

# Annual Report

For the Year ended 31st March 2016



*Waiau  
Fisheries & Wildlife*

HABITAT ENHANCEMENT TRUST





**Meridian Energy Ltd (MEL) personnel visited the Whitebait Project, Waiau Mouth, in November 2015 to discuss engineering, health and safety and land management matters on the land the Trust leases from MEL.**

*L to R: Jan Riddell (Waiau Trust Planner), Tim Mills (MEL, Civil Engineering Team Leader), Andre Holm (MEL, Safety Specialist, Corporate Projects), Chris Thompson (MEL, Environmental Manager), Roseanne Hohepa (MEL, Land and Property Advisor).*

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#### Front Cover:

Wetland, Dunton Bush, EweBurn Farm in the Te Anau Basin.

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

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

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

### **The Trustees are:**

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

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

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

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

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

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

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

### **Trust Services:**

Independent contractors Mark Sutton and Jan Riddell continue to provide field and planning services, respectively. Mark Sutton's contract was renewed in April for a further 5 years. Fish and Game New Zealand, Southland Region continue to provide secretarial services to the Trust. Cheryl Mason is the key person involved in this contract.

## **Executive Summary:**

The nineteenth 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 **\$334,789**. Income for the year was **\$349,550**, and when the revaluation of the portfolio is included, the operating surplus was **\$295,780**.

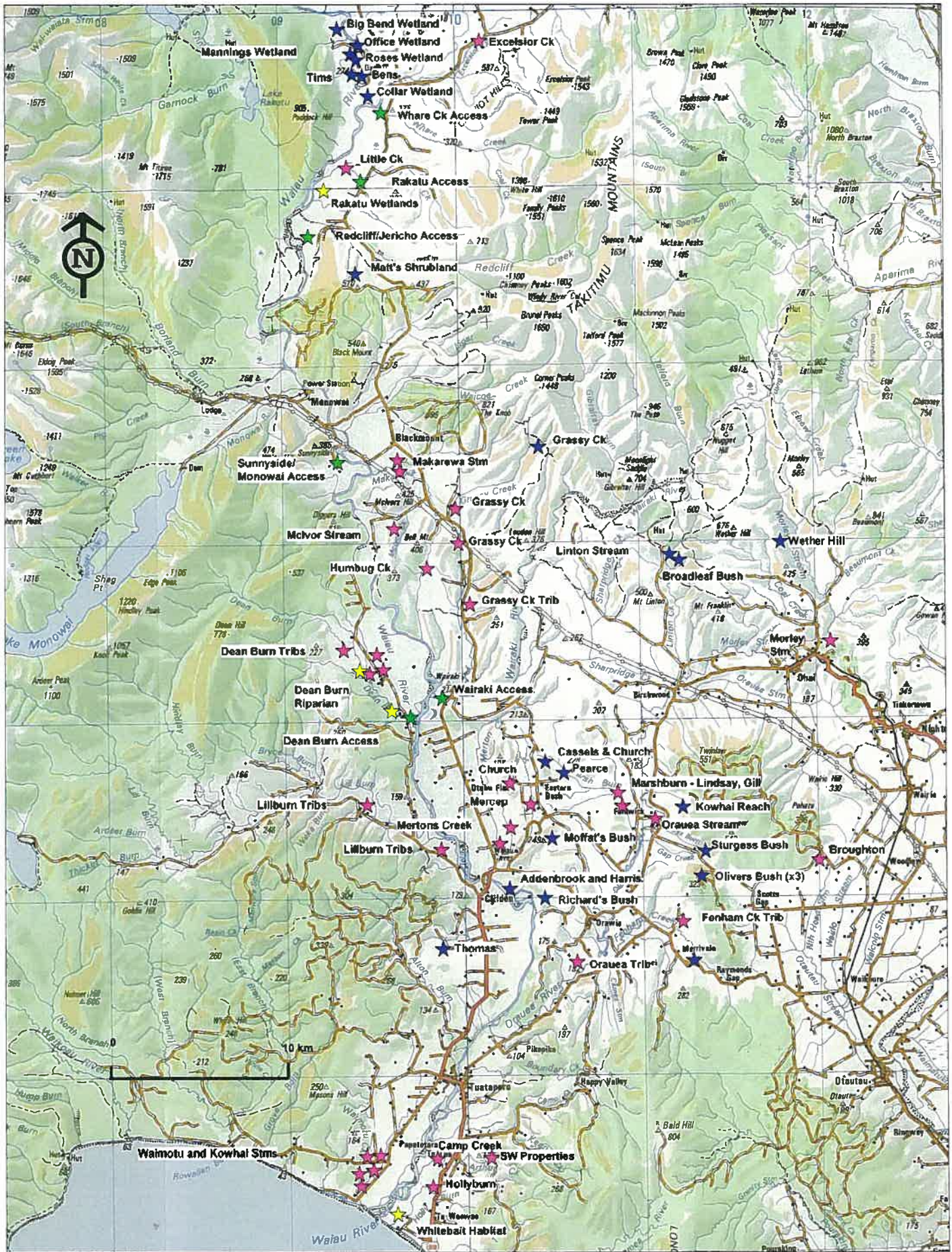
The Trust's Statement of Investment Policy and Objectives (SIPO) continues to focus on investment types designed to provide certainty of cash flow, as well as providing for long-term growth of the Fund. The portfolio rose by **8.15%** (net return after withdrawals, fees and brokerage) for the year.

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.
- Installation of the siphon from the new Inder Wetland, under the HollyBurn to Whitehead Suite of wetlands, Waiau Mouth.
- Obtaining Resource Consent to manipulate the side-braid of the Waiau supplying the Whitebait wetlands.
- Completion of 9 HEA projects protecting 2.25km of streams and their riparian margins.
- Completion of 3 joint Waiau Trust/QEII Trust projects protecting 29 ha of wetlands, streams and bush.
- Investigation of 17 potential new wetland and stream riparian protection projects.
- Rationalisation of the Rakatu Wetland Resource Consents
- Maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Installing and maintaining a 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 following maps show the location of all the Trust's habitat enhancement and access projects, as at March 2016.

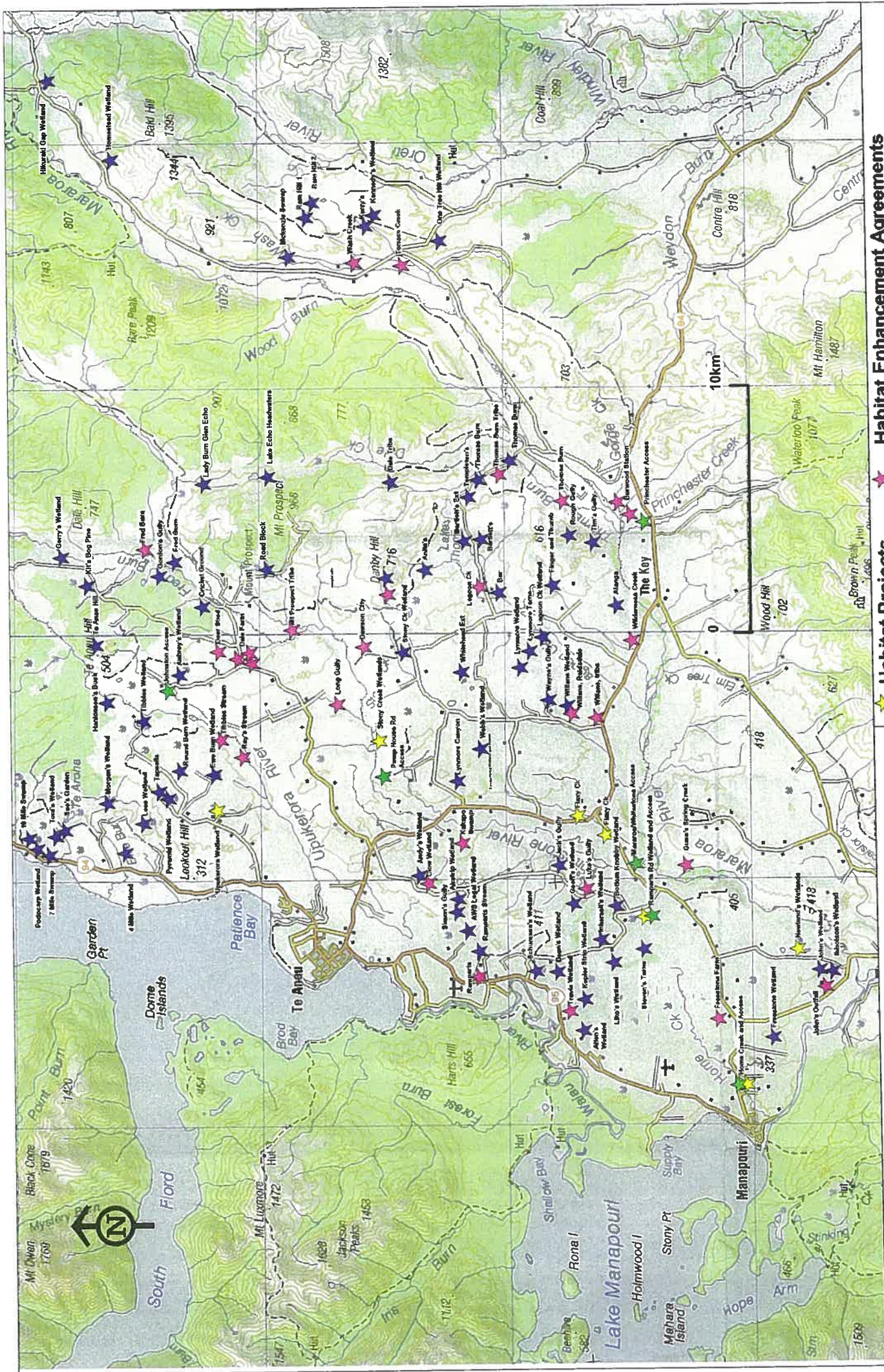




**Waiau Trust Projects,  
below the Mararoa  
Weir, at March 2016**

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





Waiau Trust Projects: Te Anau Basin, as at March 2016

- ★ Habitat Projects
- ★ Access Projects

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



## **1. Introduction:**

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

From 1 April 2015 the annual financial statements for Charities must be prepared in accordance with Public Benefit Entity (PBE) Accounting standards issued by the External Reporting Board. The Waiau Trust is a Tier Three organization under these standards, requiring the completion of a “Statement of Service Performance”, that reports non-financial information. This report has been prepared according to these new standards.

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

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

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

### **1.1 Background:**

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

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

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

The Trust Objects State:

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



- i. To identify and evaluate areas of the Waiau catchment worthy of protection, restoration, improvement, creation or procurement (primarily as fisheries and wildlife habitat) and to create habitat within the Waiau catchment.
- ii. In order to carry out the first purpose to negotiate, where appropriate the protection, restoration, improvement, creation or procurement of fisheries and wildlife habitat with landowners and to ensure the best possible public access to fisheries and wildlife resources.
- iii. To provide and maintain two access tracks for anglers' access in the vicinity of Whare Creek and Redcliff Creek confluences such that advantage can be taken of the fishery.
- iv. In accordance with the first and second purposes, to provide for the creation of additional areas of whitebait habitat on land owned by 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.

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

Detailed financial statements for 2015/16 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.

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



A diversified portfolio is the key focus for the Trust, being a mix of cash, fixed interest, New Zealand and Australian property securities and New Zealand, Australasian and global equity investments. Four Fund Managers - Craigs Investment Partners, New Zealand Asset Management (NZAM), Murray and Co and Milford Asset Management manage the Fund. A breakdown of the funds managed by each Fund Manager is given in Section 3 B) and 5 of this report.

## **2.2 Investment Results.**

Investment of the Trust Fund has produced very good returns this year. The return from all 4 Fund Managers averaged 8.15% (net return after withdrawals, fees and brokerage)

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

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

For the year 2015/16 the Trust budgeted to spend **\$369,867**. Adjustments were made to project targets during the year and priorities changed as the year progressed. Actual expenditure for the year was **\$334,789**. Trust expenditure since inception now totals **\$5,641,144**. This compares to total revenue for the same period of **\$7,916,817**.

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

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

In April 2015, the Trust considered and adopted the Annual Plan and Budget for the year ending 31 March 2016. The Plan is a project based operational work plan, supported by relevant budgetary information. This Plan is always flexible, given the opportunistic nature of some of our work, so revisions occur during the year, reflecting changing priorities.

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

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

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

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

**Expenditure:** Budgeted - \$3,250 Actual - \$2,401

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

Capital (C): Ongoing native plantings

Maintenance (M): Annual pest plant spray

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

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



WAIU TRUST TOTAL EXPENDITURE SINCE INCEPTION 31/03/1997-31/03/2016

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL	
<b>Habitat Projects:</b>																						
Monowai Wetland		\$1,820		\$0																	\$1,820	
Waikaki Wetland		\$6,432		\$0																	\$6,432	
Home Creek Riparian Habitat		\$7,901	\$9,281	\$30,965	\$8,192	\$3,362	\$1,504	\$2,317	\$1,440	\$5,958	\$33,997	\$2,117	\$1,925	\$1,968	\$3,038	\$2,954	\$2,228	\$3,259	\$2,401	\$125,748		
Lower Waiau Whitebait Habitat		\$608	\$2,657	\$11,357	\$4,681	\$1,854	\$10,361	\$9,489	\$12,650	\$7,363	\$17,769	\$137,641	\$63,836	\$71,163	\$83,654	\$70,423	\$85,165	\$85,165	\$172,475	\$93,593	\$836,529	
Stony Creek / Whitestone Habitat		\$2,247	\$388	\$1,432	\$1,256	\$2,756	\$1,282	\$201	\$689	\$242	\$4,786	\$8,930	\$927	\$302	\$600	\$577	\$1,106	\$303	\$697	\$369	\$65,030	
Glen Echo Riparian Habitat		\$280	\$2,630	\$1,266	\$1,102	\$39	\$56			\$805	\$23,000	\$11,907	\$606	\$8,695	\$267						\$39,878	
Dean Burn Riparian Habitat		\$180	\$372	\$780	\$336	\$230	\$39	\$118	\$90	\$80	\$748	\$80	\$380	\$10,986	\$357	\$1,047	\$895	\$22,455	\$25,318	\$28,508	\$1,307,894	
Flaxy Creek Riparian Habitat			\$310	\$2,532	\$439,998	\$112,821	\$77,607	\$143,191	\$137,540	\$184,995	\$46,970	\$34,017	\$26,583	\$21,260	\$31,197	\$30,659	\$20,909	\$22,455	\$25,318	\$28,508	\$1,307,894	
Rakau Wetland			\$1,799	\$520																	\$1,799	
Monowai Riparian Lands			\$2,472	\$52,477	\$4,002	\$2,431	\$17,216	\$5,604	\$1,747	-\$182,369											\$520	
Mid-Whitstone Riparian Habitat			\$9,123	\$9,123	\$51,485	\$1,219	\$4,016	\$1,776	\$4,137	\$306	\$2,617	\$982	\$1,101	\$702	\$2,729	\$8,367	\$1,197	\$3,490	\$3,023	\$1,850	-\$96,430	
Ukukura Wetland			\$9,163	\$9,163	\$2,007	\$3,760	\$27,020	\$27,773	\$65,911	\$31,279	\$30,654	\$89,348	\$56,938	\$88,874	\$56,577	\$130,145	\$112,569	\$96,553	\$38,918	\$61,063	\$949,050	
Ramparts Road Wetland				\$413																	\$413	
Habitat Enhancement Agreements																					\$145	
Newlands Wetland Complex																					\$349	
Kepler Trig Wetland																					\$625	
<b>Access Projects:</b>																						
Whare Creek Access		\$17,027	\$371	\$9,002	\$47	\$180	\$908	\$90	\$636	\$219	\$742	\$100	\$683	\$1,015	\$959	\$617	\$483	\$560	\$778	\$954	\$27,751	
Motu/Lower Dean Burn Access		\$420	\$11,942	\$954	\$261	\$281	\$196	\$49	\$256	\$278	\$10	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$14,519	
Pinchester Creek Access		\$280	\$4,066	\$7,846	\$7,804	\$1,798	\$1,453	\$1,172	\$268	\$304	\$1,139	\$3,817	\$268	\$396	\$4,854	\$277	\$407	\$357	\$308	\$341	\$43,720	
Waikaki Access		\$180	\$2,940	\$2,11	\$8,457	\$3,651	\$7,223	\$161	\$194	\$194	\$194	\$194	\$194	\$194	\$194	\$194	\$194	\$194	\$194	\$194	\$24,347	
Redcliff/Jencho Access		\$950	\$513	\$11,475	\$35,543	\$35,543	\$178	\$357	\$948	\$166	\$1,784	\$18,873	\$11,390	\$2,082	\$1,233	\$2,010	\$1,252	\$804	\$720	\$2,635	\$92,613	
Otahu Flat Access		\$120																			\$120	
Johnston Ukukura Access																					\$98,040	
Super Access Whitestone																					\$663	
Mararua/Whitestone access																					\$190	
Sunnyside/Monowai access																					\$65	
Lake Fisheries Research		\$4,413	\$48,222	\$22,268	\$16,539	\$21,003															\$17,682	
Education and Public Awareness		\$2,057	\$471	\$460	\$983	\$983	\$458	\$4,240	\$1,687	\$2,365	\$4,491	\$15,097	\$1,861	\$4,310	\$7,511	\$16,804	\$11,022	\$5,612	\$2,899	\$3,277	\$65,445	
Database & Photo Library		\$140	\$1,380	\$281	\$1,047	\$1,047	\$529	\$983	\$1,348	\$265	\$5,808	\$2,493	\$1,439	\$8,001	\$1,690	\$1,774	\$3,797	\$2,782	\$3,325	\$4,764	\$41,853	
Dunrobin Weir			\$236	\$339																	\$575	
Gull Tern Study																					\$533	
Project Investigation & Facilitation																					\$8,264	
General Planning		\$12,704	\$13,031	\$7,172	\$5,046	\$3,977	\$2,362	\$3,021	\$4,857	\$7,410	\$15,367	\$15,126	\$13,553	\$14,282	\$11,035	\$8,264	\$10,851	\$9,627	\$9,886	\$11,243	\$132,624	
General Field																					\$20,241	
Accounting & Audit Fees		\$355	\$3,049	\$2,664	\$2,636	\$2,528	\$2,488	\$2,470	\$2,624	\$2,717	\$2,828	\$3,257	\$3,857	\$4,086	\$4,029	\$4,073	\$4,299	\$5,859	\$7,853	\$7,477	\$89,450	
Administration & Annual Report		\$2,464	\$15,454	\$11,843	\$15,960	\$12,799	\$10,203	\$13,418	\$7,669	\$9,510	\$11,934	\$8,185	\$11,922	\$10,547	\$14,269	\$12,065	\$13,115	\$13,463	\$12,785	\$13,871	\$232,562	
Insurance																					\$20,241	
Legal Expenses		\$772		\$1,035	\$363	\$2,950	\$2,873	\$3,512	\$4,260	\$3,668	\$3,545	\$4,223	\$4,337	\$4,010	\$4,939	\$3,460	\$3,610	\$3,473	\$4,130	\$3,318	\$58,355	
Tax options																					\$2,170	
Trust Board Exps		\$2,338	\$7,525	\$8,671	\$10,808	\$9,791	\$5,476	\$6,673	\$5,878	\$6,147	\$7,813	\$8,653	\$9,201	\$6,521	\$4,719	\$5,604	\$19,725	\$4,669	\$5,621	\$8,446	\$142,084	
Investment Fees		\$13,235	\$6,310	\$7,044	\$7,984	\$7,788	\$7,280	\$15,641	\$24,516	\$25,615	\$28,473	\$29,274	\$26,869	\$25,360	\$27,257	\$28,441	\$46,050	\$100,708	\$68,356	\$51,989	\$547,170	
Road Counter			\$736																		\$736	
Office Equipment (Computer & software)			\$7,400																		\$10,645	
Investment Review			\$5,000																		\$9,000	
Locking System																					\$1,415	
Total expenditure		\$5,157	\$92,740	\$140,632	\$225,595	\$639,667	\$269,861	\$201,326	\$220,579	\$294,535	\$205,808	\$221,252	\$368,881	\$327,888	\$307,840	\$284,313	\$375,676	\$361,775	\$393,426	\$334,789	\$5,641,144	
Less Revenue & Revaluations		\$100,804	\$435,568	\$499,982	\$492,945	\$2,933	\$173,970	\$774,670	\$656,819	\$566,726	\$650,910	\$602,989	-\$195,006	-\$229,110	\$854,208	\$625,560	\$285,656	\$692,280	\$659,409	\$990,121	\$630,569	\$7,916,817
of investment.																					\$295,780	
Difference		\$95,647	\$342,828	\$395,360	\$267,350	-\$642,600	-\$95,881	-\$875,996	\$436,240	\$272,190	\$644,102	\$381,747	-\$553,887	\$556,698	\$546,368	\$341,247	-\$90,020	\$330,505	\$290,706	\$596,695	\$295,780	\$2,275,673

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



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 which can be impacted by summer droughts and late spring frosts.

This year silver tussock, carex secta, flax, Coprosma propinqua, Corokia cotoneaster, Hebe salicifolia, toetoe were planted. Combi Guards help with the establishment of Coprosmas, Corokias and Hebes. The annual pest plant spray programme was completed.

The 1.6km circular walking track around the lower part of the property, is popular with local people and visitors to the area. The track is maintained to a high standard and this has helped the Trust achieve our original concept of this area being an integral part of the Manapouri community "green belt".

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

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

**Expenditure:** Budgeted - \$61,300, Actual - \$93,593

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

Capital: Completion of siphon under Holly Burn to enhance water flows to Whitehead Wetlands.

Maintenance: Pest plant spray, pump and wetland infrastructure

#### **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 have been supplied with pumped water from the Holly Burn since October 2009. Wetland water levels fluctuate with the seasons and the volume of water pumped. They continue to provide valuable fish and bird habitat.

Construction of the second set of wetlands (10 ha) known as the “McCulloch Suite” and an associated diversion channel supplying water from a side-braid of the Waiau River, was completed in autumn 2012. The diversion pipe and channel, which gravity feeds water to the wetlands, became operative on 15 April 2012. The spring of 2013 saw the construction of the outlet channel from these wetlands to the Waiau Lagoon, thus completing the hydrological connections and fish passage between the wetlands and other natural waterbodies. This set of wetlands has been hugely successful from a fisheries and wildlife perspective.

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

The volume of water the Trust is consented to divert into the Inder wetland provides the Trust with the option to take the water across the Holly Burn to supply the “Whitehead Suite”, currently supplied via a pumping system from the Holly Burn. The ability to supply these wetlands with surplus Inder water means the need to pump could be minimised with the pump used as a “back up” supply, during dry periods. It was not intended to pipe the water under the Holly Burn until the 2016/17 financial year. The Inder wetland performed very well over winter/spring 2015 so in August a decision was made to bring the pipeline project forward into the current financial year. The decision was influenced by the availability of a set of 500mm diameter pipes at a good price. These were purchased and an intake structure was designed and built and placed in the Inder wetland. This job started in December 2015 and was completed in January 2016. No consent was required, as placing the pipes under the bed of the Holly Burn is a permitted activity, with standards, in the Freshwater Plan for Southland. The “siphon” became operative on 16 January 2016.

The new 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 pump was turned off on 1 March 2016, to enable an assessment to be made of the effect of the siphon water on the Whitehead wetlands water levels over the coming months. It has been a dry autumn, so the full benefits of the siphon have not yet to be realised.

Proceeding with the installation of the siphon system meant the budget was exceeded by approximately \$30,000. This over-expenditure was compensated for by reducing expenditure on other Trust projects, namely the Habitat Enhancement Projects.

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. In terms of the new siphon, we already know some minor adjustments to the Inder outlet and the level of the siphon intake will be needed to maximize the flow of the water into the Whitehead wetlands.

## **Resource Consents:**

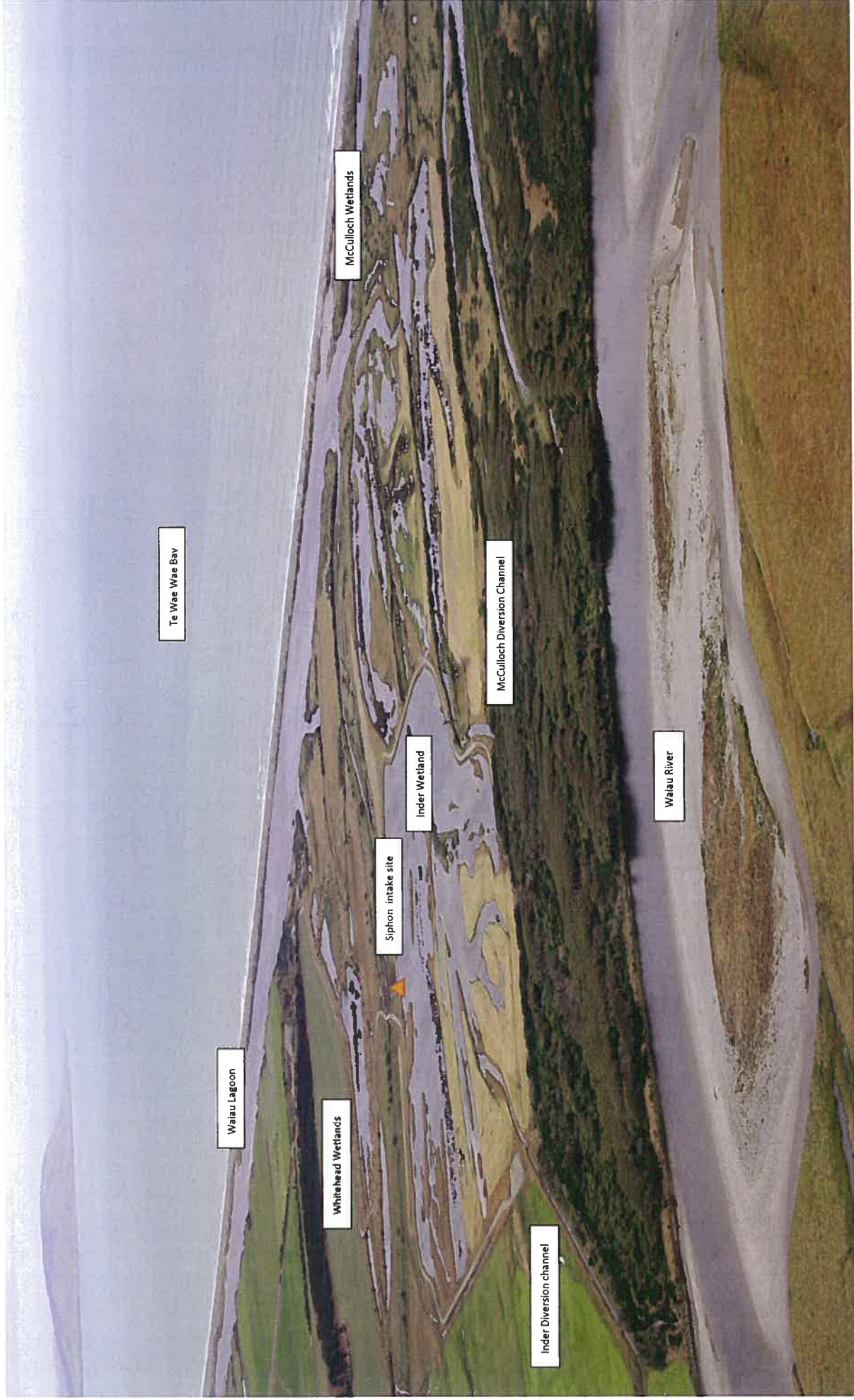
### **a). Compliance:**





**Comparative photos (taken by Bill Jarvie):**  
**Whitebait Project – 8 April 2015.** Aerial showing the 3 main wetland suites, diversion channels and hydrological connections to the Waiau Lagoon and Waiau River. The Inder Wetland and diversion channel in the foreground became operational in February 2015. The wetland began to fill from that time.





**Whitebait Project** – 29 January 2016. Aerial showing all wetlands and the Inder Wetland at design level. The site of the siphon, which takes water from the Inder wetland under the Holly Burn to the Whitehead wetlands, is also shown. The siphon became operational in January 2016



The Trust holds 4 Water Permits, to divert water into various wetlands. Three of these consents have conditions requiring annual reporting, to Environment Southland, of the volumes of water diverted. The McCulloch and Inder diversions divert the greatest volume of water. The following tables summarise the annual and seasonal volumes the water diverted by the McCulloch diversion (from 15 April 2012) and by the Inder diversion (from 10 February 2015). The McCulloch pipe diverted 151 l/s for the 2015 calendar year, while the Inder pipe diverted 449 l/s (part year only). Figure 3 graphs the annual and seasonal diversion volumes for the McCulloch pipe since 2012, when the diversion became operative. A distinct seasonal pattern exists. The annual volumes are very consistent. The Inder pipe diverts a more consistent volume of water, throughout the year.

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

Year	Annual	Summer •	Autumn	Winter	Spring
2012	130.9*			86.7	197.2
2103	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

•Includes December of the previous year

\* Part year only 15 April to 31 December 2012

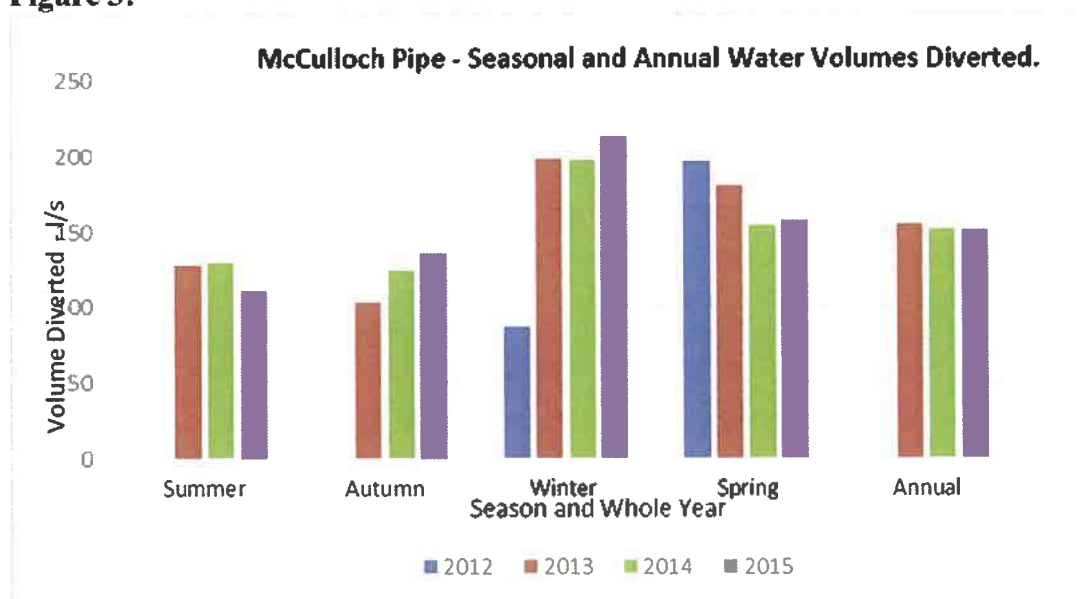
**Table 2: Inder Diversion – Volumes Diverted – litres/s.**

Year	Annual	Summer •	Autumn	Winter	Spring
2015	*449	420	429	467	468

•10 – 28<sup>th</sup> February only

\* Part year only 10 February to 31 December 2015

**Figure 3:**



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 flow 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 new Inder wetland.

**Table 3: Flood Events and Pulses into Wetlands**

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

\*Part year only.

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

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

**b). New Land Use Consent.**

In August the Trust applied to Environment Southland for a Land Use Consent to disturb the bed of the Waiau River side-braid, for wetland water supply enhancement. The Consent was granted in October, with an expiry date of 2050. The consent enables the Trust to carry out small scale disturbance of the bed of the side-braid to enhance water flows down the two diversion intake pipes and into the McCulloch and Inder wetlands, on an as required basis. This will be an infrequent activity, but will enhance the sustainability of the created wetlands.

**Maintenance:**

The nature of this project and its location, in a highly dynamic environment, means maintenance is an ongoing task. Little flood damage occurred during 2015 as there were few large floods. We have identified the need for additional rock work on the upstream side of the Inder intake. The flow pattern within the side-braid has changed with more pressure on the river bank at this location. This work will be carried out in the new financial year.

Some minor drainage work was required behind the back walls of the new Inder wetland. This was designed to lower groundwater levels and alleviate a localized flooding issue in the neighbouring property. This work occurred in May.

Ground spraying of gorse occurred in the spring, particularly on the wetland dams.

**Monitoring**

**a). Bird Surveys**

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





**Whitebait Project.** The installation of the siphon intake began in December 2015. The earth coffer dam protected the site from Inder wetland water inflows during installation.



**Whitebait Project.** The intake siphon is now operational. The installation of the pipes from the siphon, under the bed of the Hollyburn and discharging into the Whitehead Suite of wetlands, was completed in January 2016. Minor adjustments may still be required to maximise benefits of the system.





**Whitebait project.** *Carex secta* were planted along the dam face of the new Inder wetland in December 2015. These will help protect the dam from wave lap. The Inder outlet channel is located mid-left of the photo. This channel connects to the downstream McCulloch wetlands and provides fish passage.



**Whitebait Project.** Foot bridges, which were surplus to DOC's requirements, have been installed (September 2015) to enable easier foot access around the wetland network. The pictured bridge crosses the Inder diversion channel.



**Table: Results of Bird Counts (Inder Wetland)**

Date	Waterfowl	Water Associated Species	Other Species
9/9/2015	Mallard Duck: 22 Shoveler Duck: 100+ Paradise Duck: 2 NZ Scaup: 11 Grey Teal: 23 Black Swan: 1	Pied Stilt: 14 SI Pied Oyster Catcher: 4 Spur-winged Plover: 103 Black Fronted Tern : 17 Pukeko: 27 Banded Dotterel: 4 Black-fronted Dotterel: 2 Black Shag: 1	Harrier Hawk: 3
16/12/2015	Mallard Duck: 5 plus 2 broods (5c6,2c3) Shoveler Duck: 11 Grey Teal: 42	Pied Stilt: 17 SI Pied Oyster Catcher: 4 Black Fronted Tern : 4 White-fronted Tern: 11 Black-fronted Dotterel: 2 Black-billed Gull: 2 Royal Spoonbill: 7 Pukeko: 4	Welcome Swallow: 20+

Fluctuating water levels in the new Inder wetland, resulted in extensive areas of exposed wetland bed and shoreline, at times. This is of great advantage to the feeding waders and is evident in the good numbers of waders recorded during each count.

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

The table below is a list of all the bird species recorded during the spring surveys of the past 6 years, plus any additional species recorded outside survey times.

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

Waterfowl	Water Associated Species	International Migrants	Other Species	Total
Mallard 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	Welcome Swallow Harrier Hawk NZ Falcon	
<b>6</b>	<b>19</b>	<b>4</b>	<b>3</b>	<b>32</b>

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

#### **b). Fish Survey:**

On the 15<sup>th</sup> of December 2015, 3 fine-meshed, unbaited, fyke nets were set in the new Inder Wetland. This was an overnight 12 hour duration set. This was a ‘first look’ limited survey.

More extensive surveys are planned. The following table details the results, indicating colonisation is happening.

#### **Inder Wetland Preliminary Fish Survey**

<b>Site description</b>	<b>Catch Description</b>
Lower end of diversion channel	Inanga 7 Common bully: 12 SF eel: 6 LF eel: 4 (ave length = 750mm) Brown trout: 1 (230mm)
Eastern edge, near siphon intake	SF eel: 10 LF eel: 1 NB: Total weight, all eels = 5kg
Eastern side, near borrow pit	SF eel: 11 LF eel: 6 NB: Total weight, all eels = 10kg

#### **Land Management:**

The standing grass on the property was tendered in August, for the 2015/2016 season. This tender process is currently carried out annually. The successful tenderer for the 2015/2016 season was Fowle Contracting of Tuatapere. The Trust remains responsible for soil testing and fertiliser application on this 12 ha area of land not required for wetland creation. Fertiliser was applied in September and again in February 2016.

Establishing flax around the wetlands remains a priority and flax material is sourced locally and planted, as it becomes available. In the spring, 100 *Carex secta* were planted along the new Inder wetland dam face. Twenty (20) Kahikatea and 30 Cabbage trees were planted, as a trial, at two sheltered locations west of the Holly Burn.

#### **Pest Control:**

Over the years, feral cats have been regularly observed at the project site. Last year, during February and March, six Timms kill traps were installed on flood free spots around the wetlands. 7 cats and 3 ferrets have been caught over a 2 month period. This year (2<sup>nd</sup> October 2015) 24 DOC 200 traps were set out around the project site. These were checked on 5 occasions and rebaited twice. Total pest animal kills were: stoats (9), weasel (1), rats (8), cats (1), rabbits (2). This trapping programme is now a permanent activity at this project site.

#### **Public Access and Visitors:**

Public access is a large component of this project. An access road, already built, takes people across the Holly Burn to a carpark at the NW end of the Inder wetland. During the year, two surplus DOC footbridges were made available to the Trust. These have been installed at two locations, and will enhance foot access to the Waiiau River and around the wetland complex. The Trust is mindful of the risk of flooding at the wetland site. This Health and Safety issue is being addressed through appropriate warning signage.

In December, the Southland Conservation Board visited the wetlands to gain an understanding of this conservation project.

#### **The Future:**

##### **a). New Wetlands and Connections.**

With the early completion of piping surplus Inder wetland water under the Holly Burn and into the Whitehead suite, there is an opportunity to consider a further wetland at the lower end of the Whitehead Suite, adjacent to the Noahanga site. In the coming year we will meet with local iwi to discuss their thoughts and aspirations for this additional wetland.





**Whitebait Project.** Pied stilts in the Whitehead wetlands. Fluctuating water levels and exposed wetland beds offer feeding opportunities for wading bird species. The Whitebait project will always be a “pulsed system” relying on river levels to keep the wetlands full or otherwise.



The Southland Conservation Board meet on site at the **Whitebait project** during the year. L to R Stewart Bull, John Twidle, Andrew Bowman, Nick Humphries, Lloyd Esler, Alison Broad, Fiona Black, Brian Rance, Yvonne Service and Shay van der Hurk.



**Whitebait Project.** The Trust holds a number of Environment Southland administered Resource Consents, enabling the wetlands to be built.

Compliance officer, Daniel Smith (left) visited the site in March 2015. Project design, Resource Consent conditions and compliance were discussed with Mark Sutton and Jan Riddell (right).



**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 this year, 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.

The Trust is investigating options for protection of the habitats and the resident eel population. Legal advice on protection options was received in April. There are a number of options. The advice was sent to both major landowners/administrators - Meridian Energy Ltd and DOC. Both organisations are supportive of the initiative. Further consultation is required with Ngai Tahu and the Southland District Council, both of whom also have interests in the area.

**c). Interpretation Panels and other Public Facilities.**

As the major capital construction works are coming to a conclusion, it is now time to consider the story we want to tell the public about the project. Work will begin on this aspect of the project in the coming year.

**A10 Rakatu Wetlands.**

**Expenditure:** Budgeted - \$ 34,550 Actual - \$28,508

**Key Outputs Measures This year:**

Capital: Cattle stop, Manuka planting trial

Maintenance: Road upgrade, pest plant programme

**Achievements and Progress:**

Rakatu Wetlands, purchased in 2000, has been open to the public since March 2006. It has now been open to the public for 10 years- a significant milestone. 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: 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
<b>Visitor facilities</b>	1.4km road and car park. 9.8 km of walking tracks, offering 4 different walking options, with stiles, bridges, toilet, lunch shelter, lookouts, signage and interpretative panels built.
<b>Pest Plant Control</b>	Annual spray programme to prevent spread on dry lands, wetland margins, access tracks and dams. Wetland water level design incorporates gorse/broom patches. Public walking tracks to be sprayed 2-3 times per year.
<b>Pest Animal Control</b>	Network of 35 DOC200 traps set around Rakatu and the neighbouring Redcliff wetlands – installed 2011. In 2014 an additional 22 DOC 200 traps, plus 8 cat traps were installed. All are checked on a regular basis.

**Resource Consents:**

During the year the 15 Resource Consents (dam and divert water permits) held for the Rakatu Wetlands were rationalized into 1 Resource Consent for the whole wetland complex. The raft of consents held was too complex and related to the “1 step at a time” approach taken in developing the various individual wetlands at Rakatu, between 2000 and 2006. A new application to Environment Southland was required. This was largely an administration exercise. The new consent was granted in January, with a 2036 expiry date. Completion of this rationalisation means the administration of future consenting will be simpler for the Trust and Environment Southland.

**Lease Renewal:**

The grazing lease of Rakatu land, not required for wetland creation, was renegotiated with Whare Creek partnership in August. It runs for a further 5 years through to 2020. This is a sheep only grazing lease over 110 ha. The income helps fund the ongoing maintenance of the wetlands.

**Capital Expenditure:**

The Trust embarked on a Manuka plantings trial, with a view to potential future income for the project from honey. The 1 ha of plantings are within the riparian margins of the wetlands. If successful they will have ecological benefits for a variety of small bush birds and insects and enhance the biodiversity of the wetland riparian margins.

An additional cattle stop was installed along the access road in February. This will stop wandering stock from reaching the Rakatu carpark.

**Ongoing Maintenance:**

Maintenance expenditure this year included the annual gorse/broom spraying around the wetlands and walking tracks, the cleaning contract for toilets and information shelter, trimming trees off access road fence as required. Some minor dam maintenance, as well as some re-graveling of the access road was completed in February. This was the first major maintenance work (other than annual grading) required on the access road in 10 years.





**Rakatu Wetlands** – access road repairs occurred this year, with more road metal needed and an extra cattle stop (below) being installed. This was the first major maintenance work carried out on the access road in the ten years since the wetlands have been open to the public.







**Rakatu Wetlands - dam face repairs, Speights Steam 2 wetland, March 2016. Wave lap action causing erosion along the north facing parts of this wetland was repaired by using existing vegetation from an adjacent wetland.**



**Rakatu Wetlands – Mark Sutton being filmed at Rakatu for the “Choose Clean Water” nationwide tour of New Zealand, run by Massey University students. All interviews, with people from around NZ, can now be viewed on Youtube.**



## Monitoring:

### a). Trap Network.

The predator trap network of 57 DOC 200 traps around Rakatu and the neighbouring Redcliff Wetlands was checked and re-baited on 3 occasions during the year (22/May 2015, 14/September 2015 and 9/February 2016). The results for the first three (3) years of the original 35 trap network are set out below. The final 2 rows are the total for the extended network of 57 traps (the new baseline).

#### DOC 200 Trap Results.

Year	Stoats	Ferrets	Weasels	Hedgehogs	Rats	Cats
1/4/2011- 31/3/2012	29	0	1	13	3	1
1/4/2012 – 31/3/2013	28	0	1	12	3	0
31/3/2013 – 13/02/14	29	0	1	10	8	0
14/2/2014- 9/03/2015	37	0	0	12	10	0
10/3/2015 – 9/2/2016	21	1	3	15	7	Not set

An integrated approach to pest management (all animal pests), is required, so the Trust has also installed 8 Timms traps for the purpose of controlling feral cats. These are not permanently set, as they require fresh meat. In the coming year they will be set during the winter months. This is a trial, based on the premise that at this time of the year there will be the lesser amount of food around for cats.

Predictably predators are a problem at Rakatu and Redcliff. Trapping requires extra resources, but we are hopeful good outcomes will result from this initiative. Interpretation of the results to date is difficult. Reduction in pest animals should be reflected in an increase in bird numbers, particularly the ground nesting species. There is no evidence of this yet.

The Trust is mindful of the predicted explosion of pests in the coming year, as a result of the very heavy beech mast throughout the South Island during the 2015/16 summer. There will likely be consequences at these wetlands given the proximity to Fiordland National Park.

### b). Spring Bird Counts.

The Trust has now been undertaking spring bird counts at Rakatu for seven years. The table below is the summary of data from spring bird counts conducted during 2015. Two separate wetland habitats were sampled. Three counts - 19/11/2015, 1/12/2014 and 9/12/2015 were completed.

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

The next table summarises all species recorded at Rakatu over the last 7 years. Included are the species recorded by local ornithologist Shawn Herron. Shawn carries out regular bird surveys at Rakatu and has kindly made his data available to the Trust. His observations of bush and passerine species are more extensive than our own surveys and add to the understanding of habitat available at Rakatu.

**Table: Results of 2015 Bird Counts at Rakatu – Species Present and Numbers.**

Dates	Waterfowl Species and numbers	Water Associated Species	Other
19/11/15	NZ Scaup: 126, Shoveler : 23 Mallard : 17 Grey Teal : 3 Paradise Duck; 41 + 4 broods Black Swan: 8 + 2 broods Canada Geese: 7:	Spur-winged Plover : 2 Little Shag :2 Pied Stilt :9 White-face Heron: 1 SI Pied Oystercatcher: 2 Black-backed Gull: 4	Harrier Hawk: 4
1/12/15	NZ Scaup :95 +3 broods Shoveler: 12 Mallard: 20 Grey Teal: 4 Paradise Duck: 7 +4 broods Black Swan: 6 + 1 brood Canada Geese: 3	Little Shag :4 Black Shag: 2 Pied Stilt: 6 SI Fernbird: 2	Harrier Hawk: 4
9/12/2015	NZ Scaup 96 + 5 broods Shoveler: 3 Mallard: 15 + 1 brood Paradise Duck:4 + 5 broods Grey Duck 2 + 1 brood Black Swan: 2 + 1 brood	Spur-winged Plover : 6 Little Shag :4 Pied Stilt :4 SI Fernbird: 4 WF Heron: 1 Black-backed Gull: 3	Harrier Hawk:2 Bellbird:3 Welcome Swallow: 20 +

**Table: Species Recorded over 7 years of Spring Surveys, General Observations and the Herron Surveys:**

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

The data shows a good diversity of species is now resident, resident and breeding or visiting the wetlands. Waterfowl tend to dominate the wildlife population in terms of numbers of birds recorded, but numbers of individual species do vary from year to year. All waterfowl species have been recorded as breeding on site, at some stage, over the 7 year sampling period.

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



surveys), averaging 9 birds, were recorded. This increase may very well correspond to the invasion and establishment of Perch in the wetlands. Little Shag numbers have now dropped back from those highs. The current status of the perch population in the Rakatu Wetlands is unclear, noting none were caught during the March 2016 Iwi survey (see below). 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.

**c). Fish Surveys:**

No fish survey work was planned or carried out by the Trust during the year. In March we were pleased to support a local Iwi monitoring hikoi. This was run by Jane Kitson and designed to enhance understanding of freshwater fishery resources, particularly shortfin and longfin eels. Three coarse-meshed fyke nets were set overnight in Speights Stream 1 wetland with 49 longfin and 5 shortfin eel being captured, weighed and measured. The mean weight of longfin eels caught was similar to eel weights recorded in the 2014 survey within the same wetland. The domination of large longfin eel in this wetland habitat continues. No perch were caught during this limited survey. They were particularly numerous in this wetland in 2014.

**Vehicle and Visitor Numbers.**

The vehicle counter on the access road operated from 22 May 2015 to 14 March 2016 (273 days). It was read on 3 occasions, and the vehicles recorded are summarised below. The people counter on the track to the lookout operated from 9 October 2015 to 14 March 2016 (156 days). It was read on two occasions.

**Table: Vehicles/People visiting Rakatu - May 2015 to March 2016.**

Dates	Days	Season	No vehicles	Vehicles Per day	No. People	People Per day
22/May/2015 – 14/Sept 2015	117	Aut/Wint	207	1.8		
9/Oct 2015 – 9/Dec 2015	61	Spring	508	8.3	355	5.8
9/Dec 2015 – 14 March 2016	95	Summer	1242	13	722	7.6
<b>Totals/Average</b>	<b>273</b>		<b>1957</b>	<b>7.2</b>	<b>1077</b>	<b>6.9</b>

Vehicle and visitor numbers show a similar trend to all previous years, with greatest numbers in the “tourist season” and small numbers over the winter months. 2015/16 was an extremely busy tourism season in Southland, but numbers to Rakatu did not reflect this; being similar to previous years.

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

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

**Expenditure:** Budgeted - \$1,150, Actual - \$369

**Key Outputs Measures This year:**

No major Outputs

**Achievements and Progress:**

This Trust owned project is located in the mid-reaches of the Whitestone Catchment. Our objectives for this property include restoration of the natural river meander processes of the Whitestone River, wetland creation, protection of a small stream (Stony Creek) and protection of the native vegetation on the terrace escarpment. Two shallow water wetlands

were constructed in Dec 2006. As expected these wetlands are largely seasonal, filling over the winter months or during large floods and drying out over summer and autumn. They are built on free draining soils and underlying alluvial sediments. Seasonal wetlands provide valuable habitat for specific wildlife species (waterfowl and waders) and provide diversity of habitat type. Seasonal wetlands are of lesser fishery value. When full, these wetlands have a combined open water area of 2.6 ha and shoreline length of 1160m. At some stage in the future we intend to carry out further field work to assess the potential of supplementing the water supply into the wetlands, thus enhancing their fisheries values.

The lease the Trust negotiated last year with the neighbouring land owner, continued. It provides for the occasional grazing of 5 ha of the grassed margins of the wetlands. This is a sheep only arrangement, at a low stocking rate. Keeping the grass down around these seasonal wetlands will provide good breeding and feeding habitat for a variety of waterfowl and water related birds.

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 - \$400, Actual - \$0

**Key Outputs Measures This year:**

No major Outputs

**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 2015.

#### **A9 Flaxy Creek Riparian Habitat.**

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

**Key Outputs Measures This year:**

No major outputs

**Achievements and Progress:**

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



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

No new fencing projects arose during the year.

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

**Expenditure:** Budgeted - \$2,450, Actual - \$1,850

**Key Outputs Measures This year:**

Maintenance: Pest plant and access track spray programme.

**Achievements and Progress:**

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

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

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

In 2011 a 1 ha open water wetland at the lower end of the property was constructed. Baseline spring bird counts were carried out in 2011, 2012 and 2015. Data from the 3/9/2015 survey is presented in the table below.

**Table: Ramparts Wetland Bird Survey 3/9/2015**

Water Dependent Species	Water Associated Species	Other Species
Paradise Shelduck: 2 NZ Scaup: 9 Mallard Duck: 2 NZ Shoveler: 14	Spur-winged Plover: 14	Welcome Swallow: 10+

The table below summarises the bird species recorded at the Ramparts open water wetland to date.

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

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



Above and below. **South West Properties – Tuatapere.** This HEA agreement, completed this year, protects a 1.6 km section of Arthur Creek and approximately 10 ha of associated remnant bushland. The property is located in the Lower Waiau catchment, downstream of Tuatapere.







**Burwood Station – The Key.** Fencing of 550m of Gorge Creek (a tributary of the Mararoa River) was completed and protected under an HEA agreement during 2015.



**Church property – Otahu Flat.** Another 727m section of Merton Stream on the Otahu Flat was completed and protected by an HEA agreement this year. Over a period of 7 years a total of 2882m of stream and 5.3ha of riparian habitat have been protected on this property.





**Willans property, Wilderness, Te Anau basin.** Another 10ha of shrubland and small stream system (Reidsdale stream) was protected under an HEA on this property in 2015. The Willans' have now protected 1250m and 11.57ha of stream and riparian margins under an HEA agreement and 9ha of wetland under a QEII Covenant.



**Mt Prospect Station – Mt Prospect Flats Streams.** These spring feed streams, in the upper Whitestone Catchment, were fenced this year under and HEA Agreement. To date 1,500m of stream has been protected under this on- going project.





**MacGillivray property – Merrivale.**

Above: Another section of the small Orauea tributary streams on this property was completed this year, under an HEA Agreement. In total 1045m of stream systems and 5.21 ha of riparian margins have been protected on this property, since 2007.

Below: The bigger picture, showing how the streams and their riparian margins link to the bush blocks (5.99ha, protected under a QEII Covenant). Whole system connections enhance small stream ecosystems.



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

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

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

**Expenditure:** Budgeted - \$ 107,990 Actual - \$61,063

**Key Outputs Measures This year:**

Capital: HEA projects completed (9)

Joint Waiau Trust/QEII Trust projects completed (3).

**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, although project numbers were fewer reflecting the poorer returns for agricultural products. Nine (9) Habitat Enhancement Agreement projects and three (3) Joint Waiau Trust/QE II Trust projects were completed. A further 17 potential new projects were investigated.

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

#### **HEA Projects:**

The table below documents the 9 projects completed under the HEA category during the year. Protection of 6,254m of stream and 66.15 ha of riparian habitat was achieved. The Trust now has 66 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. Five of the 9 projects came under this scenario.

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

<b>Landowner</b>	<b>Catchment/ Stream</b>	<b>Length of Fence (m) Riparian Area (ha)</b>		<b>Stream Length Protected (m)</b>	<b>Capital Cost To Trust (\$)</b>
Burwood Station	Gorge Ck, trib of Mararoa R	2908	2.5	1177	3,204
D Church	Merton Stream	345	0.2	727	1650
Mt Prospect Station	Whitestone tributaries	3367	2.54	1500	5745
Southwest Properties	Arthur Ck, trib of Camp Ck	900	9.9	850	1463
D McGillvray	Fenham Stm, trib of Oruea	750	0.41	300	2250
Landcorp Farming Ltd, Lukes Ext	Unnamed trib of Whitestone	2050	31.0	1000	9000
M Willans	Unnamed trib of Mararoa R	1250	10.0	700	4062
D Clow Ramparts Road, Wetland	Trib of Kakapo Swamp	440	2.6	Wetland	900
Landcorp Farming Ltd, Kepler Farm Travis Wetland	Upper Waiau	600	7.0	Wetland	1477
<b>TOTAL</b>		<b>12,610m</b>	<b>66.15 ha</b>	<b>6,254m</b>	<b>\$29,751</b>

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

The table below details the 3 Joint Waiau Trust/QEII National Trust projects completed this year, protecting 29 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 88 Joint projects on the books.



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

Landowner and General Location	Description and Catchment	Fence Length (m)		Capital Cost To Trust (\$)
		Area Protected (ha)		
Landcorp Farming Ltd, Haycocks,	One Tree Wetland Ext, Wash Ck, Mararoa R	1850	13.0	9050
Landcorp Farming Ltd, Centre Hill	Kennedy's Wetland, Wash Creek, Mararoa	1200	4.0	3900
Landcorp Farming Ltd, Eweburn	Tapsell's Wetland, Eweburn, Lake Te Anau	1200	12.0	6600
<b>TOTALS</b>		<b>4,250m*</b>	<b>29.0ha*</b>	<b>\$19550</b>

\*subject to final survey.

#### **Waiau River Liaison Committee:**

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

#### **Million Metre Stream Project:**

Last year the Sustainable Business Network established the "Million Metres Stream " project ([www.millionmetres.org.nz](http://www.millionmetres.org.nz)). This is a non-profit project which aims "to restore the health of New Zealand waterways, metre-by-metre, stream-by-stream". The concept of the project is not about fencing of streams, but rather restoration of riparian margins through planting of native plants. Fund raising is web based and based on donations. The project has a number of partners, including the QEII National Trust. Landcorp Farming Ltd's Dale Farm, in the Te Anau Basin was the first South Island site selected, with \$20,000 raised by late 2014, enabling 1400m of streams to be planted. The streams are tributaries of the Whitestone River. The fencing of these streams was partially funded with Waiau Trust grant money and protected with our Habitat Enhancement Agreement, a few years ago. Mark Sutton, under his QEII role, organised the planting project, in conjunction with Landcorp. This took place in the winter of 2015. The Trust is supportive of this initiative, as our own funds are inadequate to cover planting of the riparian margins of the streams we help fence. At this stage, it is unknown if other Southland projects will eventuate under this scheme.

#### **Manuka Plantations:**

There has been an upsurge in interest around NZ, in the development of manuka plantations for manuka honey production. Comvita/Landcorp Farming Ltd have been trialing manuka cultivars on Landcorp farms in the Te Anau basin. Some of these trials have been set up in protected areas (HEA areas), the Trust has helped fund. The Trust is supportive of this concept and await the results of these trials with interest.

## Comparisons, Demonstrating Ecological Restoration



**Landcorp Farming Ltd, Stuart Farm – Three Tarns Covenant.** The above image was taken in January 2011, shortly after the fence had been erected. The photo below was taken from same location in February 2015 – three years later. The flax regeneration is of particular note.





## Comparisons, Demonstrating Ecological Restoration



**Landcorp Farming Ltd, Duncraigen - Big Bend Covenant.** The first image was taken in February 2013 on the northern fence line. The image below was taken in March 2015, just over two years later. The re-generation of Manuka, in this instance, is remarkable, and demonstrates the changes that can rapidly occur at some locations.







**Landcorp Farming Ltd, Stuart Farm - Lukes Gully Ext.** This 30ha small stream gully system and associated shrubland (a tributary of the Whitestone River) has been fenced and retired from the farm's deer unit, under an HEA agreement, this year. It adjoins a 4.8 ha section of the same system, protected in 2014.



**Landcorp Farming Ltd, Haycocks – One Tree Wetland Extension.** 13 ha of small stream habitat and stream riparian margins were added to the existing QEII Covenant this year. Wash Creek is a tributary of the Mararoa River.





**Waiau Trust – Trustees, and others, on field trip to Landcorp Farming Ltd, Eweburn Farm 1<sup>st</sup> February 2016. L to R: J. Morris (Fund Advisor, Craigs Investment Partners), A. Feierabend (Trustee), F. Inder (Trustee), P. Sutton (Trustee), J. Riddell (Trust Planner), M. Sutton (Trust Field Officer), G. Dickson (Trustee), C. McCulloch (Trustee and Chairman), J. Kennedy (Fund Advisor, Craigs Investment partners), D. Connor (Land Sustainability Officer, Environment Southland), N. Cruickshank (Land Sustainability Officer, Environment Southland). With the help of Ray Tibbles (Farm Manager), the Trust inspected all the protection activity on Eweburn. They gained a good understanding of the “headwaters to confluence” approach to connecting and protecting wetlands and streams, taken on the property.**





**Landcorp Farming Ltd, Hikuraki Station - One Tree Extension.** This productive small stream system is a tributary of Wash Creek, Mararoa catchment and connects to the existing wetlands on the Oreti / Mararoa saddle. The area was added to the existing QE II Covenant in 2015.



**Landcorp Farming Ltd, Centrehill Station – Kennedy’s wetland.** This 4ha red tussock dominated wetland, with open peatlands, drains to Wash Creek in the Mararoa River Catchment, and was protected via a QE II Covenant in 2015.



### **3.2 Output B – Access Projects.**

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

**Expenditure:** Total for all Accesses: Budgeted - \$5,340, Actual - \$11,303

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

This year maintenance expenditure (in the form of road spraying) occurred at the Whare Creek, Jericho and Sunnyside/Monowai accesses. Whare Creek and Jericho were also graded. The Jericho access required additional posts at the carpark end of the road to prevent vehicle access onto the Waiau riverbed. Maintenance costs for the other accesses were slightly less than expected, as spraying and grading is not always needed at every access, every year.

The budget was exceeded, due to the one-off impairment of land associated with the Mararoa Whitestone access. This was an historic issue, needing to be accounted for under the new reporting standards.

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

The following table provides location details for the 12 accesses.

**Table: Waiau Trust Access Projects**

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

### 3.3 Output C – Research Projects.

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

No expenditure occurred under this Output category this year.

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

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

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

**Expenditure:** Budgeted - \$3,400, Actual - \$3,277



**Key Outputs Measures This year:**

Maintenance: maintain and monitor website

**Achievements and Progress:**

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

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

Meridian Energy and the Waiau Working Party (of which the Trust is a member) are currently looking at ways of achieving additional environmental outcomes for the Waiau Catchment. This is influenced by the National Policy Statement for Freshwater (NPSFW), which Environment Southland must implement. During the year, Environment Southland defined the freshwater management units (Southland catchments) it will work on over time in order to achieve the outcomes of the NPSFW. The Waiau catchment is not the highest priority, however opportunity exists at this stage to understand the current catchment issues, gaps in current research and monitoring programmes and then consider opportunities for aligning programmes to ensure better use of resources to achieve environmental outcomes in the future. The Trust will have a part to play in this initiative.

In January a group of Massey University students travelled NZ looking at freshwater issues and stories about freshwater resources, aimed at building a national picture of the importance of freshwater to communities and the pressures facing freshwater resources. This was called the “Choose Clean Water” tour. They visited and filmed Rakatu Wetlands, Home Creek and a number of other riparian fencing projects in the Te Anau basin. The Trust story is a positive one and the film footage has been uploaded to Youtube, as part of the campaign.

In October, Mark Sutton addressed the Invercargill U3A organisation. He used a power point presentation to provide information to the group about the Trust and its projects.

The Trust website [www.waiautrust.org.nz](http://www.waiautrust.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 between the 7 April 2014 and 31 March 2015 and for the current financial year.

**Table: Analysis of Website Visits.**

<b>Statistics</b>	<b>7/4/2014 – 31/3/2015</b>	<b>1/4/2015-31/3/2016</b>
Number of sessions	520	4,248
Number of users	428	3,864
Percentage of new sessions	82.12%	90.91
Page views	1006	5,059
Pages viewed per session	1.95	1.19
Average session duration	1.22 minutes	30 secs
Sessions >3 minutes duration	48	211
Page views >3 minutes duration	390	652
Ave number page views > 3 minutes	8.12	3.09

The website has received a larger number of visits this year. The majority are of a very short duration. The longer duration visits look at a greater number of pages and will therefore learn more about the Waiau Trust and the work done.

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

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

- a) **Kovacs, Ben (2000):** *"Survey Report for the Waiau Fisheries and Wildlife Habitat Enhancement Trust Home Creek Protected Area"*.
- b) **Goldsmith, Ruth (2000):** *"Te Wae Wae Whitebait Habitat Survey"*.
- c) **Paterson, Rachel (2001):** *"Te Wae Wae Whitebait Habitat Survey 21-26 January 2001."*
- d) **Mason, Norm & Scott, Ben (2001):** *"A Baseline Survey of Upukerora and Ramparts Road Wetlands for Long-Term Monitoring."*
- e) **Paterson, Rachel & Goldsmith, Ruth (2002):** *"Te Wae Wae Whitebait Habitat Survey, March 2002 and Recommendations 2001–2002"*.
- f) **Stoffels, R.J. (2003):** *"Hierarchically Organised Littoral Invertebrate Communities in Large Oligotrophic Lakes"*. Thesis submitted for degree of Doctor of Philosophy, University of Otago.
- g) **Smith, Chelsea (2004):** *"Survey of Whitebait Habitat Enhancement Ponds at Te Wae Wae Lagoon"*. Report presented as partial fulfillment of the requirements for the Diploma of Environmental Management.
- h) **Paterson, Rachel (2006):** *"Wildlife Communities in Created and Natural Freshwater Wetlands of the Waiau River catchment, NZ"*. Thesis submitted for degree of M.Sc (Wildlife Management), University of Otago.
- i) **Futter, Julie (2008):** *"Baseline Fish Community Surveys of the Rakatu Wetlands"* Report submitted as partial fulfillment of the requirements for Post-graduate Diploma in Wildlife Management, University of Otago.
- j) **Risk, Jim (2008):** *"Dale Farm. Assessment of Riparian Management on Water Quality."* Report prepared by Environment Southland for Landcorp Farming Ltd.
- k) **Gross, Jetzabel, Hicks, Andy, Riddell, Jan & Sutton, Mark (2013):** *"Baseline Fish Survey of Constructed Whitebait Habitats at the Waiau River Mouth, Southland"*.
- l) **Riddell, J & Sutton, M (2014):** *"Baseline Fish Survey of Constructed Whitebait habitats at the Waiau River Mouth Southland, February 2014."*
- m) **Riddell, J & Sutton, M (2015):** *"Rakatu Wetlands Fish Survey, March 2014."*



### **3.5 Output E – Databases.**

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

**Expenditure:** Budgeted - \$3,750, Actual - \$4,764

**Key Outputs Measures This year:**

Maintenance: Photographic library  
Databases and 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. We have modelled it on the QEII approach of reference photo points for each project.

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

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

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

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

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

**Achievements and Progress:**

No work was required at the Duncraigen Weir this year.

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

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

**Expenditure:** Budgeted-\$10,000, Actual- \$11,243

**Key Outputs Measures This year:**

Administration: 17 potential new projects investigated.

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

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

The role of the Trust's Field Officer with the QEII National Trust requires clear delineation between the Waiau Trust and QEII National Trust interests. Initial project investigation involves a site visit, discussion with, and advice to, the landowner and assessment of the fisheries and wildlife habitat and conservation values. This then leads to a decision about proceeding with the project and if it is solely a Waiau Trust project, a QEII National Trust

project or a joint project. The time involved in this process needs to be accounted for in a transparent manner.

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

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

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

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

**Expenditure:** Budgeted - \$15,500, Actual - \$14,143

##### **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.

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

#### **H4 General Field.**

**Expenditure:** Budgeted - \$15,000, Actual - \$17,194

##### **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 - \$22,495, Actual - \$24,666

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

Administration: Annual Report completed by 30 June.



**Achievements and Progress:**

All targets, including maintaining the Trust's financial accounts and records, securing a set of audited accounts for the Annual Report, production and distribution of the Annual Report, negotiating contracts on behalf of the Trust, general office running and performing other administration/secretarial duties as required have been met. Insurance costs relating to public liability, statutory liability and professional indemnity insurance are accounted for under this Output.

**H2 Trust Board.**

**Expenditure:** Budgeted - \$8,900, Actual - \$8,446

**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 Farming Eweburn Farm in the Te Anau basin, in February. Trustees inspected the impressive protection initiatives completed on Eweburn Farm. 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 - \$68000, Actual - \$51,969

The fund management system, involving 4 Fund Managers, continued this year. It is difficult to budget for the total cost of fund management as brokerage and transactions fees are an unknown item from year to year.

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

The Annual Reporting process provides an opportunity for the Trust to critically review, assess and evaluate its performance, for the financial year. Section 3 (A) of the report does this in terms of Outputs. Over the longer time frame it is an opportunity to assess our performance in terms of whether Outcomes are being achieved. This has been done internally to date. The ecological monitoring programme the Trust has in place for major projects is a key component for determining if Outcomes are being achieved.

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

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

The annual financial position of the Trust is subject to independent audit and the results of this are included in Section 5 of this report.

### **3.10 Compliance with Governing Legislation - Charitable Trusts Act (1957), Trustees Act (1956), Trustees Amendment Act (1988) and Health and Safety at Work Act (2015):**

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

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

The first matter of compliance is around the activities of the Trust being charitable. "Charitable purposes" is defined in Section 38 of the Charitable Trusts Act 1957 and the activities of the Trust comply with (g) and (k) of that section. The Trust is registered with Charities Services (Charities Act 2005) to ensure the continuance of the Trust "charitable-purpose tax exempt status". A requirement of the registration and the retention of the "charitable status" is to report to Charities Services on an annual basis. This requirement has been met.

Under the new Financial Reporting Requirements for Charities, the Trust decided (February 2015) to report under Tier 3, which requires accrual accounting, but no independent audit. They have also decided to continue with the independent audit, given the high standard of transparency and accountability adopted in the past. Independent audit is also a requirement of the Trust Deed. The more complex fund management arrangements now have 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. It is conservative in nature. The SIPO has **objectives** for fixed income and equity assets, including capital preservation, reliable income, diversification to spread risk, long term capital and income growth, liquidity and socially responsible investments. A specific set of **operational parameters** are detailed covering credit rating limits and exposure limits. Finally, **reporting** to the Trust is more specific and includes portfolio valuation and performance, cash flow forecasts, maturity profiles, duration and liquidity reports counterparty risk reports and current outlook for the economy and financial markets; all of which will enable good decision- making.

At the end of March 2016 the Fund is managed by four Fund Managers. The table below details the Fund Managers, the original amount of money each had to invest and the balance at 31 March 2016. The total balance as at 31 March 2016 represents a 8.15% investment return for the 2015/16 year. This is net of Trust withdrawals, fees and brokerage.

**Table: Fund Managers and Investment Fund Values.**

	Craigs Investment Partners	Milford Income Fund	Murray & Co.	NZ Asset Managers	Total/ Ave % return
Original Investment	2,976,377	2,000,000	720,000	500,000	6,200,168
Balance at March 2016	3,318,608	2,410,361	798,349	558,363	7,085,682
Net Investment return after withdrawals, fees & brokerage.	8.63%	9.16%	8.60%	-0.68%	8.15%

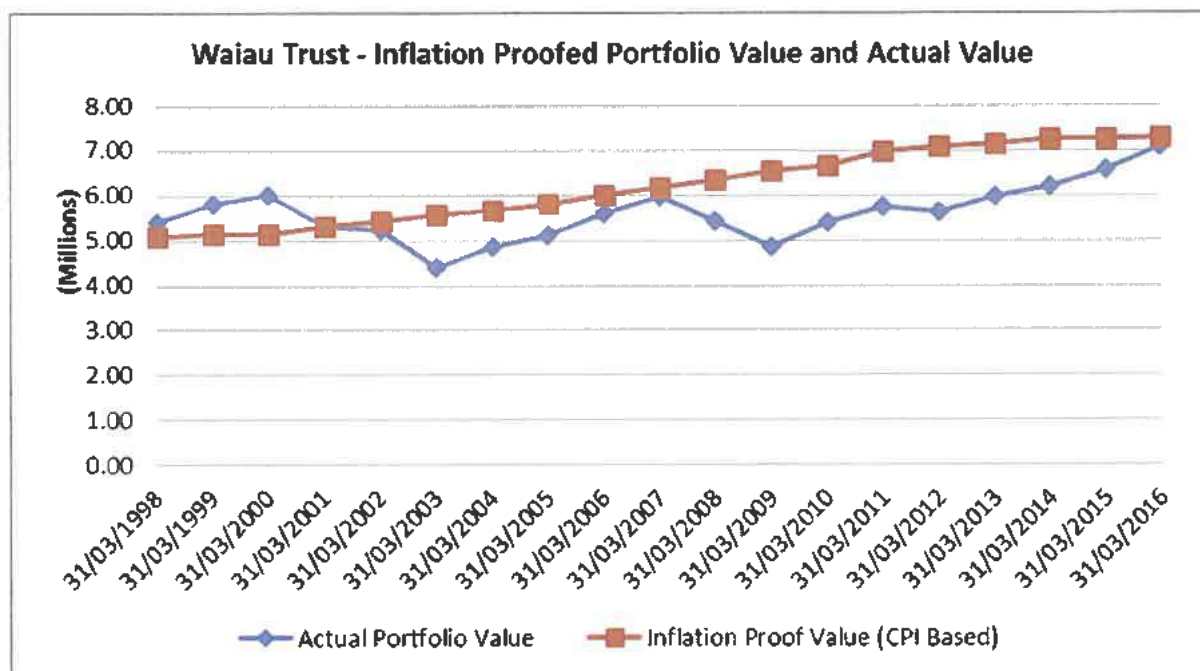
The next table is the breakdown of investment types for each Fund Manager and the percentage (asset allocations) of the fund in each investment type. It also shows how the asset allocations relate to the original agreed asset allocation limits for each Fund Manager, as at 31 March 2016.

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. The graph below shows the value of the fund at the end of each financial year (since inception and after drawings) and the value of the fund, had it been successfully inflation proofed, based on the CPI. It can be seen the actual value has fluctuated around the potential value, with major influences being the global financial issues post 2001 and the 2008 global credit situation. The fund value remains about \$220,000 below the level it should theoretically be at, but has edged closer to that level, 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.



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

**c). Other Income Sources:**

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

**d). General Financial Management:**

The Trust sees itself operating in perpetuity. The Trust is now thinking out to 2031 when the Meridian Energy Ltd Resource Consents for the Manapouri Power Scheme expire and will need to be renewed. It is envisaged there will still be plenty of opportunity for habitat enhancement in the Waiau catchment, requiring funding.

The Trust continues to look for efficiencies and effectiveness in the expenditure of the Trust Fund, in terms of project management, implementation and administrative structures. Reviews of expenditure and reassessment of project priorities throughout the year, depending on investment performance, are considered to be a prudent management approach. Contracts for the provision of secretarial/administration, field and planning services remain cost effective. Records of hours each contractor spends on Waiau Trust work are kept. Based on 1832 hours being the equivalent of one full-time person, this year contract hours totaled 1405



(including 50 hours for general administration). This is 77% of one full-time person, which is similar to last year.

Trust costs continue to increase across the board. Management of our resources will be an ongoing challenge. Habitat and access projects have been established in perpetuity. This will require the permanent provision of resources to manage and maintain such projects. As time moves on, the number of operative projects will increase as will the resources required to maintain them. Operationally this means providing for pest plant and animal control, road maintenance, fence maintenance and other habitat maintenance in the Annual Plan, as required. Financially this means ensuring the returns from investment of the capital fund are sufficient to provide income necessary to meet the ongoing costs of projects created by the Trust, long term. This is an issue of sustainability of the Trust and will require further thought in the future.

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

#### **e) Health and Safety:**

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

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

The new Health and Safety at Work Act (2015) comes 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 Trust is reviewing and updating the current Health and Safety Plan so it aligns with the requirements of the new Act. Andre Holm of MEL has provided advice on the current plan and recording and reporting processes.

Currently, at each Trust meeting, Trustees receive a health and safety report, documenting the change in status of known hazards any new hazards that have arisen at project sites and any incidents. During the year 6 new hazards were identified at the Whitebait project site. Five (5) have been resolved, with one (1) in the process of being resolved.

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

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

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

There has been activity on 6 of the 8 Objects in the Trust Deed this year. The Trust has actively investigated new projects, particularly those suitable for Habitat Enhancement

Agreements (Objects 1 and 2). We have focused on the expanded whitebait habitat project adjacent to the Waiau Lagoon (Object 4 of the Deed), with good progress during the year, with installation of the siphon under the bed of the Holly Burn, providing surplus Inder wetland water to the Whitehead wetlands.

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

The Trust has 14 major habitat enhancement projects on the books, 4 of which are also accounted for as joint Waiau Trust/QEII National Trust projects. There are 66 completed Habitat Enhancement Agreement projects (A100) for stream riparian and wetland habitat, plus 88 completed joint Waiau Trust/QEII National Trust projects. These 168 habitat projects come under Object 1, 2 and 4 of the Deed.

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

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

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

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

The Trust is required to recognise and have regard to the traditional relationship of the tangata whenua with the resources of the Waiau River and in particular their interest in the native fishery. The enhancement of habitat for native species continues to be a significant part of all our habitat enhancement projects. We are particularly concerned about the state of New Zealand's eel fishery and view our habitat enhancement work as a significant

contribution to sustaining populations of this and other native fish species, particularly in the lower Waiau catchment. We have a good relationship with Te Ao Marama Inc, who are very supportive of our habitat enhancement work.

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

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

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

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

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

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

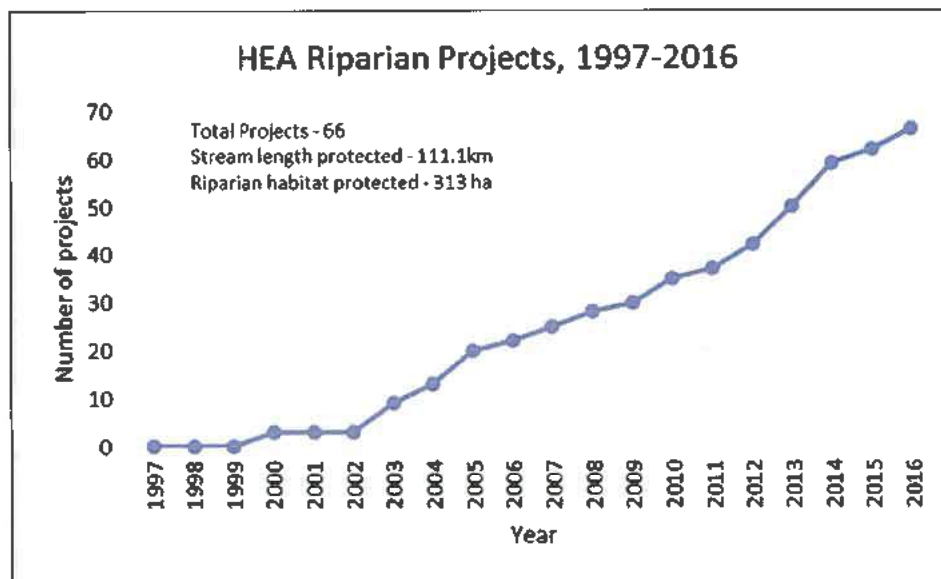
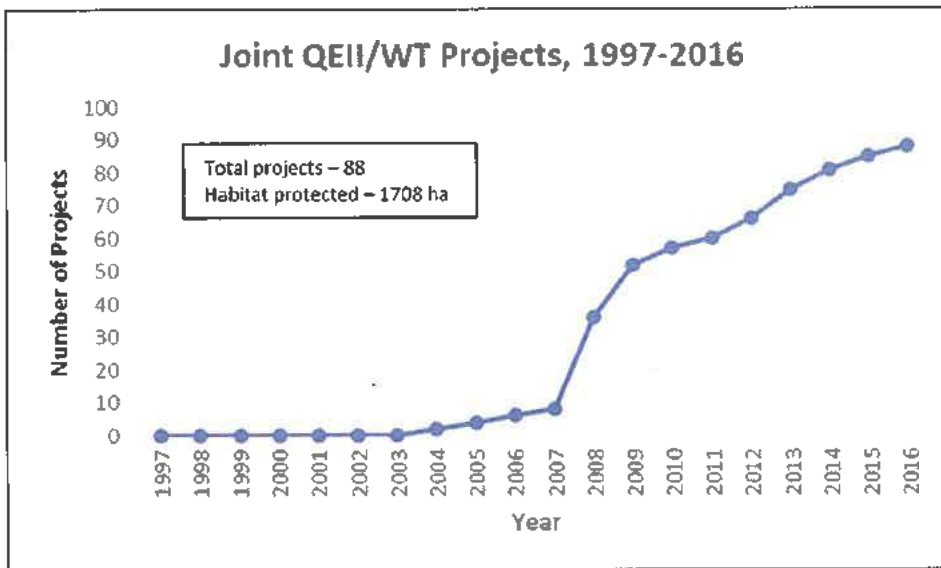
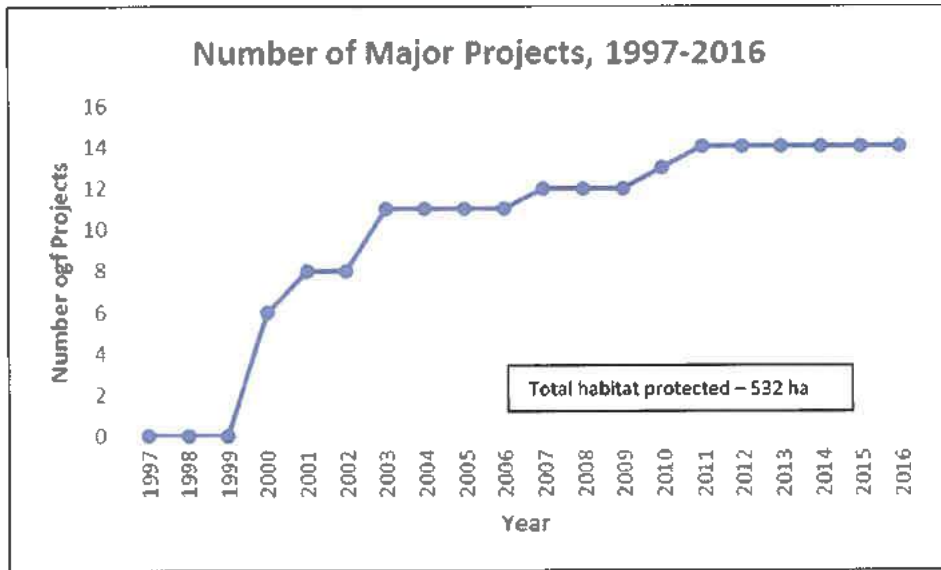
- a). Increasing the number and areas of **enhanced habitats** for a wide variety of fishery and wildlife species, in the modified areas of the Waiau catchment.
- b). **Improving ecosystem health** in the Waiau catchment by enhancing networks of connected habitats.
- c). Creating **awareness** and building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

#### **Outcome Performance Measures:**

##### **a). Enhanced Habitats.**

The following 3 tables and corresponding graphs summarise the quantity and types of habitat created and enhanced and shows progress over time. The Trust has 168 habitat projects, enhancing a total of 2553 ha of habitat. Good progress has been made.





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

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

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

#### **Habitat Enhancement Project Data Bases and Monitoring Information**

<b>Habitat Enhancement Project</b>	<b>Types of Data Available.</b>
Home Creek Riparian Habitat	Baseline fisheries data, Baseline vegetation survey, Permanent photograph points and monitoring of re-vegetation sites.
Lower Waiau Whitebait Habitat	Pond physical properties, Colonization – macrophytes and fish, fish biomass, (4 reports, 1999-2003). Photograph records Spring bird counts and preliminary fish surveys on new habitat -2011, 2012, 2013, 2014, 2015. Analysis of water flow volumes through wetlands Baseline fisheries surveys of Whitehead and McCulloch Wetlands – 2013 and 2014 Pest animal trap lines installed and maintained. Pest tallies
Dean Burn Kowhai Riparian Habitat	Occasional spring native bird counts, Monitoring of kowhai vegetation and willow control, Permanent photograph points.
Rakatu	Baseline reconnaissance survey of natural wetland vegetation, Baseline stream hydrology, Fisheries and wildlife surveys and comparisons with other habitats, Photographic records. M.Sc. project funded, includes baseline fish community surveys Fish Survey, (J Futter 2008) Fish Survey, 2014 Spring Bird counts completed 2010, 2011, 2012, 2013, 2014,2015 Predator trap network installed 2011 and maintained. Pests tallies. Visitor numbers (2006-2015).
Upukerora Wetland	Baseline vegetation survey, Permanent photograph points, Baseline fisheries survey, wildlife counts – pre and post wetland construction
Ramparts Wetland	Baseline vegetation survey, Permanent photograph points, Anecdotal monitoring of wetland water levels for forward planning Spring bird counts 2011, 2012,2013,2014,2015
Flaxy Creek	Water quality data above and below fenced stream, Photographic records
A100 Projects	Photographic records of all projects. Water Quality data - Dale Fann, Baseline fishery surveys of a number of streams 2010. Annual inspections as per QEII Trust requirements

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

**b). Improved Ecosystem Health:**

The Waiau community, as expressed through the Waiau Working Party, is focused on improving ecosystem health of the Waiau River and catchment. The Trust's habitat enhancement strategies and the way we implement them will produce long-term positive outcomes for ecosystem health. An ecosystems approach to habitat enhancement has been adopted. This means understanding past disruption to stream and wetland ecosystem processes. We take a sub-catchment by sub-catchment approach and restore longitudinal (headwaters to confluence) and latitudinal (riparian) linkages. In practice it results in enhanced habitats and enhanced ecosystem connectedness and networks. The Trust has now achieved the complete protection of wetlands and watercourses in a number of sub-catchments, particularly in the Te Anau basin.

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

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

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

Community relationships and the Trust's identity within the Waiau Catchment and wider community are important aspects of our Strategic Plan. The Trust is well aware that habitat enhancement and access projects would not be possible without the co-operation of individual landowners and the wider community. In achieving the 168 habitat enhancement and 12 access projects, the Trust has worked with at least 80 individual landowners and managers. All this work is carried out within a context of also considering the practicalities of every-day farming and other land use activities. This approach is working well, with mutual benefits for both landowners and fisheries and wildlife habitat being achieved.

The Trust has become established as an independent entity contributing to fisheries and wildlife habitat enhancement and management in the Waiau River catchment. Building and maintaining working relationships with individual landowners, Landcorp Farming Ltd, Department of Conservation, LINZ, Southland District Council, Environment Southland, QEII National Trust, Meridian Energy Ltd, Te Waiau Mahika Kai Trust, and Te Ao Marama Inc. remains a top priority. The outcome of this effort over time has resulted in some very good habitat enhancement and access projects. The co-operation of these people and their understanding and acceptance of the Trust's work is very important to the Trust.



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

**d). Access to Resources:**

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

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

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

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

The nineteenth 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 **\$334,789**. Income for the year was **\$349,550**, and when the revaluation of the portfolio is included, the operating surplus was **\$295,780**.

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 **8.15%** (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.
- Installation of the siphon from the new Inder Wetland, under the HollyBurn to Whitehead Suite of wetlands, Waiau Mouth.
- Obtaining Resource Consent to manipulate the side-braid of the Waiau supplying the Whitebait wetlands.
- Completion of 9 HEA projects protecting 2.25km of streams and their riparian margins.
- Completion of 3 joint Waiau Trust/QEII Trust projects protecting 29 ha of wetlands, streams and bush.
- Investigation of 17 potential new wetland and stream riparian protection projects.
- Rationalisation of the Rakatu Wetland Resource Consents
- Maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Installation and 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.

**Looking to the future:**

- The Whitebait habitat project offers some further potential for habitat enhancement and manipulation of use of the available water.
- 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.

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

**Contacts:**

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



**Waiau Fisheries And Wildlife Habitat  
Enhancement Trust**  
2016 Performance Report

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## Waiau Fisheries And Wildlife Habitat Enhancement Trust Directory

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<b>Nature of Business</b>	As a charitable organisation. The objectives of the Trust are to enhance and develop fisheries and wildlife habitat in the Waiau River Catchment.
<b>Sources of Cash &amp; Resources</b>	The Trust's main source of revenue is derived from investment income.
<b>Trustees</b>	<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 Felerabend - Meridian Energy Ltd</li></ul>
<b>Secretary</b>	Southland Fish & Game Council <b>INVERCARGILL</b>
<b>Solicitors</b>	Preston Russell Solicitors <b>INVERCARGILL</b>
<b>Investment Advisors</b>	Craigs Investment Partners <b>INVERCARGILL</b>  First NZ Capital <b>CHRISTCHURCH</b>  Milford Asset Management <b>AUCKLAND</b>  NZ Asset Managers <b>AUCKLAND</b>
<b>Auditor</b>	Crowe Horwath Chartered Accountants <b>INVERCARGILL</b>
<b>Charities Commission</b>	Registration Number: CC20449



## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement Of Financial Performance For The Year Ended 31 March 2016

	2016 \$	2015 \$
<b>REVENUE</b>		
Rakatu Wetland - Grazing Lease	17,704	16,704
Rakatu Wetland - Donation Box	391	110
Stony Creek - Grazing Lease	1,600	-
Other Donations	-	100
Interest BNZ	422	399
Interest and Dividends	306,281	360,797
Whitebait Habitat - Sale of Balage	23,045	30,715
Rebates - Fertiliser	107	109
	<hr/>	<hr/>
	349,550	408,934
<b>LESS EXPENDITURE</b>		
<b>Project Costs</b>		
<b>Home Creek Riparian Habitat</b>		
Admin and Planning	342	937
Ongoing Maintenance	2,059	2,322
	<hr/>	<hr/>
	2,401	3,259
<b>Lower Waiau Whitebait Habitat</b>		
Admin and Planning	39,825	34,024
Capital Expenses	3,616	127,556
Siphon and Pipe Work Impairment	38,473	-
Ongoing Maintenance	11,679	10,895
	<hr/>	<hr/>
	93,593	172,475
<b>Stony Creek / Whitestone Habitat</b>		
Admin and Planning	369	897
	<hr/>	<hr/>
<b>Rakatu Wetland</b>		
Admin and Planning	15,236	16,327
Capital Expenses	5,860	2,000
Monitoring	150	-
Ongoing Maintenance	7,262	6,991
	<hr/>	<hr/>
	28,508	25,318
<b>Ramparts Road Wetland</b>		
Admin and Planning	438	1,671
Ongoing Maintenance	1,412	1,352
	<hr/>	<hr/>
	1,850	3,023

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 2016

	2016 \$	2015 \$
<b>Habitat Enhancement Agreements</b>		
Admin and Planning	9,513	4,857
Capital Expenses	49,302	32,639
Ongoing Maintenance	2,248	1,422
	<u>61,063</u>	<u>38,918</u>
<b>Dean Burn Kowhai QE11</b>		
Admin and Planning	-	174
Ongoing Maintenance	-	1,611
	<u>-</u>	<u>1,785</u>
<b>Whare Creek Access</b>		
Ongoing Maintenance	954	778
	<u>954</u>	<u>778</u>
<b>Princhester Creek Access</b>		
Admin and Planning	341	308
	<u>341</u>	<u>308</u>
<b>Redcliff / Jericho Access</b>		
Admin and Planning	722	-
Ongoing Maintenance	1,913	720
	<u>2,635</u>	<u>720</u>
<b>Mararoa Whitestone Access</b>		
Admin and Planning	341	455
Land Value Impairment	6,490	-
	<u>6,831</u>	<u>455</u>
<b>Sunny Side/Monowai Access</b>		
Ongoing Maintenance	542	307
	<u>542</u>	<u>307</u>
<b>Johnson Access</b>		
Admin and Planning	-	130
	<u>-</u>	<u>130</u>
<b>Education and Public Awareness</b>		
Admin and Planning	3,061	2,483
Website	216	216
	<u>3,277</u>	<u>2,699</u>
<b>Databases</b>		
Admin and Planning	4,764	3,325
	<u>4,764</u>	<u>3,325</u>
<b>Project Investigation and Facilitation</b>		
Admin and Planning	11,243	9,886
	<u>11,243</u>	<u>9,886</u>
<b>General Field</b>	17,194	15,618

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 2016

	Note	2016 \$	2015 \$
<b>General Planning</b>			
Planner Consultancy Service		13,527	14,122
Planner Travel		616	858
		<u>14,143</u>	<u>14,980</u>
<b>TOTAL PROJECT COSTS</b>		<b>249,708</b>	<b>294,881</b>
<b><u>Administration Expenses</u></b>			
Audit Fees		3,373	3,323
Accounting Fees		4,104	4,330
Administration		3,047	2,798
Annual Report		6,270	7,007
Bank Charges		-	28
Depreciation		2,510	2,394
Insurance		3,318	4,130
Printing, Stamps & Stationery		1,542	-
Repairs and Maintenance		52	114
Telephone & Tolls		450	444
		<u>24,666</u>	<u>24,568</u>
<b>Trust Board Expenses</b>			
Trust Travel and Accommodation		4,450	4,450
Trust Board Meeting Expenses		1,266	1,171
Trust Field Trips		2,730	-
		<u>8,446</u>	<u>5,621</u>
<b>Financial Planning</b>			
Investment Management Fees	5	42,139	58,500
Brokerage	5	9,830	9,856
		<u>51,969</u>	<u>68,356</u>
<b>Total Administration Expenses</b>		<b>85,081</b>	<b>98,545</b>
<b>Total Expenditure</b>		<b>334,789</b>	<b>393,426</b>
<b>TRADING SURPLUS/(DEFICIT)</b>		<b>14,761</b>	<b>15,508</b>
Revaluation of Investments	4	281,019	581,187
<b>OPERATING SURPLUS</b>		<b>295,780</b>	<b>596,695</b>

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





## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Statement of Movements in Accumulated Funds For The Year Ended 31 March 2016

	2016 \$	2015 \$
Accumulated Funds at the Beginning of the Year	7,382,346	6,785,651
Net Surplus/(Deficit) For The Year	295,780	596,695
Accumulated Funds at the End of the Year	<u>7,678,126</u>	<u>7,382,346</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 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	3	315,944	394,265
Craigs Investment Partners Investment	4	-	185,000
Goods & Services Tax		9,919	12,328
<b>Total Current Assets</b>		<b>325,863</b>	<b>591,593</b>
<b>Non-Current Assets</b>			
Fixed Assets as per Schedule	6	473,725	482,725
Investments	4	6,880,463	6,309,660
<b>Total Non-Current Assets</b>		<b>7,354,188</b>	<b>6,792,385</b>
<b>TOTAL ASSETS</b>		<b>7,680,051</b>	<b>7,383,978</b>
<b>Current Liabilities</b>			
Accounts Payable		1,925	1,632
<b>Total Current Liabilities</b>		<b>1,925</b>	<b>1,632</b>
<b>TOTAL LIABILITIES</b>		<b>1,925</b>	<b>1,632</b>
<b>NET ASSETS - Per Trustees' Accumulated Funds</b>		<b>7,678,126</b>	<b>7,382,346</b>

Signed:

Trustee

Dated 23 June 2016

Trustee

Dated 23 June 2016

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 2016

	2016 \$	2015 \$
<b>Cash Flow from Operating Activities</b>		
<b>Cash was received from:</b>		
Receipts from providing goods or services	42,456	47,528
Interest & Dividends	306,703	361,196
Donations	391	210
<b>Cash was applied to:</b>		
Payments to Suppliers and Employees	(325,496)	(393,984)
GST (Paid)/ Refunded	2,410	(9,256)
<b>Net Cash Flow from Operating Activities</b>	<b>26,464</b>	<b>5,694</b>
<b>Cash flow from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Proceeds from the Sale of Financial Assets	204,000	324,000
<b>Cash was applied to:</b>		
Purchase of Property, Plant and Equipment	-	(1,164)
Purchase of Financial Assets	(308,785)	(445,473)
<b>Net Cash Flow from Investing and Financing Activities</b>	<b>(104,785)</b>	<b>(122,637)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(78,321)</b>	<b>(116,943)</b>
Cash and Cash Equivalents, Beginning of Year	394,265	511,208
<b>Cash and Cash Equivalents, End of Year</b>	<b>315,944</b>	<b>394,265</b>
<b>Represented By:</b>		
Bank of New Zealand	110,726	131,472
Craigs Investment Partners Cash Account	82,757	66,017
NZ Asset Management Cash Account	19,452	26,185
First NZ Capital Cash Account	34,073	48,472
Milford Fund Cash Account	68,936	122,119
	<b>315,944</b>	<b>394,265</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

## 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*

Revenue is recorded when the cash is received.

#### *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**

	2016	2015
	\$	\$
Bank of New Zealand Ltd	110,726	131,472
Craigs Investment Partners Cash Account	82,757	66,017
NZ Asset Management Cash Account	19,452	26,185
First NZ Capital Cash Account	34,073	48,472
Milford Fund Cash Account	68,936	122,119
	<u>315,944</u>	<u>394,265</u>





## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

4	Investments - fair value through surplus or deficit	2016	2015
		\$	\$
	<b>Craigs Investment Partners</b>		
	Diversified Investment Portfolio	3,235,851	2,857,976
	Diversified Investment Portfolio cash and on call	82,757	66,017
	<b>Total Investments</b>	<b>3,318,608</b>	<b>2,923,993</b>
	<b>Net Investment Return after Withdrawals, Fees &amp; Brokerage</b>	<b>8.63%</b>	<b>13.30%</b>
		2016	2015
		\$	\$
	<b>First NZ Capital</b>		
	Diversified Investment Portfolio	764,276	732,650
	Diversified Investment Portfolio cash and on call	34,073	48,472
	<b>Total Investments</b>	<b>798,349</b>	<b>781,122</b>
	<b>Net Investment Return after Withdrawals, Fees &amp; Brokerage</b>	<b>8.60%</b>	<b>16.36%</b>
		2016	2015
		\$	\$
	<b>Milford Income Fund</b>		
	Diversified Investment Portfolio	2,341,425	2,182,017
	Diversified Investment Portfolio cash and on call	68,936	122,119
	<b>Total Investments</b>	<b>2,410,361</b>	<b>2,304,136</b>
	<b>Net Investment Return after Withdrawals &amp; Fees</b>	<b>9.16%</b>	<b>17.11%</b>
		2016	2015
		\$	\$
	<b>N Z Assets Management</b>		
	Diversified Investment Portfolio	538,911	537,017
	Diversified Investment Portfolio cash and on call	19,452	26,185
	<b>Total Investments</b>	<b>558,363</b>	<b>563,202</b>
	<b>Net Investment Return after Withdrawals &amp; Fees</b>	<b>-0.68%</b>	<b>9.88%</b>
	<b>Total Portfolio Investments and cash on call</b>	<b>7,085,682</b>	<b>6,572,453</b>
	<b>Net Investment Return after Withdrawals, Fees &amp; Brokerage</b>	<b>8.15%</b>	<b>14.07%</b>





**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**

	2016		2015	
	Realised \$	Unrealised \$	Realised \$	Unrealised \$
Craigs Investment Partners	1,101	138,352	43,291	156,108
NZ Assets Management	(26,470)	29,733	(309)	58,400
Milford Asset Management	-	103,138	-	242,222
First NZ Capital	(3,970)	39,135	29,237	52,238
	<u>(29,339)</u>	<u>310,358</u>	<u>72,219</u>	<u>508,968</u>
<b>Total</b>	<b><u>281,019</u></b>		<b><u>581,187</u></b>	

**5 Investment Management Fees and Brokerage**

	2016 \$	2015 \$
Craigs Investment Partners Fees	17,730	13,033
Craigs Investment Partners Brokerage	7,644	9,856
First NZ Capital	7,504	1,401
First NZ Capital Brokerage	2,185	-
Milford Asset Management	9,373	36,168
NZ Asset Management	7,533	7,898
<b>Total Management Fees</b>	<b><u>51,969</u></b>	<b><u>68,356</u></b>





## Waiau Fisheries And Wildlife Habitat Enhancement Trust

Notes To The Performance Report

6	Fixed Assets	Cost	Opening Book Value	Depn	Closing Book Value
	<b>2016</b>				
	Plant	22,119	6,461	814	5,647
	Land	403,369	403,369	-	403,369
	Office Equipment	9,761	1,059	419	640
	Buildings	43,340	32,661	985	31,676
	Forestry Blocks	28,048	28,048	-	28,048
	Land Development	9,230	4,637	292	4,345
		<u>515,687</u>	<u>476,235</u>	<u>2,510</u>	<u>473,725</u>
	<b>2015</b>				
	Plant	22,119	7,409	948	6,461
	Land	409,859	409,859	-	409,859
	Office Equipment	9,761	12	115	1,059
	Buildings	43,340	33,677	1,016	32,661
	Forestry Blocks	28,048	28,048	-	28,048
	Land Development	9,230	4,949	312	4,637
		<u>522,357</u>	<u>483,954</u>	<u>2,391</u>	<u>482,725</u>

Fixed Assets are recorded at cost.

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

### Heritage Assets

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

#### Home Creek (Purchase cost \$1,868)

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

#### Rakatu Wetlands (Purchase cost \$329,478)

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

**Waiau Fisheries And Wildlife Habitat  
Enhancement Trust**  
Notes To The Performance Report

**Heritage Assets (continued)**

**Public Access Ways**

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

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

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

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

**Ramparts Road** (Purchase cost \$30,805)

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

**7 Financial Commitments**

	2016	2015
	\$	\$
<b>Operating Lease Commitments</b>		
Current	2,000	2,000
Non Current	1,000	3,000

**Capital Commitments**

There are no capital commitments as at 31 March 2016 (2015: Nil).

**8 Contingencies**

There are no contingent liabilities and no contingent assets as at 31 March 2016 (2015: Nil).

**9 Related Parties**

Fred Inder is a councillor of Southland Fish & Game Council and Trustee of the Trust. During the year the Trust paid Southland Fish & Game \$3,000 for secretarial services.

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

## 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 due to the insignificant value. As a registered charity, any income from the receipt or sale of these units is not taxable.

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

#### Post 1989 Forest

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

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

Post 1989 Units held total 1,188 and have a value of \$2,400 at 31 March 2016 (2015: \$2,400).

The trustees have not applied for any units during 2016 and have deferred the application of units until the mandatory return due in 2018. Units will be accumulated until then a claim made for the period 2014 - 2018.





**Waiau Fisheries And Wildlife Habitat  
Enhancement Trust**  
Notes To The Performance Report

**11 Reconciliation of Net Surplus to Cash Flow From Operating Activities**

	2016 \$	2015 \$
<b>Net Surplus/(Deficit)</b>	<b>295,780</b>	<b>596,695</b>
<b>Add Non-Cash Items</b>		
Depreciation	2,510	2,394
Land Impairment Whitestone access	6,490	-
<b>Total Non Cash Items</b>	<b>9,000</b>	<b>2,394</b>
<b>Add/(Less) Working Capital Movements</b>		
(Decrease)/Increase in Accounts Payable	293	(2,952)
(Increase)/Decrease in GST	2,410	(9,256)
	<b>2,703</b>	<b>(12,208)</b>
<b>Add/(Less) Investment Movements</b>		
Investment Revaluation	(281,019)	(581,187)
	<b>(281,019)</b>	<b>(581,187)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>26,464</b>	<b>5,694</b>



**Waiau Fisheries and Wildlife Habitat Enhancement Trust**  
**Statement of Service Performance**  
**For Year Ending 31 March 2016**

<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 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.		
<b>Description and Quantification of Entity's Outputs</b>	<b>Actual \$ This Year</b>	<b>Budget \$ This year</b>
<b>Home Creek Project</b>		
C: Ongoing native restoration plantings	577	900
M: Annual pest plant spray	1481	1400
<b>Whitebait Project</b>		
C: Siphon installation	38,744	0
M: Pest plant spray, pump, wetlands	2258	8500
<b>Rakatu Wetlands</b>		
C: Cattle stop, Manuka plantings	5682	6000
M: Pest plant spray, road upgrade, dam repairs	6135	7200
<b>HEA Projects:</b>		
C: Joint projects (budgeted 5, completed 3)	19,550	33,430
C: HEA projects (budgeted 7, completed 9)	29,751	24,933
<b>Access Projects:</b>		
M: Spraying, grading, fence repairs, 9 sites	2455	3200
<b>Ramparts Wetland:</b>	1412	700
M: Track and pest plant spray		
<b>Project Investigation and advice:</b>		
A: 17 potential new projects	11,242	10,000
<b>Additional Output Measures:</b> <b>Total number of habitat projects completed (1997-2016): 168, protecting 2553 ha of habitat.</b> Over time, the cumulative number of habitat enhancement projects completed (and area protected) contributes to the ecosystem health of the Waiau catchment.  <b>Total number of Access projects completed (1997-2016): 12 created and open to the public. 4 habitat project sites have walking access and other facilities.</b> 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.		

A = Administration, C = Capital, M = Maintenance

## INDEPENDENT AUDITOR'S REPORT

To the Trustees of Waiau Fisheries and Wildlife Enhancement Trust

### Report on the Performance Report

We have audited the accompanying performance report of Waiau Fisheries and Wildlife Enhancement Trust on pages 2 to 16, which comprises the entity information, the statement of financial performance and statement of cash flows for the year ended 31 March 2016, the statement of financial position as at 31 March 2016, and the statement of significant accounting policies and other explanatory information.

#### *The Responsibility of the Trustees*

The Trustees are responsible on behalf of the entity for:

- (a) the preparation and fair presentation of the performance report which comprises:
- 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

- (b) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the performance report based on our audit. 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 the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, are relevant, reliable, comparable and understandable. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the performance report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the performance report.

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

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



*Opinion*

In our opinion:

the performance report on pages 2 to 16 presents fairly, in all material respects;

- the financial position of Waiau Fisheries and Wildlife Enhancement Trust as at 31 March 2016 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).



Crowe Horwath New Zealand Audit Partnership  
CHARTERED ACCOUNTANTS  
23 June 2016