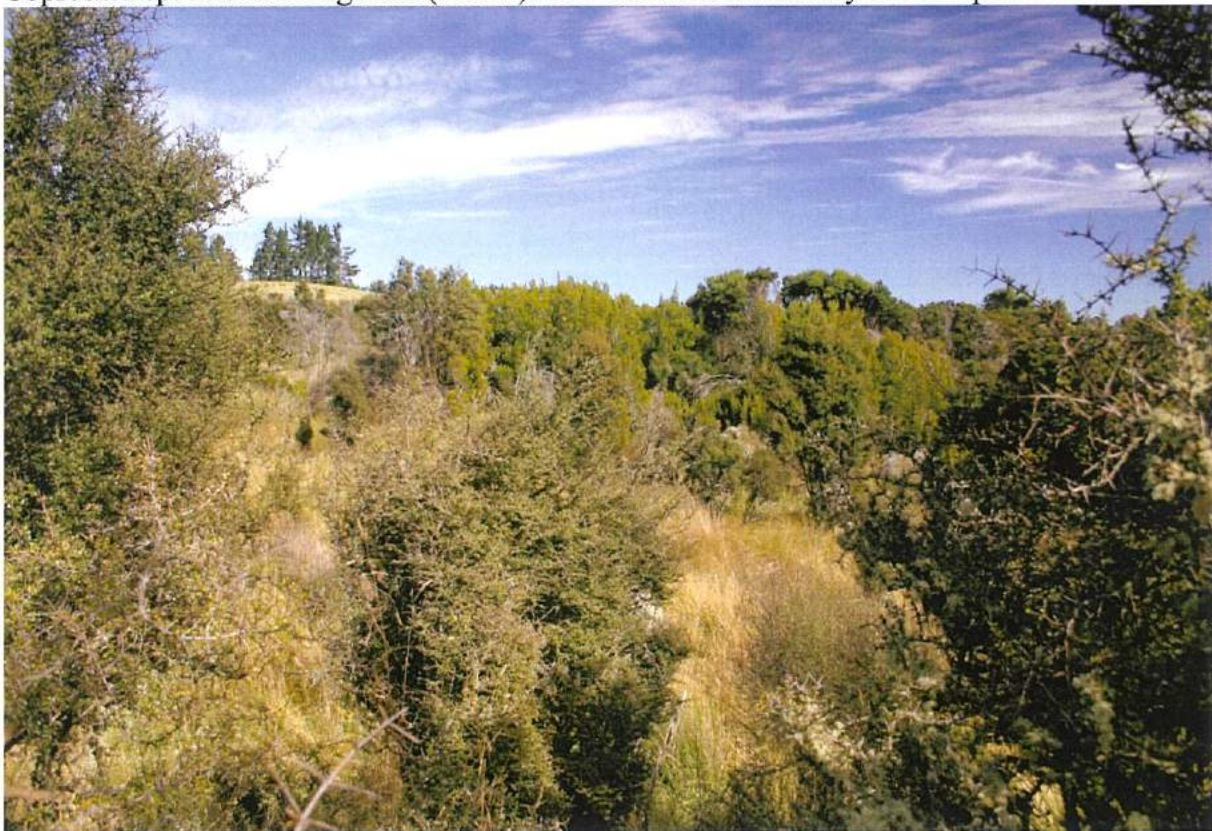
**Glen Echo Station: House Paddock Stream.** This small tributary of the Whitestone River was protected this year (400m of stream and 0.4 ha of habitat). It is a permanent stream with 2 springs emerging across the flats. Note the good wide riparian margins and the rapid recovery of stream bank vegetation after only 3 months (**below**). The stream has a gravel bed and is good habitat for native fish species. It is linked to downstream protected areas.



**Joint QEII/Waiiau Trust Project:**



**Landcorp Farming Ltd, Dale Farm: Matthews Wetland Covenant.** This 22.2 ha area includes 3 seeps which supply a small stream, Red Tussock areas (**above**) and shrublands of Coprosma species and Bog Pine (**below**). The stream is a tributary of the Upukerora River.



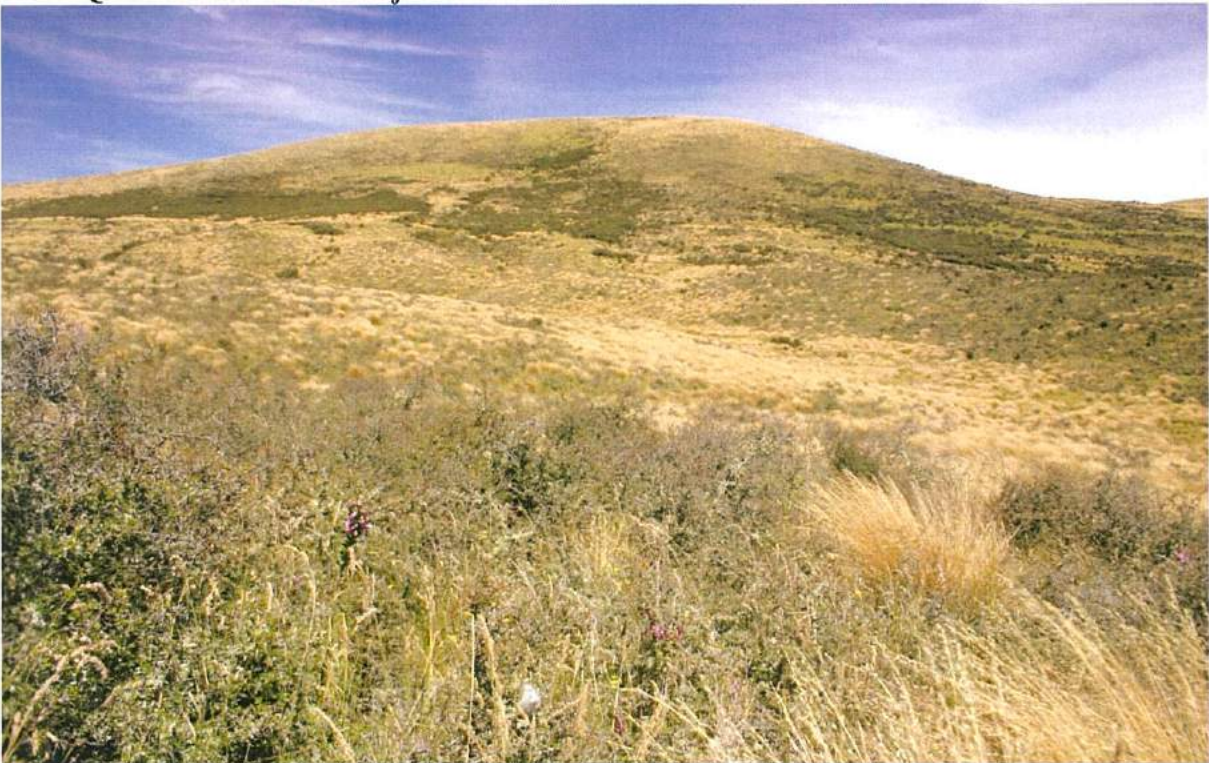
**Joint QEII/Waiiau Trust Project:**



**Glen Echo Station: Duck Hut Bush Covenant.** This 7.3 ha area includes a meandering section of a tributary of the Fred Burn (**below**). It also includes a diversity of vegetation including Red Tussock, Bog Pine, shrub species and Beech forest (**above**). There is now a number of connected protection projects in the Fred Burn catchment.



**Joint QEII/Waiiau Trust Project:**



**Landcorp Farming Ltd, Mararoa Station: Bartlett's Extension 3:** This 22.4 ha Covenant protects the headwaters of Lagoon Creek, a stream system, with high native fishery values including a population of Giant Kokopu. In total 151.5 ha of Upper Lagoon Creek and tributaries has now been protected under 9 separate HEAs or Covenants on Lynmore Farm and Mararaoa Station.



**Mt Prospect Station, Geordie's Covenant:** This 28.6 ha area includes the mid-reaches of Mt Prospect Creek. The wetland and Red Tussock valley floor gives way to shrub lands on the spurs, mid photo. This area connects to previously protected areas in the Mt Prospect Stream catchment.

Landcorp Farming Ltd, Kepler farm	Travis Wetland Ext, Upper Waiau River	1250	5.9		4375
Landcorp Farming Ltd, Wilanda	Coal Creek, Orauea	500	4.2	700	1750
Landcorp Farming Ltd, Wilanda	Linton Stream, Orauea	1500	5.0	1450	5625
Landcorp Farming Ltd, Dale farm	F2 & D18, tributary of Whitestone	1500	4.9	1788	8625
Landcorp Farming Ltd, Stuart Farm	Steven's Haybarn, wetland	257	0.4		862
Landcorp Farming Ltd, Stuart Farm	Airstrip wetland, tributary of Mararoa	675	6.4		3685
Landcorp Farming Ltd, Duncraigen	Paddock M18, Lower Waiau River	1300	4.0		4550
<b>TOTAL</b>		<b>15604</b>	<b>48.4</b>	<b>3938</b>	<b>62461</b>

NB: The measurements of fence length, stream length and area are not based on formal surveys, and are measured off aerial photos. They are therefore less accurate.

### Joint Waiau Trust/QEII Trust Projects:

The table below details the 7 Joint Waiau Trust/QEII National Trust projects completed this year, protecting 92 ha of habitat (subject to final survey). These are mainly headwater wetlands, gullies and stream systems with significant native vegetation cover, hence they met the QEII National Trust criteria. The Trust now has 101 Joint projects on the books.

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

Landowner and General Location	Description and Catchment	Fence Length (m) Area Protected (ha)*		Capital Cost To Trust (\$)
Landcorp Farming Ltd, Dale Farm	Mathew's Wetland, tributary of Upukerora	872	22.2	4714
Glen Echo Station	Duck Hut Bush, Fred Burn Whitestone	750	7.3	1920
Landcorp Farming Ltd, Stuart Farm	Jack's Extension, tributary of Whitestone	350	3.8	3192
GW & RJ Cockburn, Mt Prospect	Geordies, Mt Prospect Creek, Whitestone River	7150	28.6	11,825
Landcorp Farming Ltd, Mararoa Stn	Tally Gully, Lagoon Ck	1100	6.5	6325
Landcorp Farming Ltd, Mararoa Stn	Bartlett's Extn 3, Lagoon Creek	1100	22.4	6050
GA & TA McMeeken	Edwards Covenant, Marsh Burn, Orauea	0	1.2	1102
<b>TOTALS</b>		<b>11322m</b>	<b>92 ha</b>	<b>35,128</b>

\* The areas and fence lengths are subject to final survey and may change.

### Waiau River Liaison Committee:

The Waiau River Liaison Committee, administered by Environment Southland, also runs a stream riparian fencing programme. This programme and the Trust stream protection work is complementary. Consultation from time to time ensures best use is made of limited resources and good environmental outcomes are achieved.

### Ecological Monitoring:

The monitoring programme of HEA projects established in 2017, designed to document the ecological outcomes associated with stream and wetland riparian enhancement and protection work, continued this year. It is based around annual macroinvertebrate sampling (a key measure of ecosystem health) and 3 yearly electric fishing to record and monitor fish species present and their densities. The programme is run in conjunction with Environment Southland and help from Fish and Game, Southland. It involves 6 sites in 4 separate

catchments in the Te Anau Basin. 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 2018, the 2017 macroinvertebrate sampling programme was repeated at each site. Results from the 2018 macroinvertebrate sampling are not yet available. Table 18 shows the results from the 2017 (year 1) sampling run. Table 19 provides context in terms of what the macroinvertebrate indices mean in relation to documented National Standards. As the data from each year becomes available, trends of ecosystem health will be able to be assessed. The year 1 electric fishing results were reported last year.

An addition to the sampling programme this year (2018) included an assessment of fine (re-suspendable) sediment at each site. A test known as the "Shuffle Test" assigns values for the sampling site ranging from 1-5; 1 being "very good" and 5 being "poor" in term of water clarity and visibility. This data is also shown in Table 18.

The programme is long-term – at least 10 years. Results will be reviewed on an annual basis and the programme modified if necessary. Additional sites may be added in the future.

**Table 18: Freshwater Macroinvertebrate Summary of March 2017 Survey and Shuffle Test results 2018**

Site	No. of taxa	MCI score	National Standard	SQMCI score	National Standard	Shuffle sediment score (2018)	Test score
Wilderness Ck (1)	25	87	Fair, Probable moderate pollution	5.3	Good, Doubtful quality	4 (high turbidity, low visibility)	
Lagoon Ck (2)	25	115	Good, Doubtful quality	5.4	Good, Doubtful quality	1 (low turbidity and clear water)	
Thomas Burn (3)	27	121	Excellent, Clean water	4.9	Fair, Probable moderate pollution	2	
Thomas Burn (4)	24	101	Good, Doubtful quality	6.0	Excellent, Clean water	3	
Wash Ck (5)	23	116	Good, Doubtful quality	4.5	Fair, Probable moderate pollution	2	
Wash Creek (6) Not sampled						3	

**Table 19: Interpretation of macroinvertebrate community index values from Boothroyd and Stark (2000) (Quality class A) and Stark and Maxted (2007) (Quality class B).**

Quality Class A	Quality Class B	MCI	SQMCI
Clean water	Excellent	≥120	≥6.0
Doubtful quality	Good	100 - 119	5.0-5.99
Probable moderate pollution	Fair	80 - 90	4.0-4.99
Probable severe pollution	Poor	<80	<4.0

**Ecosystem Restoration Progress – Before/after Photos:**



**Landcorp Farming Ltd, Duncraigen Farm: Ben's Covenant.**

**Above: 2013. Below: 2017.** Protection of this 4.5ha wetland and riparian margin has resulted in good recovery of Lichen fields and Sphagnum within the wetland as well as the Manuka in the foreground and around the wetland edges, in just 4 years.





**Landcorp Farming Ltd, Haycocks: Ram Hill 1 & 2 Covenant:**

**Above: 2011. Below: 2018.** Good recovery of the Red Tussock and other dryland species in this 35.2 ha area bodes well for the ecosystem of Wash Creek into which it drains.







**Landcorp Farming Ltd, Duncraigen Farm Wetland:**

**Above: 2012, Below: 2018.** After 6 years this 6.5ha wetland is showing signs of recovery, with the expansion of the remnant Manuka, Coprosma and Sphagnum within the wetland.



**HEA project:**



**Landcorp Farming Ltd, Dale Farm:** This tributary of the Fred Burn was fenced and planted in 2013. By 2017 the flaxes had transformed the riparian margin of the stream. This small stream links onto the Fred Burn Covenant (escarpment in the distance above) and is also linked to and downstream of the Duck Hut Bush Covenant protected this year. These linkages of protected areas are the key to freshwater ecosystem health.



## Kepler Trig Project:



The Trust gained title to this small wetland (originally part of Landcorp Kepler Farm) in 2012. It is a 2 ha covenanted wetland over-looking Lake Manapouri. The **above** (2011) and **below** (2017) photos show the response of the vegetation, post- fencing. The walking track seen **below**, will become an entry/exit point along the Te Anau to Manapouri walking and cycling trail, currently under construction by the Fiordland Trails Trust.



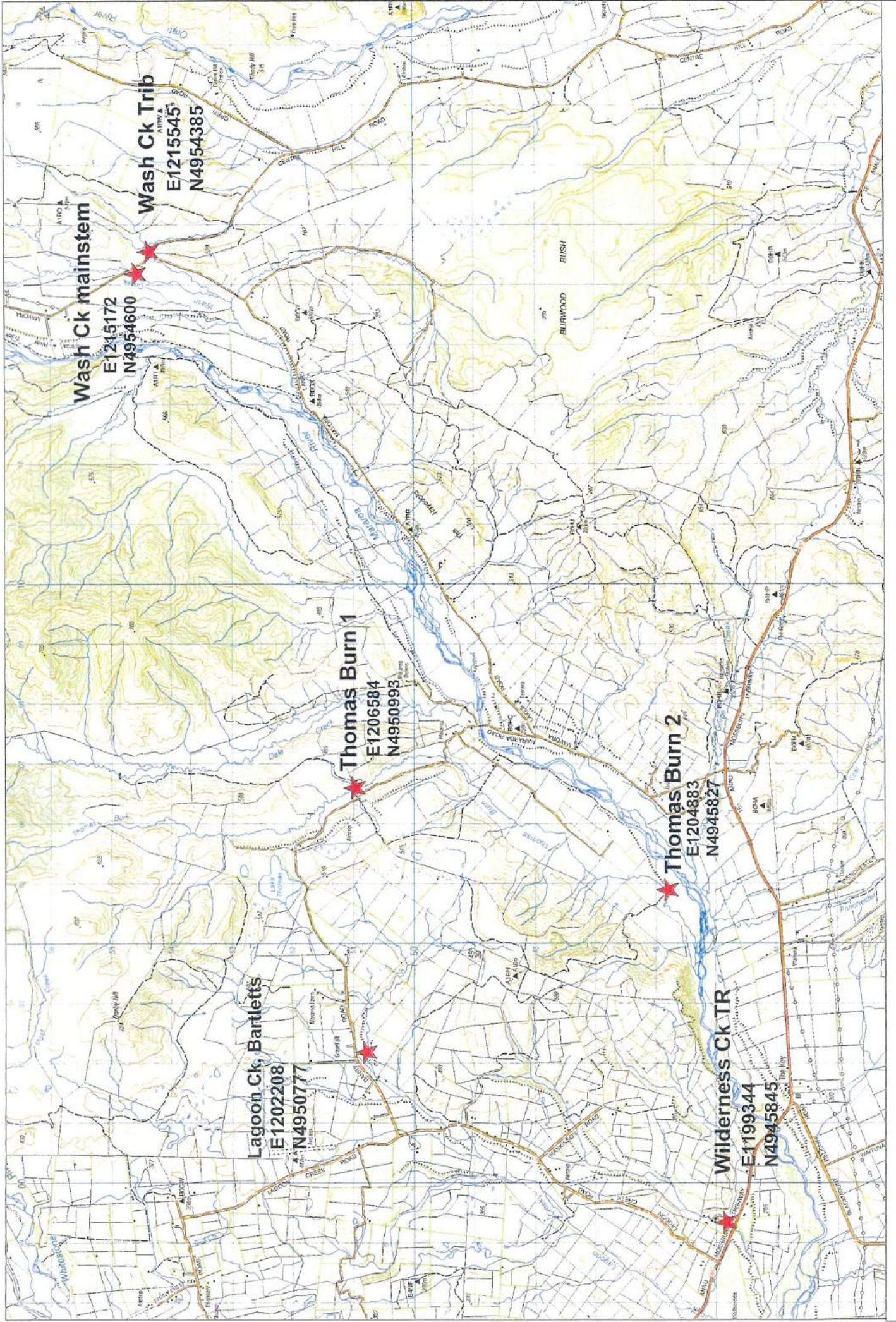


Figure 4: Waiau Trust - Long-term Macroinvertebrate and Electric Fishing Sampling Sites, Te Anau Basin.

### **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 - \$6,410, Actual - \$3,545

**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 and grading) occurred at the Whare Creek, Jericho and Sunnyside/Monowai (spray only) 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.

Last year an issue arose with freedom campers using the Whare Creek access – damage to barriers, lighting of fires and human waste at the site. The Trust erected 3 NO CAMPING signs at the access and this seems to have had the desired effect in terms of deterring freedom campers. This is a nationwide problem. Provision of facilities for freedom campers does not fall under the Trust mandate. Consistent policy and regulation for the whole of New Zealand is required.

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.

Table 20 provides location details for the 12 accesses.

**Table 20: Waiau Trust Access Projects**

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

**Expenditure:** Budgeted - \$6000, Actual - \$4348

In April 2017 Rose Holloway began her PhD study on the distribution, life history and re-establishment of fishes in Southland coastal wetlands. The study area includes the created habitats of the whitebait habitat project near the Waiiau Mouth and Lagoon. This is a three year study and the Trust is providing a \$5000/a contribution to this research. The study is off to a good start, although the 6- weekly fish sampling programme in the Waiiau habitats was affected by the prolonged dry spell and low inflows to the wetlands over summer.

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

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

**Expenditure:** Budgeted - \$5000, Actual - \$1967

#### **Key Outputs Measures This year:**

*Administration: Attend relevant field days/educational initiatives in the catchment.*

*Maintain and enhance good working relationships with all stakeholders.*

*Implement aspects of the Communications Plan*

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

This year was quieter than normal.

Relationships within the community remain a high priority for the Trust. There is no doubt that the most important of all the people the Trust works with are landowners and farm managers. These are the people with whom we work to protect streams and wetlands and provide public accesses to the resources. We continue to work closely with the following organisations – QEII National Trust on protection of wetlands and streams, Landcorp Farming Ltd on protection of wetlands and riparian fencing of streams, Environment Southland (Land Sustainability Team) and the Southland District Council on riparian fencing and protection issues, and the Waiiau Working Party. In our day-to-day business we have contact with Department of Conservation, LINZ, Waiiau River Liaison Committee, Te Waiiau Mahika Kai Trust, Te 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 the advancement of the objects of the Trust and the achievement of good environmental outcomes in the Waiiau catchment.

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

Meridian Energy and the Waiiau Working Party (of which the Trust is a member) are currently looking at ways of achieving additional environmental outcomes for the Waiiau Catchment. This is influenced by the National Policy Statement for Freshwater (NPSFW), which Environment Southland must implement. Environment Southland has now released the Decision on the Land and Water Plan (subject to Appeal to the Environment Court). The next step is to proceed with catchment contaminant limit setting designed to achieve the outcomes of the NPSFW. Water allocation issues are also part of the NPSFW. This includes the Waiiau

catchment. The Trust will have a part to play in this process, given the long involvement in habitat enhancement in the catchment.

On behalf of the Trust M Sutton attended the meetings of the following groups during the year – Waiiau River Liaison Committee, Te Anau Catchment Group, Lower Waiiau River Care Group. In January M Sutton accompanied the University of Otago Catchment Group tour of Southland who visited some of the Trust’s project sites including Rakatu Wetlands and in April he guided a Dunedin Rotary group around Rakatu Wetlands. In November the QEII Trust Board visited Southland. They spent 1 day visiting Joint QEII/Waiiau Trust projects in the Te Anau Basin.

The Trust provided Landcorp with the results of the macroinvertebrate and fish sampling programme as they became available. Five (5) of the sampling sites are on streams within Landcorp Farming Ltd properties.

Implementation of the new Communication Strategy resulted in an article in July 2017 in the local newspaper “Advocate South”. It focused on the Trust’s “20 years of operation” milestone.. In addition Chairman Cam McCulloch was interviewed on Radio NZ National and the 20 year milestone was the main focus of that interview.

The Trust website [www.waiiaustrust.org.nz](http://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	1/4/17 – 31/3/18
Number of sessions	520	4,248	1233	844
Number of users	428	3,864	997	733
Percentage of new sessions %	82.12	90.91	80.13	91
Page views	1006	5,059	2667	1678
Pages viewed per session	1.95	1.19	2.16	1.99
Average session duration	1.22 mins	30 secs	1min 31 secs	1.18
Sessions >3 minutes duration	48	211	204	92
Page views>3minutes duration	390	652	824	466

The website received 844 visits. The majority were of short duration. New Zealanders, at 65%, were the dominant visitors to the website, followed by USA nationals at 8%.

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

The Trust education policy initiative, of using contract students to carry out project monitoring/research work is viewed as an important aspect of Trust work. 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 - \$3,476

**Key Outputs Measures This year:**

*Administration and Planning: Update Photographic library*

*Maintain Databases*

*Develop catchment protection maps*

*Update HEA maps*

**Achievements and Progress:**

The Habitat Enhancement Agreement and Joint WaiauTrust/QEII Trust Project databases have been maintained during the year. The integrity of our databases is important, as they provide a detailed record of all projects - GPS points, fence lengths, areas protected and expenditure.

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

Work has begun on sub-catchment protection maps. These detail all the streams and wetlands the Trust has been involved in protecting.

The HEA project system has been running for some 20 years now. Each agreement has an attached map showing streams and wetlands protected and fences funded. Mapping

technology has improved. All maps attached to Agreements have been standardized and updated.

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

### **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-\$11,000, Actual- \$10,708

**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. Twenty one (21) 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 does not always result in a project coming to fruition. Such preliminary investigations are often confidential in nature and involve discussions with individual landowners, so it is considered appropriate that recording and reporting expenditure should be under this general category. The Trust is of the view that reporting this expenditure in this manner is a good balance between transparency and the privacy of the Trust and individual landowners.

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

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

**H3 General Planning.**

**Expenditure:** Budgeted - \$20,000, Actual - \$13,148

**Key Outputs Measures This year:**

*Administration: Deed review*

*Strategic workshop outcomes*

*Theft and Fraud policy*

**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.

At the suggestion of the Trust Auditor a Theft and Fraud Policy was developed and approved by the Board.

Issues arising from the 2016 Strategic workshop continue to be worked on, including the revision of the Trust Deed, which is designed to bring it up to date with the Charities Act 2005 and later Amendments.

The Trust continues to work on 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 key components of this are monitoring and documentation of the ecological outcomes of the enhancement work the Trust does and implementing the Trust's Communication Plan.

**H4 General Field.**

**Expenditure:** Budgeted - \$15,000, Actual - \$17,383

**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 - \$28,250, Actual - \$28,456

**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, coordinating Fund Manager reports, 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 - \$5,425

**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 Landcorp's Eweburn Station in the Te Anau basin, in February. Trustees inspected a number of protection initiatives on Ewe Burn and discussed the mechanics of wilding tree and other pest plant management.

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 - \$60,000, Actual - \$56,759

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 to the SIPO were agreed to in April 2017.

## **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. 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 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 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 amended in April 2017. 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 enable good decision- making.

At the end of March 2018 the Fund is managed by three Fund Managers. During the year the Trust decided to reduce the number of Fund Managers from 4 to 3. The funds held by NZ Asset Management were reassigned to First NZ Capital, 50% of which were to be invested in international passive funds and 50% in their normal managed fund. Table 22 details the Fund Managers, the original amount of money each had to invest and the balance at 31 March 2018. The total balance as at 31 March 2018 represents a 5.38% investment return for the 2017/18 year. This is net of Trust withdrawals, fees and brokerage.

**Table 22: 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
Reassigned Funds 2017/18			544,715		
Balance at March 2018	3,537,224	2,665,108	1,392,382	0	7,594,714
Net Investment return after withdrawals, fees & brokerage.	4.78%	6.97%	7.73%		5.38%

Table 23 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 2018. It is important to emphasise that because each Fund Manager has different asset allocation targets, each Manager's investment returns are not directly comparable.

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

**Table 23: Waiau Trust Investments as at 31st March 2018**

	Craigs Investment Partners	Milford Income Fund	First NZ Capital	Total	% of fund	Target %
Cash	\$130,166	\$241,459	\$115,931	\$487,556	6%	5%
<b>Total Cash (I)</b>	<b>\$130,166</b>	<b>\$241,459</b>	<b>\$115,931</b>	<b>\$487,556</b>	<b>6%</b>	<b>5%</b>
NZ Fixed Interest	\$2,031,614	\$425,085	\$609,805	\$3,066,504	40%	55%
Australia & Global Fixed Interest		\$1,053,784	\$0	\$1,053,784	14%	
<b>Total Fixed Interest (I)</b>	<b>\$2,031,614</b>	<b>\$1,478,869</b>	<b>\$609,805</b>	<b>\$4,120,288</b>	<b>54%</b>	<b>55%</b>
Nz Properties	\$131,658	(Australasian) \$450,403	\$118,179	\$700,240	9%	10%
Aust Properties	\$100,231			\$100,231	1%	
<b>Total Properties (G)</b>	<b>\$231,889</b>	<b>\$450,403</b>	<b>\$118,179</b>	<b>\$800,471</b>	<b>10%</b>	<b>10%</b>
NZ Equities	\$573,200	(Australasian) \$389,372	\$215,233	\$1,177,805	16%	15%
Australia Equities	\$438,440		\$66,196	\$504,636	7%	13%
International Equities	\$131,915	\$98,875	\$267,038	\$497,828	7%	2%
<b>Total Equities (G)</b>	<b>\$1,143,555</b>	<b>\$488,247</b>	<b>\$548,467</b>	<b>\$2,180,269</b>	<b>29%</b>	<b>30%</b>
Other		\$6,130		\$6,130	0%	
<b>Total portfolio</b>	<b>\$3,537,224</b>	<b>\$2,665,108</b>	<b>\$1,392,382</b>	<b>\$7,594,714</b>	<b>100%</b>	<b>100%</b>

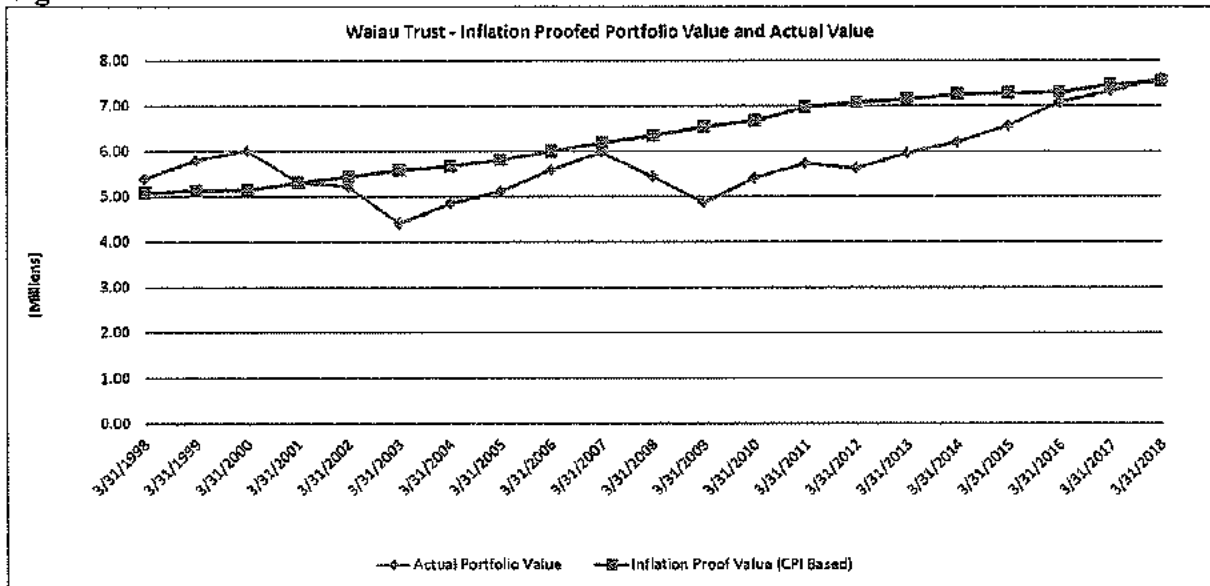




around the potential value, with major influences being the global financial issues post 2001 and the 2008 global credit situation. The fund value is now \$44,844 above the level it should theoretically be at, given the investment returns this year.

The Trust is mindful that our mandate is to produce ecological outcomes and though it is difficult to put a dollar value on ecological assets, the Trust is of the view that these enhanced ecological assets 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 received 9.6% of total income from sources other than the investment of the Trust Fund. This was down on last year, as a result of reduced income from baleage, due to the drought. 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 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 Waiiau Trust work are kept. Based on 1832 hours being the equivalent of one full-time person, this year contract hours totaled 1294 (including 50 hours for general administration). This is 71% of one full-time person, which is slightly less than 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 the larger number of projects. 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 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 Waiiau Trust's current health and safety policy states:

*"The Waiiau 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 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. Focus is particularly on the project sites where the public have access. During the year 2 potential health and safety issues arose presenting potential hazards for the public – at Rakatu Wetlands (Canada goose cull) and Home Creek (track slumping). Both issues were appropriately managed and resolved.

The Trust is embarking on a new wetland project at Papatotara near the Waiiau Mouth. A new hazard register for this site has been developed and added to the Health and Safety Plan.

### **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 is 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 whitebait habitat project adjacent to the Waiau Lagoon on the east side of the river (Object 4 of the Deed), are now more or less completed and the project is in maintenance and monitoring mode. The new Papatotara project on the east side is just getting under way (Object 4 of the Deed).

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 15 major habitat enhancement projects on the books, 4 of which are also accounted for as joint Waiau Trust/QEII National Trust projects. There are 85 completed Habitat Enhancement Agreement projects (A100) for stream riparian and wetland habitat, plus 100 completed joint Waiau Trust/QEII National Trust projects. These 200 habitat projects come under Object 1, 2 and 4 of the Deed.

The PhD study into the distribution, life history and re-establishment of fishes in Southland coastal wetlands, meets Object 6. The 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, and Te Runanga o Oraka Aparima 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.

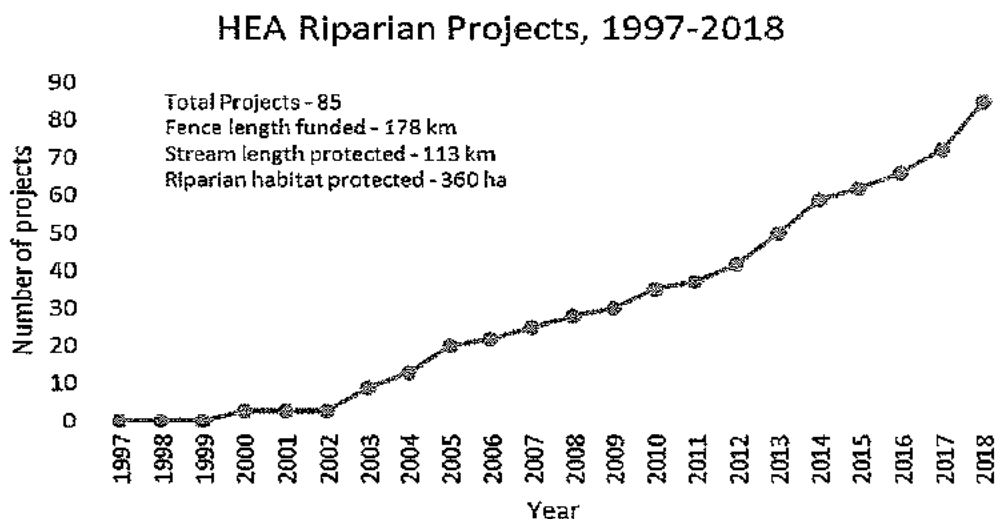
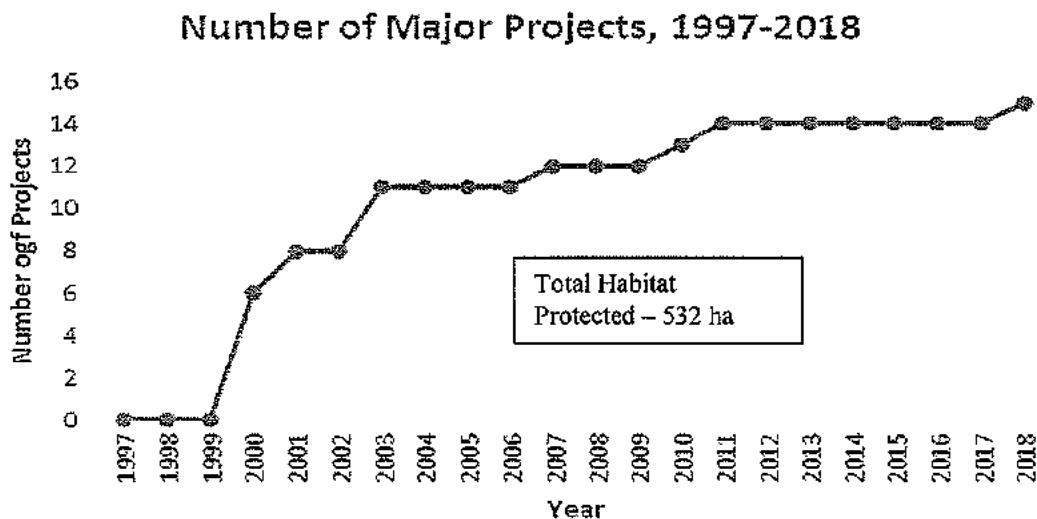
**Outcome Performance Measures:**

**a). Enhanced Habitats.**

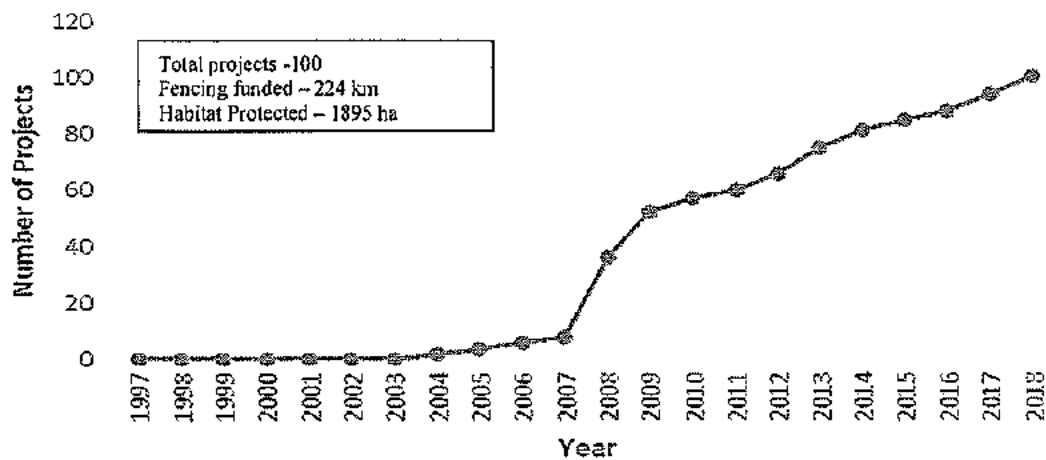
The following figures (6,7 & 8) and Tables (24 & 25) summarise the quantity and types of habitat created and enhanced and shows progress over time. The Trust has 200 habitat projects, enhancing a total of 2797 ha of habitat. Good progress has been made.

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 2018**



## Joint QEII/WT Projects, 1997-2018



following Table 26 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 uptake of nutrients and sediment and improve the filtering ability of these margins, thus reducing all 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 macroinvertebrate, fine sediment and electric fishing monitoring programme is in place 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.

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.

**Table 24: Waiau Trust & QE II National Trust Joint Projects - March 2018**

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 Tams	Landcorp Farming	Lynmore Farm	2,220	8.9
Mararoa	Hikurangi Gap Wetland	Landcorp Farming	Hikurangi Farm	650	23.1
Eweburn Stream	Pyramid 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	Hikurangi Farm	1,492	27.0
Home Creek	Deans Wetland - Kepler	Landcorp Farming	Kepler Farm	800	4.1
Home Creek	Kepler Airstrip Wetland	Landcorp Farming	Kepler Farm	680	9.4
Thomas Burn	Rough Gully	Landcorp Farming	Mararoa Station	1,900	61.6
Flaxy Creek	Lynmore Canyon	Landcorp Farming	Lynmore Farm	1,009	15.1
Upukerora	Tibbles Wetland	Landcorp Farming	Eweburn Farm	2,400	51.6
Upukerora	Round Barn Wetland	Landcorp Farming	Eweburn Farm	900	7.4
Ramparts Stream	AWS Wetland Ramparts Stream	Landcorp Farming	Stuart Farm	6,749	86.6
Waiau Mainstem	Thomas Covenant	R & A Thomas	879 Clifden Highway	170	3.6
Upukerora	Eweburn Wetland	Landcorp Farming	Eweburn Farm	3,000	31.5
Thomas Burn	Thomas Burn	Landcorp Farming	Mararoa Station	12,011	148.9
Whitestone	Lake Echo	Landcorp Farming	Mararoa Station	2,760	61.6
Eweburn Stream	Lees Wetland	Landcorp Farming	Eweburn Farm	470	5.0
Lake Te Anau	Sues Garden	Landcorp Farming	Eweburn Farm	4,400	155.5
Upukerora	Hankinson Bush	Landcorp Farming	Eweburn Farm	690	4.1
Linton Stream/ Orauea	Wildings / Wilanda Downs	Landcorp Farming	Wilanda Downs	940	29.9
Linton Stream/ Orauea	Broadleaf Bush/Wilanda Downs	Landcorp Farming	Wilanda Downs	1,175	8.6
Upper Waiau	Schaumanns Wetland	Landcorp Farming	Kepler Farm	960	1.4
Home Creek	Allen's Wetland	Landcorp Farming	Kepler Farm	850	8.4
Lake Te Anau	Ten Mile Swamp	Landcorp Farming	Eweburn Farm	1,715	13.7
Lake Te Anau	Seven Mile Swamp	Landcorp Farming	Eweburn Farm	600	3.7
Whitestone/ Stony Creek	Lynmore - Extension	Landcorp Farming	Lynmore Farm	1,235	21.8
Upukerora	Te Anau Hill	Landcorp Farming	Dale Farm	2,485	103.7
Redcliff Creek/Jericho Creek	Matt's Shrubland + extension	Landcorp Farming	Jericho Farm	1,720	12.8
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 24: 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
Mararua	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 Ramparts Rd, Te Anau	700	3.3
Whitestone Fred Burn	Gordon's Gully	Landcorp Farming	Dale Farm	800	11.9
Whitestone	Cricket Ground	Landcorp Farming	Dale Farm	3,400	40.3
Whitestone	Kils Bog Pine	Landcorp Farming	Dale Farm	890	3.9
Wash Creek	Ramhill 1 & 2	Landcorp Farming	Hikuraki Station	6,280	35.2
Mararua/Lagoon Cr	Waynes Gully	Landcorp Farming	Lynmore Farm	500	3.2
Te Anau tributary	Toni's Wetland	Landcorp Farming	Eveburn Farm	7,800	38.4
Mararua	Rough Wetlands + extension	Landcorp Farming	Lynmore Farm	1,900	6.6
Mararua	Tim's Gully	Landcorp Farming	Mararua Station	5,120	24.7
Sharbridge Creek	Chamberlains Wetland	J Newson & M Chamberlain	538 Olahu-Eastern Bush Road, Birchwood	2,240	28.1
Upukerora	Carole's Wetland	Landcorp Farming	Eveburn 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	Cassels & Church	David Church	Feldwick	4,127	9.1
Wash Creek - Mararua	One Tree Wetland	Landcorp Farming	Centre Hill Station	3,645	16.7
Mararua	Lagoon Creek Wetlands	Landcorp Farming	Lynmore Farm	1,890	8.9
Lower Waiau	Mannings Wetland	Landcorp Farming	Dunclraigen Farm	2,645	11.0
Lower Waiau	Big Bend Wetland	Landcorp Farming	Dunclraigen Farm	1,255	8.0
Wash Creek - Mararua	Kerry's Wetland	Landcorp Farming	Haycocks Station	1,685	12.1
Lagoon Cr, Thomas Burn	Templetons	Landcorp Farming	Mararua Station	3,500	19.1
Waiau River	Roses	Landcorp Farming	Dunclraigen Farm	1,750	7.0
Lagoon Creek	Bartlett's	Landcorp Farming	Mararua Station	4,710	63.1
Lake Te Anau	Four Mile	Landcorp Farming	Eveburn Farm	1,055	10.1
Lower Waiau	Addenbrooke & Harris	Addenbrooke & Harris	2804 Ohai - Clifden Highway	480	9.8
Lower Waiau	Office	Landcorp Farming	Dunclraigen Farm	570	1.6
Lower Waiau	Collar	Landcorp Farming	Dunclraigen Farm	995	6.3
Mararua	Dale Burn trib.	Landcorp Farming	Mararua Station	2,920	17.2
Whitestone	Dawson City - Mt Prospect	GR, G&R Cockburn	3348 Kakepo Road, Te Anau	4,800	28.2
Waiau Arm	Ibbotson's Riverslea	Landcorp Farming	Riverslea Farm	1,450	6.5
			<b>Sub Total</b>	<b>158,338</b>	<b>1,475</b>



**Table 24: Waiau Trust & QE II National Trust Joint Projects Continued**

Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)
Orauea	Pearce & Spencer	R & K Pearce, N Spencer	172 Mulvey Road, Olautau	2,075	32.7
Orauea	Stirling Wether Hill	PM, HM & WA Stirling	277 Wether Hill Road, Olautau	800	17.5
Whitestone	Gerry's	Landcorp Farming	Dale Farm	2,050	11.8
Mararoa	Anias	Landcorp Farming	Mararoa Station	2,280	20.9
Lower Waiau	Ben's	Landcorp Farming	Duncairagen Farm	1,183	4.5
Lower Waiau	Tim's	Landcorp Farming	Duncairagen Farm	948	4.5
Orauea	Wilson's Moffat Bush	G A Wilson	344 Clifden Gorge Road, Olautau	2,200	12.1
Lake Te Anau	Podocarp	Landcorp Farming	Eweburn Station	720	2.4
Waiau River	Richard's Bush	J & E Richards	Ohai Clifden Hwy, RD 2, Olautau	1,032	4.4
Whitestone	Jack's Gully	Landcorp Farming	Stuart Farm	3,053	8.3
Lake Manapouri	Leslie's Welland	Landcorp Farming	Kepler Farm	1,185	4.1
Orauea	Broughton Sturgess Block	G & J Broughton	640 Scotts Gap Feldwick Rd. RD 2, Olautau	500	0.8
Wilderness Stream	Groundwater - Alanga	AP&BJ, & MD Groundwater	450 Glassford Road, RD1, Omakau	10,700	47.0
Whitestone	Stony Creek Wetland	GR, GW & RJ Cockburn	1338 Kakapo Rd. RD 2, Te Anau.	2,300	14.6
Reidsdale	Willans Wetland	MJ & TM Willans	1945 Te Anau Mossburn Highway	1,200	9.3
Upukerora Trib	Aubrey's Wetland	Landcorp Farming	Dale Farm	1,500	9.2
Lagoon Creek	Bartlett's Extension	Landcorp Farming	Mararoa Station	3,900	6.7
Whitestone	Mt Prospect-Road Block 1	GR, GW & RJ Cockburn	1338 Kakapo Rd. RD 2, Te Anau.	2,508	8.7
Lake Te Anau	Tapsell's Wetland	Landcorp Farming	Eweburn Station	1,200	12.0
Wash Creek	Kennedy's Wetland	Landcorp Farming	Centre Hill Station	1,200	4.0
Mararoa	One Tree Wetland	Landcorp Farming	Haycocks Station	1,850	13.0
Whitestone	Mt Prospect -Road Block 2	GR, GW & RJ Cockburn	1338 Kakapo Rd, RD 2, Te Anau	8,040	50.9
Eweburn Stream	Safart Wetland	Landcorp Farming	Eweburn Station	200	14.9
Lake Te Anau	Four Mile Extension	Landcorp Farming	Eweburn Station	1,560	8.2
Home Creek	Allans Wetland Extension	Landcorp Farming	Kepler Farm	520	8.2
Marshburn	Edwards	GA & TA McMeeken	117 Hamilton Road, RD 2, Olautau	0	1.2
Lagoon Creek	Bartlett's Extension 3	Landcorp Farming	Mararoa Station	1,100	18.9
Upukerora	Matthews Wetland	Landcorp Farming	Dale Farm	872	22.2
Whites'one	Duck Hut Bush	Glen Echo Station	Kakapo Road, RD 2, Te Anau	750	7.3
Whites'one	Jacks Extension	Landcorp Farming	Stuart Farm	350	3.8
Lagoon Creek	Tally Gully	Landcorp Farming	Mararoa Station	1,100	6.5
Mt Prospect Stream	Georities	GR, GW & RJ Cockburn	1338 Kakapo Rd. RD 2, Te Anau.	7,150	28.6
			<b>Grand Total</b>	<b>224,364</b>	<b>1,895</b>

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

Table 25: Habitat Enhancement Agreements (HEA) March 2018						
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 Waiiau Mainstem	Ramparis Stream	Landcorp Farming Stuart Farm	810	405	0.50
115	Whitestone	Unnamed Streams	Kevin Woodhouse	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 Tippett	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	1900	900	1.35
127	Whitestone	Unnamed streams	Landcorp Farming Dale Farm	9980	4990	8.72
128	Waimotu & Kowhai Stream	Waimotu & Kowhai Stream	M & K Eiskine	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	Orauea	Unnamed Tributary	Glenbrae Ltd E & A Cade	600	300	0.80
132	Lower Waiiau Mainstem	Humbug, Grassy, McIvor Creek	P & K Gow	3130	1565	1.57
133	Orauea	Morley Stream	Landcorp Farming Wifanda 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 25: Habitat Enhancement Agreements (HEA) March 2018						
HEA #	Sub catchment	Waterbody Name	Landowner	Fence length(m)	Stream length(m)	Area (ha)
135	Home 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	3330	3712	5.90
139	Orauea	Orauea River	Gary Hopcroft	1190	1190	1.00
140	Mararoa	Unnamed inb - 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 Trib	Russell & Elizabeth Gray	600	600	0.82
147	Mararoa	Wilderness Creek	Elya Holdings David Dodunski	6670	5592	7.60
148	Orauea	Morley Tribs	Landcorp Farming Wilanda Downs	6410	4340	11.80
150	Orauea	Marshburn Stream	HC & LMJ Gill	1960	1960	2.30
151	Lower Waiau	Excelstior Creek	Landcorp Farming Duncraig	1178	750	3.90
152	Lower Waiau	Clifden Caves Stream	Phillip & Rebecca Mercep	4410	2126	5.30
153	Waiau Arm Lake Manapouri	John's Outfall tributaries	Landcorp Farming Riverlea 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	1850	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 inb - Mararoa	Burwood Station Hamish McLean	4475	2022	4.30
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 inb - Whitestone	Landcorp Farming Dale Farm	1480	700	2.70
		Sub Total		127,987	87,254	206.02

**Table 25: Habitat Enhancement Agreements (HEA) March 2018**

HEA #	Sub catchment	Waterbody Name	Landowner	Fence length(m)	Stream length(m)	Area (ha)
161	Orauea	Fentham Stream iribs	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	1880	690	2.50
166	Whitestone	Stony Creek	G & R Cockburn Mt Prospect	1700	1740	2.80
167	Lilburn	Unnamed iribs	Fraser & Sharon Hampton	490	490	0.75
168	Mararoa	Unnamed iribs	Murray & Tania Willans	2350	1250	11.57
169	Orauea	Unnamed iribs 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 Sireams	G & R Cockburn Mt Prospect	3367	1500	2.54
172	Kakapo Swamp	Clow's Wetland	David & Sally Clow	440	0	2.60
173	Upper Waiaiu	Travis Wetland	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 Wetland	Landcorp Farming Centre Hill Station	950	0	2.00
176	Mararoa	Weir Flats	Landcorp Farming Duncraig	2800	1100	0.90
177	Upper Waiaiu	Robbies Wetland	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	Orauea	Moriey Stream	PM & HM Stirling	1615	1200	3.40
181	Upper Waiaiu	Ellens Wetland	Landcorp Farming Kepler Farm	1350	0	6.00
182	Upukerora	F27 & F28 iribs of Upukerora	Landcorp Farming Dale Farm	1800	900	0.90
183	Lagoon Creek	West Reynolds Wetland	Landcorp Farming Mararoa Station	600	0	3.10
184	Whitestone	House Paddock Stream	Glen Echo Station	700	400	0.40
185	Mararoa	Airstrip Wetland	Landcorp Farming Stuart Farm	675	0	6.40
186	Home Creek	Steven's Haybarn wetland	Landcorp Farming Stuart Farm	257	0	0.40
		<b>Sub Total</b>		<b>170,416</b>	<b>108,794</b>	<b>334.24</b>

**Table 25: Habitat Enhancement Agreements (HEA) March 2018**

HEA #	Sub catchment	Waterbody Name	Landowner	Fence length(m)	Stream length(m)	Area (ha)
187	Upper Waiau	Travis Wetland Extension	Landcorp Farming Kepler Farm	1250	0	5.90
188	Lower Waiau	M18 Wetland & Riparian	Landcorp Farming Duncraig Farm	1300	0	4.00
189	Reidsdale	Lynmore Gully C25	Landcorp Farming Lynmore Farm	1205	580	1.70
190	Whitestone	F2 & D18 Paddock	Landcorp Farming Dale Farm	1500	1788	4.90
191	Oravea	Linton Stream	Landcorp Farming Wilanda Downs	1500	1450	5.00
192	Oravea	Coal Creek	Landcorp Farming Wilanda Downs	500	700	4.20
		<b>Grand Total</b>		<b>177,671</b>	<b>113,312</b>	<b>359.94</b>



**Table 26: 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, 2016, 2017. Analysis of water flow volumes into wetlands Baseline fisheries surveys of Whitehead and McCulloch Wetlands – 2013 and 2014 Pest animal trap lines installed and maintained. Pest tallies Fish distribution, life history and re-establishment PhD study 2017 - 2020
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 Putter 2008) Fish Survey, 2014 Spring Bird counts completed 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 Predator trap network installed 2011 and expanded and maintained. Pests tallies. Vehicle and visitor numbers (2006-2018).
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, 2016, 2017
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. – 6 sites

**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 their implementation 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 streams 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 was the colonization of the “Whitehead”, “McCulloch” and “Inder” wetlands at the same locality. There are some long-term sustainability issues at these wetland we are continuing to address. 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 200 habitat enhancement and 12 access projects, the Trust has worked with at least 85 individual landowners and managers. All this work is carried out within a context of also considering the practicalities of every-day farming and other land use activities. This approach is working well, with mutual benefits for both landowners and fisheries and wildlife habitat being achieved.

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

Vehicle and/or walking access is available on land owned by the Trust, 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 twenty-first 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 \$342,638. Revenue for the year was \$399,631 and when the revaluation of the portfolio is included, the operating surplus was \$147,842.

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 5.38% (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.
- Initiation of investigations for a new whitebait habitat project on the Papatotara side of the Lower Waiau River.
- Completion of Year 1 of a PhD Study on Southland coastal fisheries which includes the whitebait habitat fisheries monitoring.
- Completion of 15 HEA projects protecting 3.9km (48.4 ha) of streams, wetlands and their riparian margins.
- Completion of 7 joint Waiau Trust/QEII Trust projects protecting 92 ha of wetlands, streams and bush habitat.
- Investigation of 21 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 implementation of macroinvertebrate/electric fishing long-term monitoring programme in Te Anau basin sub catchments.

### **b). Looking to the Future:**

- Building the Papatotara whitebait habitat on the west side of the Lower Waiau River, Waiau Mouth.
- 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**  
2018 Performance Report

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# Waiau Fisheries And Wildlife Habitat Enhancement Trust

Directory

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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"><li>- Cam McCulloch - Chairman</li><li>- Glenys Dickson - Dept of Conservation</li><li>- John Whitehead - Dept of Conservation</li><li>- Mike O'Brien - Rural Community Representative</li><li>- Fred Inder - Southland Fish &amp; Game Council</li><li>- Peter Sutton - Southland Fish &amp; Game Council</li><li>- Andrew Feierabend - Meridian Energy Ltd</li></ul>
Secretary	Southland Fish & Game Council <b>INVERCARGILL</b>
Solicitors	Preston Russell Solicitors <b>INVERCARGILL</b>
Investment Advisors	Craigs Investment Partners <b>INVERCARGILL</b>  First NZ Capital <b>CHRISTCHURCH</b>  Milford Asset Management <b>AUCKLAND</b>  NZ Asset Managers (Ceased August 2017) <b>AUCKLAND</b>
Auditor	Crowe Horwath Chartered Accountants <b>INVERCARGILL</b>
Charities Commission	Registration Number: CC20449

This Statement is to be read in conjunction with the Auditors Report and notes to the Financial Statement



## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement Of Financial Performance For The Year Ended 31 March 2018

	2018 \$	2017 \$
<b><u>REVENUE</u></b>		
<b>Donations and Grants</b>		
Rakatu Wetland - Donation Box	212	286
Other Donations	350	230
Pacific Development & Conservation Trust Grant	-	17,391
	<hr/>	<hr/>
	562	17,907
<b>Sales of Goods and Services</b>		
Rakatu Wetland - Grazing Lease	17,704	17,704
Whitebait Habitat - Sale of Balage	20,650	23,655
Rebates - Fertiliser	150	88
	<hr/>	<hr/>
	38,504	41,447
<b>Interest and Dividends</b>		
Interest BNZ	86	291
Interest and Dividends	360,479	418,407
	<hr/>	<hr/>
	360,565	418,698
<b>Total Revenue</b>	<hr/> <b>399,631</b>	<hr/> <b>478,052</b>
<b><u>LESS EXPENDITURE</u></b>		
<b><u>Project Costs</u></b>		
<b>Home Creek Riparian Habitat</b>		
Admin and Planning	1,347	604
Ongoing Maintenance	810	1,566
	<hr/>	<hr/>
	2,157	2,170
<b>Lower Waiau Whitebait Habitat</b>		
Admin and Planning	18,346	28,044
Capital Expenses	1,929	19,354
Monitoring	4,331	-
Ongoing Maintenance	24,091	10,803
	<hr/>	<hr/>
	48,697	58,201
<b>Whitebait Habitat Papatotora</b>		
Admin and Planning	8,356	-
<b>Stony Creek/Whitestone Habitat</b>		
Admin and Planning	394	381

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 2018

	2018 \$	2017 \$
<b>Kepler Trig Wetland</b>		
Admin and Planning	143	-
<b>Rakatu Wetland</b>		
Admin and Planning	9,891	15,193
Capital Expenses	791	40
Monitoring	3,994	-
Ongoing Maintenance	9,400	7,173
	<hr/>	<hr/>
	24,076	22,406
<b>Ramparts Road Wetland</b>		
Admin and Planning	614	941
Ongoing Maintenance	488	1,336
Monitoring	156	-
	<hr/>	<hr/>
	1,258	2,277
<b>Habitat Enhancement Agreements</b>		
Admin and Planning	9,775	10,775
Capital Expenses	98,709	70,984
Ongoing Maintenance	1,898	2,298
Monitoring	1,961	-
	<hr/>	<hr/>
	112,343	84,057
<b>Newlands Wetland</b>		
Admin and Planning	-	267
<b>Whare Creek Access</b>		
Ongoing Maintenance	679	420
Admin and Planning	162	1,318
Ongoing Maintenance	-	108
	<hr/>	<hr/>
	841	1,846
<b>Motu/Lower Dean Burn</b>		
Admin & Planning	200	-
<b>Princhester Creek Access</b>		
Admin and Planning	364	352
<b>Redcliff/Jericho Access</b>		
Admin and Planning	292	215
Ongoing Maintenance	775	560
	<hr/>	<hr/>
	1,067	775

This Statement is to be read in conjunction with the Auditors Report and notes to the Financial Statement





## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement Of Financial Performance For The Year Ended 31 March 2018

	2018 \$	2017 \$
<b>Johnson Access</b>		
Admin and Planning	72	-
<b>Mararoa Whitestone Access</b>		
Admin and Planning	363	351
<b>Sunny Side/Monowai Access</b>		
Ongoing Maintenance	488	517
Maintenance	150	-
	<hr/>	<hr/>
	638	517
<b>Fisheries Research</b>		
Southland Coastal Wetland	4,348	-
<b>Education and Public Awareness</b>		
Admin and Planning	1,701	4,901
Website	265	241
	<hr/>	<hr/>
	1,966	5,142
<b>Databases</b>		
Admin and Planning	3,476	3,586
<b>Project Investigation and Facilitation</b>		
Admin and Planning	10,708	15,095
<b>General Field</b>	17,383	15,431
<b>General Planning</b>		
Planner Consultancy Service	12,295	22,148
Planner Travel	853	1,289
	<hr/>	<hr/>
	13,148	23,437
<b>TOTAL PROJECT COSTS</b>	<hr/>	<hr/>
	251,998	236,291





## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement Of Financial Performance For The Year Ended 31 March 2018

	Note	2018 \$	2017 \$
<b>Administration Expenses</b>			
Audit Fees		3,495	3,452
Accounting Fees		5,351	5,433
Administration		4,242	4,259
Annual Report		7,013	6,985
Legal Fees		2,001	-
Depreciation		1,949	2,186
Insurance		3,828	3,332
Printing, Stamps & Stationery		123	-
Repairs and Maintenance		-	248
Telephone & Tolls		454	454
		<u>28,456</u>	<u>26,349</u>
<b>Trust Board Expenses</b>			
Trust Travel and Accommodation		4,273	4,450
Trust Board Meeting Expenses		1,152	1,104
		<u>5,425</u>	<u>5,554</u>
<b>Financial Planning</b>			
Investment Management Fees	5	53,353	63,600
Brokerage	5	3,406	5,569
Investment Reviews		-	1,000
		<u>56,759</u>	<u>70,169</u>
<b>Total Administration Expenses</b>		<u>90,640</u>	<u>102,072</u>
<b>Total Expenditure</b>		<u>342,638</u>	<u>338,363</u>
<b>TRADING SURPLUS/(DEFICIT)</b>		56,993	139,689
Revaluation of Investments	4	90,849	75,946
<b>OPERATING SURPLUS</b>		<u>147,842</u>	<u>215,635</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 Movements in Accumulated Funds For The Year Ended 31 March 2018

	2018 \$	2017 \$
Accumulated Funds at the Beginning of the Year	7,893,761	7,678,126
Net Surplus/(Deficit) For The Year	147,842	215,635
Accumulated Funds at the End of the Year	<u>8,041,603</u>	<u>7,893,761</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 2018

	Note	2018 \$	2017 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	456,000	452,700
Accounts Receivable		1,130	1,893
Goods & Services Tax		8,851	2,531
<b>Total Current Assets</b>		<b>465,981</b>	<b>457,124</b>
<b>Non-Current Assets</b>			
Fixed Assets as per Schedule	6	469,590	471,539
Investments	4	7,107,158	6,965,953
<b>Total Non-Current Assets</b>		<b>7,576,748</b>	<b>7,437,492</b>
<b>TOTAL ASSETS</b>		<b>8,042,729</b>	<b>7,894,616</b>
<b>Current Liabilities</b>			
Accounts Payable		1,126	855
<b>Total Current Liabilities</b>		<b>1,126</b>	<b>855</b>
<b>TOTAL LIABILITIES</b>		<b>1,126</b>	<b>855</b>
<b>NET ASSETS - Per Trustees' Accumulated Funds</b>		<b>8,041,603</b>	<b>7,893,761</b>

Signed:

Trustee

Dated 25<sup>th</sup> June 2018

Trustee

Dated 25<sup>th</sup> June 2018



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 2018

	2018 \$	2017 \$
<b>Cash Flow from Operating Activities</b>		
<b>Cash was received from:</b>		
Receipts from providing goods or services	38,504	41,447
Interest & Dividends	361,328	416,805
Donations and Grants	562	17,907
<b>Cash was applied to:</b>		
Payments to Suppliers and Employees	(337,012)	(337,246)
GST (Paid)/ Refunded	(6,319)	7,388
<b>Net Cash Flow from Operating Activities</b>	<b>57,063</b>	<b>146,301</b>
<b>Cash flow from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Proceeds from the Sale of Financial Assets	-	-
<b>Cash was applied to:</b>		
Purchase of Financial Assets	(53,763)	(9,545)
<b>Net Cash Flow from Investing and Financing Activities</b>	<b>(53,763)</b>	<b>(9,545)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>3,300</b>	<b>136,756</b>
Cash and Cash Equivalents, Beginning of Year	452,700	315,944
<b>Cash and Cash Equivalents, End of Year</b>	<b>456,000</b>	<b>452,700</b>
<b>Represented By:</b>		
Bank of New Zealand	(31,556)	84,891
Craigs Investment Partners Cash Account	130,166	105,469
NZ Asset Management Cash Account	-	47,087
First NZ Capital Cash Account	115,931	24,267
Milford Fund Cash Account	241,459	190,986
	<b>456,000</b>	<b>452,700</b>



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

# Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

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## 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

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### 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 & Services Tax

The trust is registered for Goods & Services Tax.

The financial statements have been prepared on a basis exclusive of Goods & 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

	2018	2017
	\$	\$
Bank of New Zealand Ltd	(31,556)	84,891
Craigs Investment Partners Cash Account	130,166	105,469
NZ Asset Management Cash Account	-	47,087
First NZ Capital Cash Account	115,931	24,267
Milford Fund Cash Account	241,459	190,986
	456,000	452,700



## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

4	Investments - Fair Value through Surplus or Deficit	2018	2017
		\$	\$
	<b>Craigs Investment Partners</b>		
	Diversified Investment Portfolio	3,407,058	3,346,365
	Diversified Investment Portfolio cash and on call	130,166	105,469
	<b>Total Investments</b>	<u>3,537,224</u>	<u>3,451,835</u>
	Net Investment Return after Withdrawals, Fees & Brokerage	4.78%	8.00%
		2018	2017
		\$	\$
	<b>First NZ Capital</b>		
	Diversified Investment Portfolio	1,276,451	755,284
	Diversified Investment Portfolio cash and on call	115,931	24,267
	<b>Total Investments</b>	<u>1,392,382</u>	<u>779,551</u>
	Net Investment Return after Withdrawals, Fees & Brokerage	5.73%	3.78%
		2018	2017
		\$	\$
	<b>Milford Income Fund</b>		
	Diversified Investment Portfolio	2,423,649	2,362,307
	Diversified Investment Portfolio cash and on call	241,459	190,986
	<b>Total Investments</b>	<u>2,665,108</u>	<u>2,553,293</u>
	Net Investment Return after Withdrawals & Fees	5.94%	10.32%
		2018	2017
		\$	\$
	<b>N Z Assets Management</b>		
	Diversified Investment Portfolio	-	501,997
	Diversified Investment Portfolio cash and on call	-	47,088
	<b>Total Investments</b>	<u>-</u>	<u>549,085</u>
	Net Investment Return after Withdrawals & Fees	-	-1.49%
	<b>Total Portfolio Investments and cash on call</b>	<u>7,594,714</u>	<u>7,333,764</u>
	Net Investment Return after Withdrawals, Fees & Brokerage	5.38%	6.00%

## 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

	2018		2017	
	Realised \$	Unrealised \$	Realised \$	Unrealised \$
Craigs Investment Partners	4,539	38,789	(12,000)	51,227
NZ Assets Management	(2,237)	-	25,823	(27,321)
Milford Asset Management	-	19,398	-	38,719
First NZ Capital	(6,501)	36,861	(8,884)	8,382
	<u>(4,199)</u>	<u>95,048</u>	<u>4,939</u>	<u>71,007</u>
<b>Total</b>	<u><u>90,849</u></u>		<u><u>75,946</u></u>	

### 5 Investment Management Fees and Brokerage

	2018 \$	2017 \$
Craigs Investment Partners Fees	18,500	18,071
Craigs Investment Partners Brokerage	3,406	5,569
First NZ Capital	9,729	7,853
First NZ Capital Brokerage	-	-
Milford Asset Management	23,029	30,491
NZ Asset Management	2,095	7,185
<b>Total Management Fees</b>	<u><u>56,759</u></u>	<u><u>69,169</u></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).





## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

6	Fixed Assets	Cost	Opening Book Value	Depn	Closing Book Value
	<b>2018</b>				
	Plant	22,119	4,942	615	4,327
	Land	403,369	403,369	-	403,369
	Office Equipment	9,761	388	152	236
	Buildings	43,340	30,721	926	29,795
	Forestry Blocks	28,048	28,048	-	28,048
	Land Development	9,230	4,071	256	3,815
		<u>515,867</u>	<u>471,539</u>	<u>1,949</u>	<u>469,590</u>
	<b>2017</b>				
	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	30,721
	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>

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.

#### 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.

## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

### Heritage Assets (continued)

#### 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

	2018	2017
	\$	\$
<b>Operating Lease Commitments</b>		
Current	2,000	1,000
Non-Current	8,000	-

Meridian Lease of 54.35 Hectares. Sec 1-3 plan 12225. Registration number 35841 Waiau Mouth was renewed on the 30 September 2017 for a further 5 years until 2022 at an annual lease payment of \$2,000 per year.

	2018	2017
	\$	\$
<b>Fisheries Research Commitments</b>		
Current	5,000	-
Non-Current	5,000	-

A three year contract has been entered into with Otago University for a study on fisheries in Southland Coastal wetland at \$5,000 per year.

#### Capital Commitments

There are no capital commitments as at 31 March 2018 (2017: Nil).

### 8 Contingencies

There are no contingent liabilities and no contingent assets as at 31 March 2018 (2017: Nil).

### 9 Related Parties

Peter Sutton is a Trustee of the Trust. Peter is related to Mark Sutton, project manager for the Trust. Mark's services for the year totaled \$69,188 (2017: \$74,238).

## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

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### 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. As at 31 March 2018 the Trust held 240 NZU with a value of \$5,028. 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 when applied for are recognised in the Statement of financial performance.

Post 1989 Units held now total 1,476 and have a value of 30,922 at 31 March 2018 (2017: \$2,400).

The trustees have not applied for any units during 2018. In April 2018 trustees applied for and received a further 1,659 NZU for Post 1989 Forest to take the total NZU's held to 3,135 with a value of \$65,678.





## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

	2018	2017
	\$	\$
11 Reconciliation of Net Surplus to Cash Flow From Operating Activities		
Net Surplus/(Deficit)	147,842	215,635
<b>Add Non-Cash Items</b>		
Depreciation	1,949	2,186
Total Non-Cash Items	<u>1,949</u>	<u>2,186</u>
<b>Add/(Less) Working Capital Movements</b>		
(Decrease)/Increase in Accounts Payable	271	(1,070)
(Increase)/Decrease in Accounts Receivable	763	(1,893)
(Increase)/Decrease in GST	(6,319)	7,389
	<u>(5,285)</u>	<u>4,426</u>
<b>Add/(Less) Investment Movements</b>		
Investment Revaluation	(87,443)	(75,946)
	<u>(87,443)</u>	<u>(75,946)</u>
Net Cash Flow from Operating Activities	<u><u>57,063</u></u>	<u><u>146,301</u></u>



## Waiau Fisheries and Wildlife Habitat Enhancement Trust

### Statement of Service Performance

For Year Ending 31 March 2018

<b>Description of the Entity's Outcomes:</b>		
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 and maintenance 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.	
<b>Description and Quantification of Entity's Outputs</b>	<b>Actual \$ This Year</b>	<b>Budget \$ This year</b>
<b>Whitebait Project</b> M: Pest plant spray, wetland refugee deepening, fertiliser application	19,354	7600
<b>Whitebait Project Papatotora</b> AP: Planning for new project	8356	12,000
<b>Rakatu Wetlands</b> MON: Bird counts, pest animal control	3994	3500
<b>HEA Projects:</b> C: Joint projects (budgeted 8, completed 7) C: HEA projects (budgeted 8, completed 15) MON: Macroinvertebrate programme implemented for 4 catchments with protected habitats	35128 62461 1961	42992 34874 4000
<b>Access Projects:</b> M: Spraying, grading, fence repairs, 9 sites	1604	3050
<b>Ramparts Wetland:</b> M: Track and pest plant spray MON: Bird counts	488 156	1300 200
<b>Project Investigation and advice:</b> A: 21 potential new projects	10,708	15,000
<b>Additional Output Measures:</b>		
Total number of habitat projects completed (1997-2018): 198, protecting 2795 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 (1997-2018): 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.		
<b>Additional Information:</b>		
The Trust intends to operate in perpetuity. Habitat and access projects will require ongoing maintenance and management to ensure their long term sustainability.		

AP = Administration & Planning, C = Capital, M = Maintenance, MON= Monitoring

## INDEPENDENT AUDITOR'S REPORT

### To the Trustees of Waiau Fisheries and Wildlife Enhancement Trust

#### Opinion

We have audited the performance report of Waiau Fisheries and Wildlife Enhancement Trust on pages 2 to 17, which comprises the statement of financial performance and statement of cash flows for the year ended 31 March 2018, the statement of financial position as at 31 March 2018, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the performance report on pages 2 to 17 presents fairly, in all material respects:
  - the financial position of Waiau Fisheries and Wildlife Enhancement Trust as at 31 March 2018, 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 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.

#### Other Matter

We are not responsible for expressing an opinion on the statement of service performance.

### **Information other than the financial statements and auditor's report**

Those charged with governance are responsible for the other information. The other information comprises the information included in the performance on pages 1 and 18, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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. 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 Trust'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 Trust'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 Trust 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 25th day of June 2018