

Annual Report

For the Year Ended 31st March 2019



*Waiau
Fisheries & Wildlife*

HABITAT ENHANCEMENT TRUST



Trustees field trip – Waiau Mouth Whitebait project lookout, February 2019.

L to R: Phil Melgren (DOC), Matthew Rose (Fund Manager, First New Zealand Capital), Andrew Feierabend (Trustee), Cam McCulloch (Trust Chairman), John Whitehead (Trustee), Graeme Watson (Trustee), Mike O'Brien (Trustee), Glenys Dickson (Trustee), Peter Sutton (Trustee).

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Front Cover:

Speargrass (*aciphylla colesoi*) – a feature of the Mount Hamilton Covenant.

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

The People - Trustees and Trust Services:

The Trustees are:

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

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

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

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

Mr G Watson - Retired farmer and Fishing Guide of Queenstown, nominee of Fish and Game New Zealand, Southland Region

Mr P Sutton – Retired of Invercargill, nominee of the Fish and Game New Zealand, Southland Region.

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

Fred Inder, nominee of Fish and Game New Zealand, Southland resigned in May, due to ill health. Fred Inder served as a Trustee from May 1999 until May 2018. Fred made a very valuable contribution to the governance of the Trust, over a 19 year period. His knowledge of the Waiau catchment's hydrology, fisheries, wildlife and habitats and his practical approach to issues was very helpful to the Trust. He was replaced by Graeme Watson in June 2018.

Trust Services:

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

Contacts:

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Executive Summary:

The twenty-second 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 **\$454,157**. Total revenue for the year was **\$342,647**, and when the revaluation of the portfolio is included, the operating surplus was **\$328,860**.

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 return on the investment portfolio was **9.2%**. Investment returns are estimated based on Investment Income received (including both realised and unrealised gains less fees and brokerage) divided by the opening portfolio balance less withdrawals for the year.

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

- The granting of Resource Consent for the Whitebait habitat project, Papatotara, the building of the 2 new wetlands and completion of the fencing.
- 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.
- Completion of Year 2 of a PhD Study on Southland coastal fisheries which includes the whitebait habitat fisheries monitoring.
- Completion of 8 HEA projects protecting 7.2 km (29.3 ha) of streams, wetlands and their riparian margins, involving 5.1 km of fencing
- Completion of 6 joint Waiau Trust/QEII Trust projects protecting 353.6 ha of wetlands, streams and bush habitat
- Investigation of 7 potential new wetland and stream riparian protection projects.
- Maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Maintaining the predator trap network at the Whitebait project.
- The ongoing relationships between the Waiau Trust and the QEII National Trust, Landcorp Farming Ltd and Meridian Energy Ltd.
- The ongoing implementation of macroinvertebrate/electric fishing long-term monitoring programme in Te Anau basin sub-catchments in conjunction with Environment Southland.

The following maps show the location of all the Trust's habitat enhancement and access projects, as at March 2019.

1. Introduction:

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

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

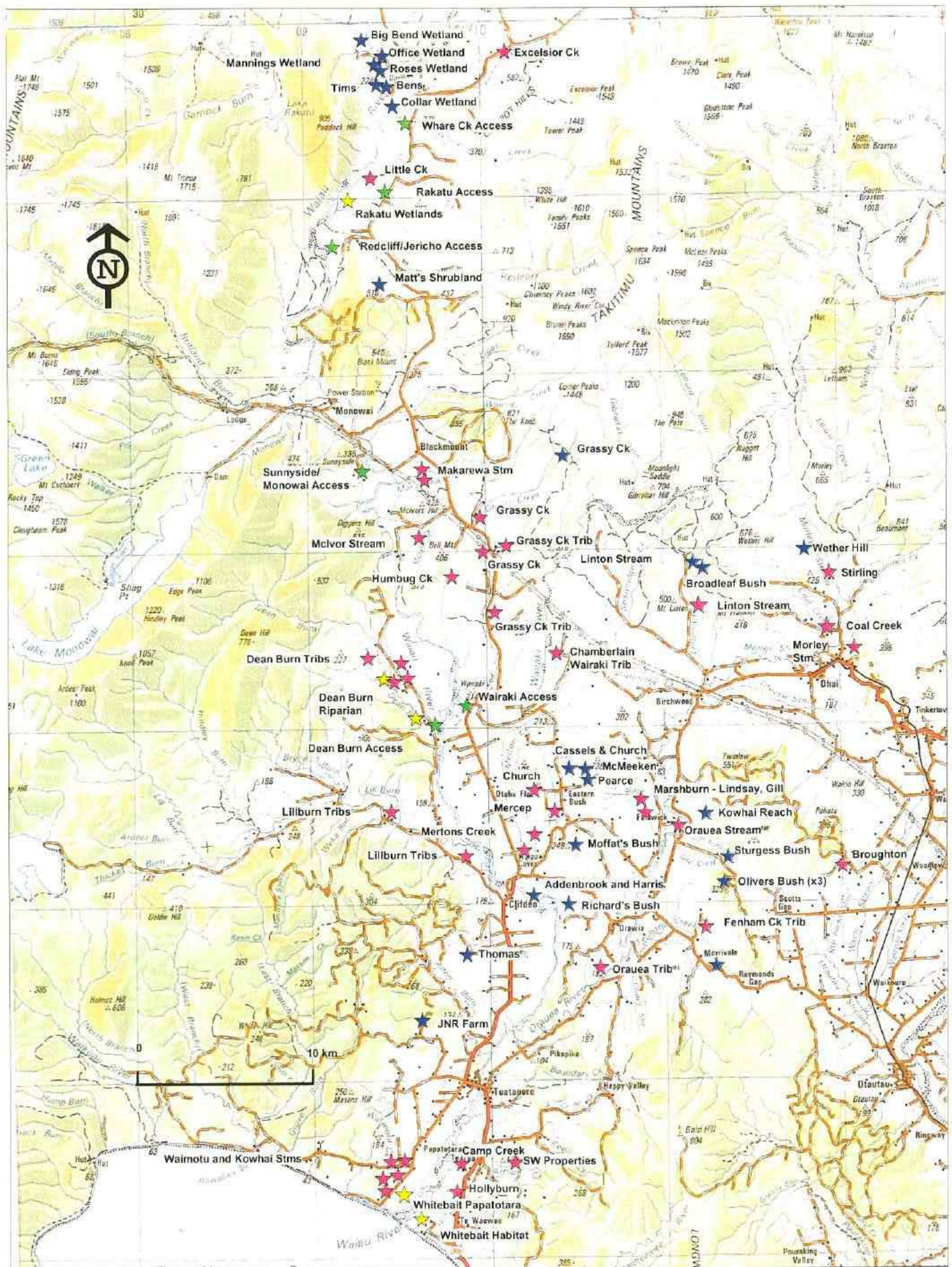
The Statement of Service Performance documents Inputs, Targets and Outputs in relation to established projects and new projects that arose during the year. The Output categories are derived from the Trust Deed Objects. It includes the mandatory Statement of Financial Performance.



Waiau Trust Projects: Te Anau Basin, as at March 2019

★ Habitat Projects
★ Access Projects

Habitat Enhancement Agreements
Joint Waiau Trust/QEII Trust Projects



**Waiau Trust Projects,
below the Mararoa
Weir, at March 2019**

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

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

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

1.1 Background:

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

1.2 The Trust Objects:

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

The Trust Objects State:

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

- i. To identify and evaluate areas of the Waiau catchment worthy of protection, restoration, improvement, creation or procurement (primarily as fisheries and wildlife habitat) and to create habitat within the Waiau catchment.
- ii. In order to carry out the first purpose to negotiate, where appropriate the protection, restoration, improvement, creation or procurement of fisheries and wildlife habitat with landowners and to ensure the best possible public access to fisheries and wildlife resources.
- iii. To provide and maintain two access tracks for anglers' access in the vicinity of Whare Creek and Redcliff Creek confluences such that advantage can be taken of the fishery.
- iv. In accordance with the first and second purposes, to provide for the creation of additional areas of whitebait habitat on land owned by ECNZ¹ or held by the Minister of Conservation adjacent to the Waiau Lagoon as defined by studies carried out for the Waiau Working Party, as necessary.
- v. To provide for the rearrangement and ongoing maintenance of the rock weir immediately below the Duncraigen Bridge identified in studies carried out by ECNZ

¹ ECNZ is now Meridian Energy Ltd.

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.”

During the year the Trust finalised a review of the Trust Deed. The purpose of the review was twofold. Firstly the review updated the Deed to reflect the Charities Act 2005 (and Amendments). Secondly the Objects and Purpose of the Deed were revised to better reflect the work of the Trust 22 years after inception. The revised objects and purposes DO NOT replace the original Deed Objectives and Purpose. The Supplementary Variation of Deed was approved by the Companies Office in March 2019. Charities Services approval is also required and this was not received until May 2019. As a consequence the Annual Report for the year ending 2020 will incorporate the changes in the Supplementary Variation of Deed.

1.3 The Strategic Plan.

The Strategic Plan, was developed in 1997 and reviewed in 2005. It provides the operational, ecological, investment and financial framework for the Trust. It is derived from the Trust Deed Objects and helps define Trust Outcomes. A review of this Strategic Plan is now underway, given the Supplementary Variation of Deed has been through the approval process.

2. Summary of Income and Expenditure:

Detailed financial statements for 2018/19 are presented in Section 5 of this report.

2.1 Investment of the Trust Fund:

The Trust completed a review of the Investment Strategy in 2013. The fundamental principles are to create cash flow for the Trust in the short-term, and growth of the Fund, in the long-term. The Investment Strategy has clear objectives and operational parameters around both the fixed income and equity assets investments. A new Statement of Investment Policy and Objectives (SIPO) was adopted in June 2014. A review occurred in 2016, and amendments to the SIPO approved in 2017. Further review work of the Fund and SIPO occurred in 2018.

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

2.2 Investment Results.

Investment of the Trust Fund has produced good returns this year. The return from all 3 Fund Managers averaged 9.2% producing \$297,471 of investment income. Total revenue for the year was \$342,647.

2.3 Summary of Project Expenditure.

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

For the year 2018/19 the Trust budgeted to spend **\$476,110**. Adjustments were made to project targets during the year and priorities changed as the year progressed. Actual expenditure for the year was **\$454,157**.

The first table shows Trust expenditure since inception now totals **\$6,776,302**. This compares to total revenue for the same period of **\$9,744,312**.

3. Statement of Service Performance

A) Project Expenditure and Achievements (Inputs and Outputs)

In May 2018, the Trust considered and adopted the Annual Plan and Budget for the year ending 31 March 2019. 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, and revisions occur during the year, reflecting changing priorities.

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

3.1 Output A – Habitat Enhancement Projects:

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

A3 Home Creek Riparian Habitat.

Expenditure: Budgeted - \$6200 Actual - \$7963

Key Output Measures this year:

Maintenance:

Ongoing native plantings, annual pest plant spray, re-routing of a section of the walking track and Douglas Fir control along a section of the boundary fence.

Achievements and Progress:

This 14 ha project is located 1km east of Manapouri and is accessible via a sign-posted public road from the Manapouri-Hillside Road. The permanent protection, through fencing (1997) and removal of grazing animals, continues to benefit this unique meandering stream and its riparian habitat. Annual native restoration planting at the site has been underway for about 19 years. Further native plantings (flaxes) were organised and carried out by Edith Jones in the autumn, with help from Forest and Bird, Southland Branch. Over 20,000 plants have been planted since 1998. Many lessons have been learnt about restoration planting at this site, i.e. what works and what doesn't. It is a difficult site for plant establishment. Summer droughts and late spring frosts can impact new plantings. The use of combi-guards enhances plant establishment – they help retain moisture and improve the ability to release spray around the plants.

WAI'AU TRUST TOTAL EXPENDITURE SINCE INCEPTION 31/03/1997-31/03/2019

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL
Habitat Projects:																								
Monowai Wetland	\$1,820			\$0																				\$1,820
Waiau Wetland	\$6,432			\$0																				\$6,432
Home Creek Riparian Habitat	\$7,901	\$9,261	\$30,955	\$6,192	\$3,362	\$975	\$975	\$1,504	\$2,317	\$1,440	\$5,958	\$33,997	\$2,117	\$1,925	\$1,968	\$3,036	\$2,954	\$2,226	\$3,259	\$2,401	\$2,170	\$2,157	\$7,963	\$136,038
Waiau Mouth Whitebait Habitat	\$608	\$2,557	\$11,357	\$4,681	\$1,854	\$10,381	\$10,381	\$8,469	\$12,660		\$7,363	\$17,769	\$337,641	\$683,836	\$71,163	\$683,664	\$70,428	\$86,156	\$12,476	\$93,593	\$58,201	\$48,997	\$32,180	\$875,607
Whitetail Habitat Panoporia																								\$10,702
Stony Creek / Whistotone Habitat	\$2,247	\$388	\$1,432	\$12,194	\$27,756	\$1,232	\$1,232	\$261	\$589	\$242	\$4,796	\$8,930	\$627	\$1,100	\$800	\$677	\$1,100	\$303	\$697	\$369	\$381		\$845	\$86,480
Gen Echo Riparian Habitat	\$280	\$2,630	\$1,256		\$30	\$56						\$805	\$23,000	\$11,907										\$36,878
Deer Run Kowhai Riparian Habitat	\$421	\$1,411	\$7,023	\$1,102	\$30	\$56						\$808	\$8,696	\$267										\$21,305
Lower Deer Run Riparian Habitat	\$180	\$372	\$750	\$9,084	\$39							\$30												\$10,505
Playa Creek Riparian Habitat	\$810	\$338	\$8,600	\$230	\$39	\$115	\$80					\$745			\$10,958	\$357	\$1,047	\$895						\$24,056
Rakau Wetland	\$4,564	\$2,532	\$438,986	\$112,821	\$77,607	\$113,181	\$137,540	\$184,985	\$465,970			\$24,017	\$25,533	\$21,260	\$31,137	\$30,659	\$20,908	\$22,455	\$26,318	\$28,508	\$22,466	\$24,076	\$23,079	\$1,376,469
Monowai Riparian Lands	\$1,799																							\$1,799
Mid-Whitstone Riparian Habitat	\$520																							\$520
Upukoro Wetland	\$2,472	\$52,677	\$4,002	\$2,431	\$17,206	\$5,004	\$1,747																	\$56,430
Ramparts Road Wetland	\$9,123	\$51,485	\$1,726	\$4,137	\$306	\$2,617	\$362	\$1,101	\$702	\$2,728	\$3,367	\$1,197	\$3,490	\$3,023	\$1,950	\$2,277	\$1,258	\$1,258	\$1,950	\$2,277	\$1,258	\$1,258	\$1,258	\$11,993
Habitat Enhancement Agreements	\$9,663	\$2,007	\$3,780	\$27,020	\$27,173	\$69,911	\$31,278	\$30,954	\$39,348	\$59,938	\$98,874	\$56,577	\$130,145	\$12,586	\$38,918	\$81,083	\$84,057	\$112,343	\$38,918	\$81,083	\$84,057	\$112,343	\$107,048	\$1,252,500
Newlands Wetland Complex																								\$31,357
Kepler Tiro Wetland																								\$1,765
Access Projects:																								\$0
Where Creek Access	\$17,027	\$871	\$2,002	\$47	\$180	\$508	\$80	\$636	\$219	\$742	\$100	\$583	\$1,015	\$859	\$617	\$463	\$560	\$778	\$954	\$1,346	\$541	\$1,462	\$1,462	\$31,900
Mount Plover Deer Run Access	\$420	\$11,942	\$954	\$51	\$261	\$196	\$49	\$258	\$278	\$109	\$139	\$3,817	\$2,866	\$3,866	\$4,854	\$277	\$407	\$337	\$308	\$341	\$352	\$352	\$352	\$14,864
Pinchard Creek Access	\$280	\$4,086	\$7,846	\$6,733	\$1,798	\$1,804	\$1,798	\$1,453	\$1,172	\$304	\$1,139	\$3,817	\$2,866	\$3,866	\$4,854	\$277	\$407	\$337	\$308	\$341	\$352	\$352	\$352	\$14,864
Wairaki Access	\$180	\$2,940	\$2,11	\$2,11	\$2,11	\$2,223	\$161	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$24,547
Redcliff/Jericho Access	\$850	\$513	\$11,475	\$35,548	\$178	\$367	\$367	\$367	\$367	\$168	\$1294	\$18,875	\$11,300	\$2,082	\$1,323	\$2,010	\$1,252	\$804	\$720	\$2,635	\$775	\$1,067	\$939	\$95,594
Olau Flat Access	\$120																							\$120
Johnston Upukoro Access																								\$120
Super Access Whitstone																								\$120
Marine/Whitstone access																								\$120
Sunnyvale/ Monowai access																								\$120
Lake/ Coastal Fisheries Research	\$4,413	\$49,222	\$22,263	\$18,539	\$2,003																			\$120
Education and Public Awareness																								\$120
Databases & Photo Library	\$140	\$2,097	\$1,771	\$360	\$933	\$458	\$458	\$4,240	\$1,887	\$2,365	\$4,491	\$15,007	\$1,881	\$4,310	\$7,511	\$16,904	\$11,022	\$5,612	\$2,699	\$3,277	\$5,142	\$1,368	\$1,213	\$33,768
Dunedin Weir																								\$120
BB Gulf Tern Study																								\$120
Project Investigation & Facilitation																								\$120
General Planning	\$12,704	\$13,031	\$8,717	\$7,045	\$7,045	\$3,977	\$2,362	\$3,021	\$4,857	\$7,410	\$15,357	\$15,126	\$13,553	\$14,282	\$11,035	\$8,264	\$8,627	\$9,886	\$11,243	\$15,085	\$10,708	\$11,750	\$190,177	
General Field																								\$120
Accounting & Audit Fees	\$3,049	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664
Administration & Annual Report	\$2,464	\$15,454	\$11,643	\$15,950	\$12,799	\$11,106	\$10,203	\$13,418	\$7,009	\$9,510	\$1,934	\$3,168	\$11,922	\$10,547	\$14,269	\$12,065	\$13,116	\$13,463	\$12,785	\$13,871	\$14,132	\$13,781	\$13,541	\$274,018
Insurance																								\$120
Legal Expenses	\$772			\$1,036	\$363	\$2,873	\$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	\$3,332	\$3,328	\$3,848	\$89,364
Tax options																								\$120
Trust Board Exps	\$2,338	\$7,525	\$8,671	\$10,808	\$8,791	\$7,785	\$5,476	\$8,673	\$5,878	\$6,147	\$7,813	\$8,653	\$9,201	\$6,521	\$4,719	\$5,604	\$9,725	\$4,659	\$5,621	\$8,446	\$5,564	\$5,423	\$5,640	\$156,663
Financial Planning	\$13,235	\$5,310	\$7,044	\$7,964	\$7,964	\$7,788	\$7,260	\$15,641	\$24,518	\$25,615	\$28,473	\$29,274	\$26,589	\$26,380	\$27,257	\$28,441	\$45,050	\$100,708	\$56,356	\$31,959	\$59,169	\$56,753	\$62,982	\$736,037
Road Counter																								\$120
Office Equipment (Computer & software)																								\$120
Investment Reviews																								\$120
Locking System																								\$120
Total expenditure	\$5,157	\$82,740	\$140,632	\$225,595	\$838,667	\$288,881	\$201,328	\$220,579	\$284,556	\$206,808	\$221,252	\$360,681	\$227,568	\$307,840	\$283,133	\$375,676	\$361,775	\$366,703	\$393,426	\$334,789	\$336,363	\$342,638	\$454,157	\$4,776,302
Less Revenue & Revaluations of investment	\$100,804	\$425,588	\$499,892	\$492,945	\$2,933	\$173,970	\$774,670	\$656,619	\$586,726	\$850,910	\$602,999	\$195,006	\$225,110	\$634,208	\$625,560	\$285,656	\$602,280	\$659,408	\$890,121	\$630,569	\$553,988	\$190,480	\$783,017	\$8,744,312
Difference	\$55,847	\$342,826	\$359,360	\$267,350	\$643,000	\$95,001	\$975,306	\$436,240	\$272,190	\$544,102	\$361,747	\$565,787	\$554,081	\$566,388	\$341,247	\$400,670	\$330,505	\$280,706	\$596,685	\$295,780	\$215,635	\$147,842	\$225,860	\$5,065,010

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



Home Creek Project: Walking track realignment and bank repair work was carried out in April 2018. This work resolved the health and safety issue resulting from flood damage to Home Creek banks in February 2018.



Whitebait Project, Waiau Mouth: New signage was installed at the lookout site on the high terrace overlooking the wetlands. The aerial view on the sign reflects the wetlands that can be seen and tells the story about the habitat restoration and benefits to fisheries and wildlife.

The 1.6km circular walking track around the lower part of the property, is popular with local people and visitors to the area; being an integral part of the Manapouri community “green belt”. The track is maintained to a high standard. Dry ground conditions followed by higher flows in Home Creek in autumn 2018 caused damage (bank slumping) to a small section of the track. This section of the track was re-routed away from the stream bank in April 2019. This was the first major work required on the track since it was built in 2003.

The annual pest plant spray programme (the main maintenance expenditure item) continues and includes spraying the emergent broom seedlings throughout the area and the walking track. The programmed removal of Douglas fir trees in the neighbouring property, which were impacting the boundary fence occurred in April. This work cost more than was budgeted.

Over the last 2-3 years more people have been using the area, than in earlier years. A track counter (people) was installed in November 2018 to enable quantification of visitor numbers and to inform future management decisions. Ensuring it is set properly and recording the number of people accurately has required additional work. Nesting spiders and mud bees have caused some problems with data reliability, namely under- recording. We now have the basis of a dataset of visitor usage at Home Creek, as set out in the following table.

Table 1: People using the Home Creek Track over the Summer of 2018/19.

Date	No. of days	No. of people	Average No. of people per day
23/11/2018 – 6/12/2018	14	74	5.3
7/12/2018-7 /1/2019	32	210	6.6
8/1/2019-28/1/2019	21	144	6.9
29/1/2019- 3/3/2019	34	82*	2.4 (data affected by mud bees)
4/3/2019-23/5/2019	81	420	5.2
Totals	182	930*	5.7 (excluding the 28/1/-3/3 2019 data)

* the numbers for 28/1-3/3 2019 are a minimum

A4 Lower Waiau Whitebait Habitat.

Expenditure: Budgeted - \$48,900, Actual - \$32,180

Key Outputs Measures This year:

Administration: Compliance reporting to Environment Southland

Capital: Signage at public lookout site

Maintenance: Pest plant spray, wetland infrastructure, diversion channel inflows, Re-grassing wetland riparian zones.

*Monitoring: Spring bird counts
Pest trap monitoring*

Achievements and Progress:

General:

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

The Trust vision for the project is to:

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

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

Wetland Progress:

The first large set of wetlands (10 ha), east of the Holly Burn and known as the “Whitehead Suite”, was constructed in March 2009. These were supplied with pumped water from the Holly Burn from October 2009 to March 2016. Wetland water levels fluctuated with the seasons and the volume of water pumped, but they provided valuable fish and bird habitat.

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

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

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

The siphon acts as a pulsed system. It is dependent on water levels in the Inder Wetland, which in turn are dependent on flows in the Waiau River. Since January 2016 a number of pulsed flows into the Whitehead Suite have occurred. The summer and autumn of 2016/17 saw extended periods of low flows ($<50\text{m}^3/\text{s}$) in the Waiau River, thus low inflows to the wetlands. Adjustments to the siphon intake level (lowered in September 2016) and the Inder wetland outlet channel sill (built up) occurred during that year to ensure all the pulsed inflows provide maximum benefit for the Whitehead wetlands.

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

interconnections between these refugia in the Inder wetland, making for more sustainable habitats.

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

Resource Consents:

a). Compliance:

The Trust holds Water Permits, to divert water into various wetlands. The two main consents relate to the McCulloch and Inder diversions and have conditions requiring annual reporting, to Environment Southland, of the volumes of water diverted. These requirements were met. Tables 2 & 3, from the Annual Compliance Report, summarise the annual and seasonal volumes the water diverted by the McCulloch diversion (operative from 15 April 2012) and by the Inder diversion (operative from 10 February 2015). The McCulloch and Inder pipes diverted 160 l/s and 419 l/s respectively, during 2018. Figure 1 and 2 graph the annual and seasonal diversion volumes for both diversion pipes since they became operative. A distinct seasonal pattern exists. The Inder pipe diverts more consistent volumes of water, across the seasons.

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

Year	Annual	Summer •	Autumn	Winter	Spring
2012	130.9*			86.7	197.2
2013	155	127.7	103.3	198.8	181
2014	152	129.5	124.8	198.1	154
2015	151	110.6	135.4	213.4	157.5
2016	169.6	88.7	154.9	160.7	150.3
2017	109.1	127.2	67.7	148.6	109.4
2018	160	65.1	166.8	138.9	180.3
Ave to date		108.13	125.48	163.6	161.39

• Includes December of the previous year

* Part year only 15 April to 31 December 2012

Average to date – based on complete years and seasons

Table 3: Inder Diversion – Volumes Diverted – litres/s.

Year	Annual	Summer^	Autumn	Winter	Spring
2015	*449	420*	429	467	468
2016	392.8	365.2	409.6	422.8	405.9
2017	362	376	316	414	368
2018	418.6	303.3	430	451	443.3
Ave to date	391	348	396.15	438.7	421.3

• 10 – 28th February only

* Part year only 10 February to 31 December 2015, ^ Includes December of the previous year.

Average to date – based on complete years and seasons.

The tables and graphs highlight the very low wetland inflows during summer 2018, which followed the similarly low spring 2017 inflows. These numbers reflect the very low Waiau River flows. This situation had a significant effect on the sustainability of the wetlands during

summer, with the wetlands being dry for several weeks , except for the deep runners which are refugia under such circumstances. Habitat was severely reduced.

Figure 1:

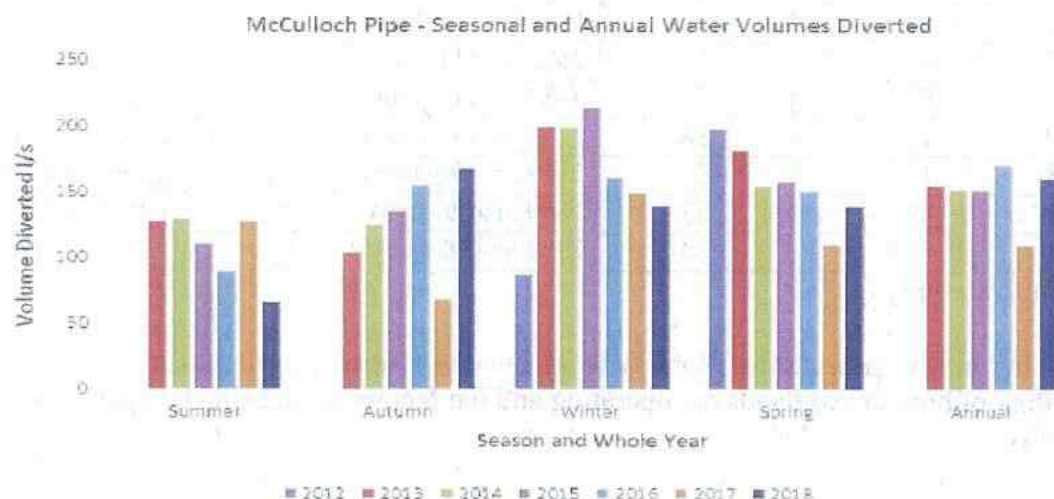
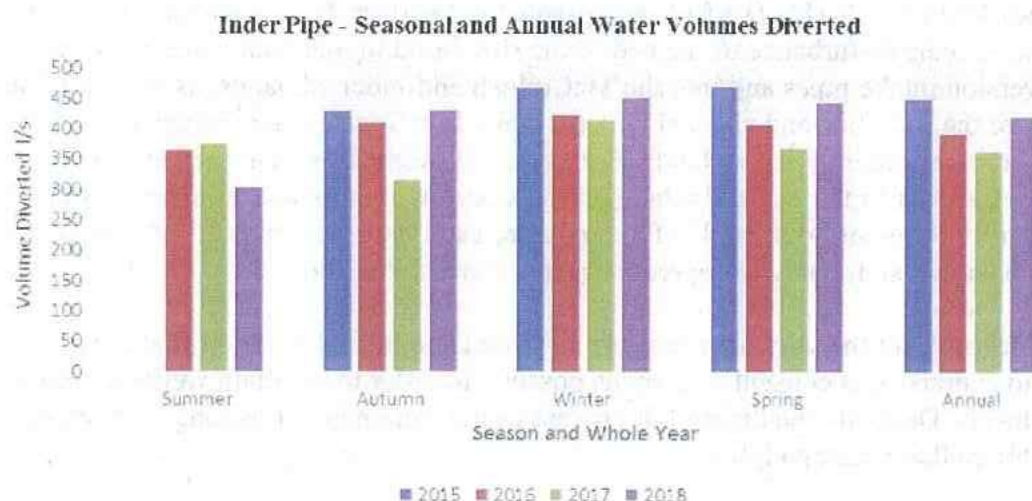


Figure 2:



The annual compliance report also includes a flood/fresh event analysis. The inflows into the wetlands occur as pulses, depending on river flows. Each fresh/flood event can have more than 1 peak or pulse. These pulses are very important to the sustainability of the wetlands and result in variable wetland water levels. Table 4 shows the annual number of flood events and pulses for each year for the McCulloch wetlands and for the Inder wetland.

As can be seen the number of flood events and pulses for each year varies considerably, as does the number of hours and days of pipe full flows. 2018 was a year having a more normal number of events and pulses even though January and February events were few. The number and duration (hours and days) of pipe full events resulted in sustainable wetland water levels from March to December.

Table 4: Flood Events and Pulses into Wetlands

Year	Number flood events	Number of pulses.	No. of McCulloch pipe full flow events	McCulloch hrs/days pipe was full	No. Inder pipe full flow events	Inder hrs/days pipe was full
2012	30	55	44 *	1904 hrs (79 days*)		
2013	40	61	25	2803 hrs (117 days)		
2014	39	87	27	3484 hrs (145 days)		
2015	60	119	38	2366 hrs (99 days)	41*	2822 hrs(118days*)
2016	58	125	33	2159 hrs (90 days)	35	2591 hrs(108 days)
2017	46	84	23	1650 hrs(69 days)	23	1927 hrs(80 days)
2018	62	117	34	2362 hrs(98.4 days)	38	2932 hrs (122days)

*Part year only.

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

b). Land Use Consent.

The Land Use Consent held by the Trust, to disturb the bed of the Waiau River side-braid, for wetland water supply enhancement was exercised on two occasions during the reporting year (August and December 2018). The Consent, granted in October 2015, enables the Trust to carry out small scale disturbance of the bed of the side-braid to maintain water flows down the two diversion intake pipes and into the McCulloch and Inder wetlands, as required. Large floods change the river bed and channel pattern, while low flows (<50m³/s) can cut off flows down side-braids supplying the wetlands. Both types of events this year necessitated the need to reconnect the river to the wetland intake pipes. Consent compliance requirements involve reporting to Environment Southland before and after each time the consent is exercised and providing an annual summary. These requirements were met in full.

The lesson learnt from the very dry spring of 2017 and summer of 17/18, is that it is important to exercise this consent as early as possible in order to maintain wetland inflows and water levels. Delaying the drying out process of the wetlands, for as long as possible, is important for wetland sustainability.

Maintenance:

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

In addition to the above work to ensuring flows into the diversion pipes, the Inder diversion channel was "cleaned" during the year. About 40cm of built up fine sediment was removed along the length of the channel. This had an immediate effect on the hydraulic capacity of the channel and thus inflows to the Inder wetland.

Deepening of the McCulloch wetland refuge areas (similar to the work completed on the Inder wetland last year) was budgeted for, but this work did not occur as wetland water levels remained at good levels as a result adequate diversion flows.

Ground spraying of gorse/broom occurred in February 2019 - along the wetland dams, around the shorelines of the wetlands, the Inder diversion channel banks and regrowth at previous spray sites. This is an annual programme.

Monitoring

a). Bird Surveys

Three bird counts were completed this year on the Inder wetland. The Inder wetland is the primary bird monitoring site for this habitat enhancement project as, visibility is good.

The 3 counts were completed at different wetland water levels- full (at design capacity), mid range and low water levels, over 12 days as river flows and wetland water levels dropped.

Table 5: Results of Bird Counts (Inder Wetland)

Date	Wetland water level	Water Associated species	International migrants	Other species
7/12/2018	Full	NZ Scaup- 12 + 2 broods(2c3,5c4) Canada Goose -9 Mallard Duck – 12 + 2 broods (3c5, 5c5) NZ Shovler Duck -9 Paradise Duck -38 + 1 brood (5c3) Pukeko – 2 + 1 brood (3c5) Black Shag -2, Pied Stilt – 5 Black-fronted Tern- 14 White-faced Heron- 1 SIs Pied Oyster catcher -2 Spur-winger Plover-22 Little Shag -1		Harrier Hawk -3
13/12/2018	Mid-range	NZ Scaup -6 Mallard Duck -2 + 2 broods (5c5, 4c5) Grey Teal – 6 Shovler Duck -7 + 2 broods (6c4, 6c5) Paradise Duck-42 + 1 brood (5c4) Pukeko -6 Pied Stilt – 44 Black-billed Gull – 134 Spur-winged Plover -8 Black Shag -1 Little Shag -2 Black-fronter Tern – 7 Sis Pied Oystercatcher -4, White-faced Heron -2		
19/12 2018	Low-range	NZ Scaup – 1brood(3c5) Mallard Duck – 8 + 2 broods(5c4, 8c5) Shovler Duck -2 Grey teal -23 Pukeko -3 Black Shag -3 Black-billed Gull – 23 Black-fronted Tern -4 Pied Stilt – 49 Spur-winged Plover-18 Banded Dotterel -5 Black-fronted Dotterel -2 Royal Spoonbill – 6 Whitefaced Heron -4		

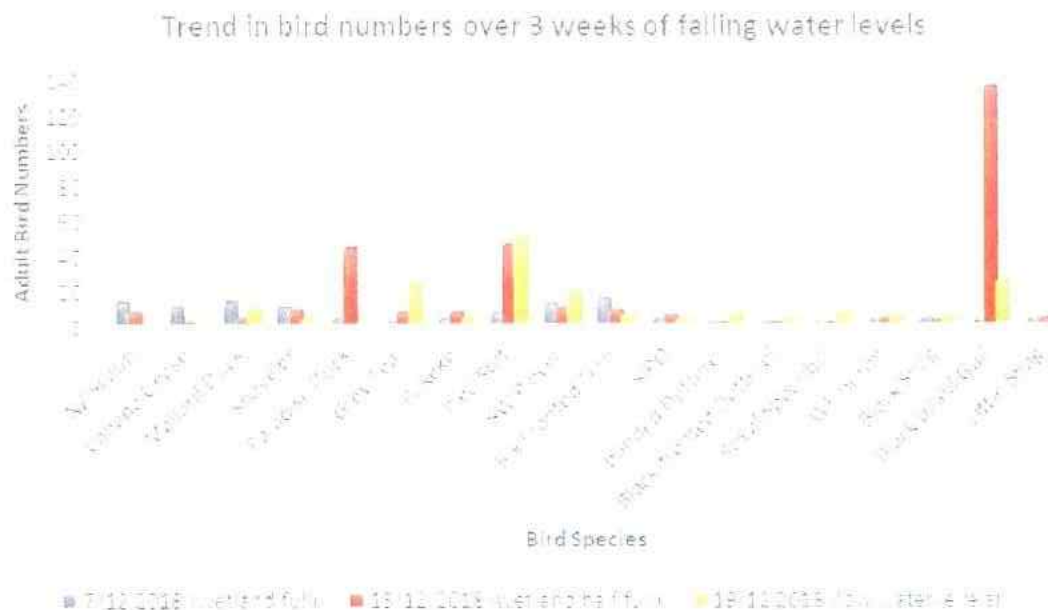


Figure 3: Trend in Bird Numbers over 3 weeks of falling Wetland water levels.

Figure 4: Timing of Bird Counts in relation to wetland inflows.

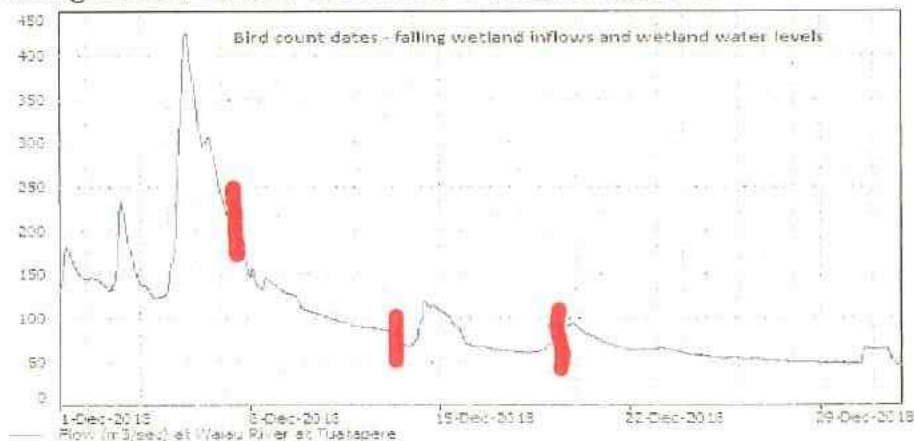


Figure 3 shows that that generally the wading and shore species benefitted from the declining wetland water levels – Pied stilt, SW Plover, Dotterel species. As wetland water levels fall, as a result of falling river flows, a large area of the bed of the wetland is exposed providing a good food source for these species.

Table 6 below is a list of all the bird species recorded during the spring surveys of the past 9 years, plus any additional species recorded outside survey times.

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

Table 6: Species Recorded over 9 years of Spring Surveys and General Observations:

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

b). Research project – Fish Survey.

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

Research student Rose Stuart has now completed year 2 of her PhD study on fisheries of Southland's coastal wetlands, including the Waiau Lagoon and whitebait project site, with some funding from the Waiau Trust for 3 years. This study is going well. Expenditure is accounted for under the Trust Research project Output in the Section 5 Performance Report.

Land Management:

Fowle Contracting of Tuatapere continue to harvest the standing grass at the project site, on areas of the project site not required for wetland creation. This is a three year contract until 2019. Baleage is cut, usually twice per year, on the 12 ha of higher terrace. Hay is made on the lower area surrounding the wetlands. The Trust remains responsible for soil testing and fertiliser application on the higher terrace. This year re-grassing of the riparian areas around the Inder wetland occurred. This was budgeted for and will result in additional income in the coming years. The budgeted fertiliser expenditure was not spent during the year due to timing of the grass harvest.

The trial direct seeding of native seed occurred in October 2018. About 1ha was completed and seeded with Cabbage tree, Flax, Pittosporum, Broad Leaf and Manuka seed. This trial is being run in conjunction with DOC who have purchased a direct seed drill from Australia. It is specifically designed for direct sowing of native plant seeds. Seed strike has been mixed. Follow up release spraying along the furrows is crucial to successful establishment of native seedlings in exotic pasture environments. This release spraying will be ongoing for at least two years.

Pest Control:

Results from the permanent trapping programme are shown in Table 7. This is an ongoing commitment for the Trust, involving 24 DOC 200 traps, a small number of Timms traps and 5 DOC 250 traps (designed for ferrets and feral cats). During the year 1 April 2018 to 31 March 2019 the traps were checked on 15 occasions, while visiting the area for other purposes. Not all traps were checked on each occasion. Stoats, rats and cats are the main

predators. Their numbers are of concern. The pest control is an important aspect of this project.

Table 7: Pests Caught at Whitebait Project Site.

Pests	2015/16#	2016/17	2017/18	2018/19	Total caught since trapping began - 2015
Stoats	9	31	28	44	112
Weasels	1	6	7	13	27
Ferrets	0	0	1	0	4#
Rats	8	14	7	10	39
Cats	1	2	6*	3*	16#
Hedgehogs	0	9	18	14	41
Rabbits	2	2	1	0	5

* All cats caught in DOC 250 traps

Not a complete year, Timms traps used over 2 months

Public Access, Visitors and Interpretation Panels:

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

New signage was designed and installed (October 2018) at the public carpark on the high terrace overlooking the wetlands. The signage includes an aerial drone photo of the wetlands reflecting what can be seen from the sign site. It provides information about whitebait and their habitat requirements. It also includes a warning about the flood risk on the flats where the wetlands have been built.

The Future:

a). Fine Tuning:

Major wetland construction is now completed at the site, except for the Nohoanga site, where there is potential for an additional wetland connected to the Whitehead wetlands and the Lagoon. Discussions with the Ngai Tahu and the local Runanga are ongoing.

The Trust is still considering future expansion of the refuge areas in the McCulloch wetlands and possibly the Whitehead wetlands, to enhance their sustainability during low inflow periods. This has worked well in the Inder wetland. Other options exist, such as second diversion pipes at both sites to provide additional inflows particularly during low flows. The feasibility of this is being worked on.

b). Protection.

The success of these wetlands as Shortfin and Longfin eel habitat has heightened Trust concern about permanent protection of the habitats and the eel fishery the habitats now support; the key risk being commercial eeling. This became a reality in March 2016, when a commercial eeler was found fishing these created wetlands. This was extremely disappointing and frustrating for the Trust. This activity is counter-productive in terms of the purpose for which the wetlands were built. The wetlands are a conservation project. No go" zones are

now clearly mapped and agreed to with the commercial eelers. After extensive investigations it is clear additional legal protection of the area is likely to be a drawn out process. From the Holloway PhD research it is clear Short-fin and Long-fin eel numbers in the wetlands have not recovered from the 2016 commercial harvest.

Lower Waiau Whitebait Habitat – Papatotara.

Expenditure: Budgeted - \$53,500 Actual - \$102,345

Key Output Measures This Year:

Administration and Planning: Complete Resource Consent application

Oversee the construction of the dams and wetlands

Capital: Prepare dam sites and wetland shorelines, Capital knock down spray of willows and gorse, source dam building material, build dams, install new culvert for access, fence wetlands.

Achievements and Progress:

This project is located 1.5km upstream of the Waiau River mouth on the Papatotara (west) side of the Waiau River. The habitat enhancement project has a number of elements including:

- damming of 2 spring-fed streams to create 4ha of open water habitat.
- maintaining permanent fish passage between the wetlands, the “Blue Hole” (a known whitebait spawning site) and the Waiau River.
- permanent fencing of the new wetlands and their riparian margins
- permanent fencing of the streams and their riparian margins supplying the wetlands.
- restoration of a remnant stand of Kahikatea.

The project site is Stewardship land, under Section 62 of the Conservation Act 1987. It is administered and managed by DOC. Currently this parcel of Stewardship land (149ha) is under a Grazing Concession to the Erskine family who have grazed the area for many years. The Trust has worked very closely with the Erskines and the DOC. The project is located on about 9 ha of the parcel of Stewardship land.

The Resource Consent (Water Permit) “to dam and use surface water for the purpose of creating two open water wetlands” was granted in November 2018 for a term of 35 years, expiring in 2053. A Variation of Management Agreement with DOC, which enables the Trust to create the wetlands was signed by both parties in February 2019.

Work to build the dams began in late January and was completed in late March. All fencing was also completed at this time. Prior to the construction of the dams considerable effort went into site preparation including:

- spraying of “old man” crack willow at both dam sites and along the eastern shoreline of the proposed Terrace Creek wetland (April 2018)
- spraying of gorse along the proposed fence line of the Terrace Creek wetland (April 2018)
- removal of eucalyptus trees within the Terrace Creek wetland
- mechanical removal of willows from the dam sites and stream bed upstream and downstream of both dam sites.
- clearing of fence lines where needed.

During the construction phase additional effort went into:

- sourcing suitable dam building material.

- deepening areas within the shoreline of both wetlands by removing soil and using that material to create back-walls (small stop dams in the top end of old feeder channels). The placement of this material also enabled more practical alignment of the fences around the wetlands. This involved cartage of material.
- removal of fine sediment from the margins of Erskine Creek within the proposed wetland shoreline and removal of fine sediment from the margins of Erskine Ck beyond the upper limit of the wetland. This will create greater water depth in the wetland and potentially improve wetland water quality.

Some of this work occurred to a greater extent than was originally intended, thus additional costs were incurred. The Trust is however extremely pleased with the final result. The dams are built to a very high standard and are wider and stronger than designed, giving additional confidence they will withstand the large floods in the Waiau River which inundate the area from time to time.

Both wetlands began filling as soon as the dams were completed and the streams blocked off. The filling process is being closely monitored. As expected they take time to fill and seal before flowing down the permanent outlet channels. The Water Permit conditions required a post-dam construction report. This has been completed and forwarded to Environment Southland.

The Water Permit conditions required pre-build fish and bird surveys. These surveys were both completed. This data will form part of the Annual Report to Environment Southland in July 2019.

Table 8: Bird Count – Papatotara Wetlands Site – 19 July 2018

Species	Number
Shoveler Duck	70
Paradise Shelduck	30
Grey Duck	2
Grey Teal	4
Mallard Duck	68
Pukeko	30
SI Oyster catcher	2
Black Shag	8

Table 9: Pre-build Fish Surveys

Erskine Creek	Species and numbers
Date: 7 Feb 2019. 1pm. Sunny, slight breeze Method: Electric fishing GPS: 1185677, 4871598 Run habitat – 30m Stream status: spring-fed, pugged margins	Run 1: G. maculatus – 1 (100mm) SF eel – 4 (40cm, 35cm, 30cm, escapee) Lamprey – 1 Gollum galaxid – 1 Run 2: 0 fish caught
Date: 7 Feb 2019. 1pm. Sunny, slight breeze Method: Electric fishing spot run GPS: 1185684, 4871633 Habitat: Run/pool Stream Status: spring-fed, pugged margins	G. maculatus – 6 (small shoal) SF eel – 1
Date: 30 Jan 2019 Method: overnight fyke net set Site 1: run habitat	SF Eel – 8 (350-650mm) G. maculatus – 4 (75-100mm)
Terrace Creek	Species and numbers



Papatotara Whitebait project:
Preliminary work involved:

Photo 1 - Gauging the flows in Erskine Creek.



Photo 2 - A fish survey of Erskine Creek using the "overnight fyke net set" method.

Terrace Creek was similarly surveyed and electric fishing of Erskine Creek was also carried out.

Photo 3 - Short-fin eel and *Galaxias maculatus* (Inanga) were caught in the fyke net in Erskine Creek.





Papatotara Whitebait Project:

The Erskine dam build, sequence of photos looking across the dam site.

Photo 1 – dam site prior to starting work.



Photo 2 – preparing the base of the dam and trucking “keying in” material to the Erskine Creek channel

Photo 3 – the completed dam, prior to seeding. Note the wide base and crest and the gentle batters.



The wetland began filling as soon as the dam was closed off in the stream channel.



Papatotara Whitebait project:

Erskine dam site
sequence of photos from
same location, looking
upstream.

Photo 1 – the Erskine
dam site, prior to work
starting.

Photo 2 –exploratory
and preparatory work
under way.

Photo 3 – dam
completed, wetland
filling and riparian
fencing in place.



Whitebait Project Papatotara: Prior to building the dams the crack willow (sprayed in October 2018) in the vicinity of the dam sites and along the upstream shoreline of the new Terrace Creek wetland were removed, where practical.



Whitebait Project Papatotara: This photo captures several aspects of the wetland construction job. The digger is placing material on the batters of the Terrace Creek dam in preparation for sowing grass seed. The permanent outlet channel for the Terrace Creek Wetland is in the foreground. To the left, the borrow pit can be seen. It is now new additional habitat and is connected to the Blue Hole (top left of the photo).

Date: 30 Jan 2019	Site 1:
Method: overnight fyke net set	SF Eel – 1 (500mm)
Site 1: Pool habitat	G Maculatus – 2 (100mm, 80mm)
GPS: 1185307, 4871566	Gollum galaixid-7
Site 2: Run habitat	Site 2:
GPS: 1185229, 4871354	Lf eel -1 (800mm)
	Gollum galaxid (40mm)

Future Work:

Phase 2 and 3 of this project include:

- completing the fencing of the upper reaches of Erskine Stream
- restoration work around the riparian margins of the 'Blue Hole' downstream of the new dams.
- restoration planting within the kahikatea stand (part of the Terrace Creek wetland) and the margins of both new wetlands will occur.

A10 Rakatu Wetlands.

Expenditure: Budgeted - \$ 33,320 Actual - \$22,079.

Key Outputs Measures This year:

Capital: New signage at car park,
Maintenance: Access road grading
Pest plant programme
Pest animal trap network
Walking track maintenance
Direct seeding trial
Monitoring: Spring bird counts.

Achievements and Progress:

Rakatu Wetlands, purchased in 2000, has been open to the public since March 2006. The property is located adjacent to the Lower Waiau River along the Clifden - Blackmount Road, 17 km from Manapouri township and 7 km downstream of the Manapouri Lake Control Structure (Mararoa Weir).

The Trust's vision for the 278ha Rakatu property is:

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

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

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

Table 10: The Rakatu Project

Actions	Details
Natural wetland protection	4 wetlands, totaling 65.5 ha de-stocked and protected allowing natural regeneration processes to re-establish. These natural areas link with, and incorporate, created wetlands.
Wetland creation	20 interconnected open water habitats created, totaling 49 ha, with 18km of shoreline. All fenced.
Stream protection	13.3 km of small stream habitat protected or incorporated into new wetlands.
Forestry	15.5 ha of forestry managed to provide ongoing income for the project.

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

Capital expenditure:

New car park signage was designed and installed in August, prior to the busy visitor season – the first refresh since 2006.

Ongoing Maintenance:

Maintenance expenditure this year included grading of the access road to the car park, pest plant control (walking tracks, gorse and broom), the cleaning contract (for toilets and Look Out), Low Creek outfall maintenance and repairs to the long walking track at Low Creek.

As for the whitebait project site a similar trial of direct drilling of native species was planned and the 1ha site prepared. The trial site is located in the riparian margin of Low Creek. This was an Autumn (March, 2019) trial as opposed to a spring sowing at the Whitebait project. The same seed mix was used.

Monitoring:

a). Spring Bird Counts.

The Trust has now been undertaking spring bird counts at Rakatu for ten years. Table 11 is the summary of data from spring bird counts conducted during 2018. Two separate wetland habitats were sampled. Four counts were completed. As in previous years a total of 8 waterfowl species and 7 water associated species were recorded. Of particular note is the overall good number of waterfowl broods recorded.

Table 12 summarises all species recorded at Rakatu over the last 10 years. Included are the species recorded by local ornithologist Shawn Herron in 2012 and 2013. His observations include bush and passerine species and this data adds to the understanding of habitat available at Rakatu.

The data shows a good diversity of species is resident, resident and breeding or visiting the wetlands. Waterfowl tend to dominate the wildlife population in terms of numbers of birds recorded, but numbers of individual species do vary from year to year. All waterfowl species have been recorded as breeding on site (except Canada Geese), over the 10 year sampling period

Table 11: Results of 2018 Bird Counts at Rakatu – Species Present and Numbers.

Dates	Waterfowl Species and numbers	Water Associated Species	Other
21/11/2018	NZ Scaup: 89 Shoveler : 3 Mallard : 11 + 1 brood (2c4) Grey Teal : 0 Paradise Duck: 54 + 3 broods (2c4,1c2,5c3) Black Swan: 0 + 3 broods (6c4,5c4,3c4) Canada Geese: 0 Grey Duck: 1	Spur-winged Plover : 4 Little Shag :5 Pied Stilt :0 SI Pied Oystercatcher: 0 Pukeko: 2 SI Fernbird: 2 Black Shag:1 White-faced Heron:0 Black-billed Gull: 11	Harrier Hawk:3 Bellbird: 0 Grey warbler:3 Tui: 1
27/11/2018	NZ Scaup :91 +1 brood (4c2) Shoveler: 0 Mallard:0 + 1 brood(2c5) Grey teal: 2 Paradise Duck: 97 + 5 broods (3c4,1c1,7c4,7c1,5c4) Black Swan:2 + 3 broods (4c4,5c4,2c4) Canada Geese: 2 Grey Duck: 0	Spur-winged Plover: 4 Little Shag :8 Pied Stilt: 2 SI Pied Oystercatcher: 0 Pukeko: 2 SI Fernbird: 4 Black Shag: 2 White-faced Heron:1 B-Billed Gull:2 Black-fronted Tern: 3	Harrier Hawk: 7 Tui:2
3/12/2018	NZ Scaup: 96 Shoveler: 5 Mallard: 12 + 2 broods (2c5,6c1) Grey Teal: 0 Paradise Duck:41 + 4 broods (3c5,1c2,7c5,3c3) Black Swan: 3 + 3 broods (5c4,4c4,2c3) Canada Geese: 44 Grey Duck:2	Spur-winged Plover : 6 Little Shag :8 Pied Stilt :2 SI Pied Oystercatcher: 0 Pukeko:1 SI Fernbird: 4 Black Shag: 3 White-faced Heron: 6 Black-fronted Tern: 2 Coot: 1	Harrier Hawk:4
16/12/2018	NZ Scaup: 49 Shoveler : 5 Mallard : 0 Grey Teal : 0 Paradise Duck: 28 + 2 broods (5c5, 4c5) Black Swan: 2 + 1 brood(4c4) Canada Geese:21 Grey Duck: 4 + 1 brood(4c2)	Spur-winged Plover : 0 Little Shag :2 Pied Stilt :2 SI Pied Oystercatcher: 0 Black-billed Gull: 0 Pukeko: 0 SI Fernbird: 5 Black Shag: 0 White-faced Heron: 1	Harrier Hawk:2

Table 12: Species Recorded over 10 years of Spring Surveys, General Observations and the Herron Surveys:

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

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 S.Is Fernbird, plus the secretive Australasian Bittern and Marsh Crake (and chicks) both of which have been observed outside the official survey times. It is worth noting that S.Is Fernbird are being heard, seen and counted in greater numbers at Rakatu. This is likely to be as a result of the pest trapping programme and the recovery of vegetation within and around the margins of the wetlands. The shag species and White-faced Herons are clearly finding a food source within the open water habitats.

We noted an increase in Little Shags, about 2009. Prior to 2009 the numbers recorded were very low (1 bird over 3 surveys). In 2013 a total of 27 Little Shags (over 3 surveys), averaging 9 birds, were recorded. This increase may correspond with the invasion and establishment of Perch in the wetlands. Little Shag numbers have now dropped back from those highs. The current status of the Perch population in the Rakatu Wetlands is unclear, noting none were caught during the March 2016 and 2018 Iwi hikoi. This needs further investigation.

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

b). Trap Network.

The predator trap network around Rakatu and the neighbouring Redcliff Wetlands consists of 57 DOC 200 traps and 5 DOC 250 traps (designed for ferrets and cats) were added to the network on 16 January 2018. The traps were checked and rebaited on 2 occasions during the year (27 November 2018 and 25 February 2019). Table 13 below sets out the results.

Table 13: 2018/19 Pest Kills.

Date	Stoats	Ferrets	Weasels	Hedgehogs	Rats	Cats
27/11/2018	9	0	0	1	4	0
25/2/2019	3	4	0	7	4	1
Total for 2 sets	12	4	0	8	8	1

* Ferrets caught in new DOC 250 traps

Table 14 shows annual pest numbers trapped since the programme started in 2011.

The results for the first three (3) years of the original 35 trap network are shown. The final 5 rows are the total for the extended network of 57 traps (the new baseline). Total pest captures are shown in the bottom row.

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

An integrated approach to pest management (all animal pests), is required. It must include feral cats and ferrets. In the past the 7 Timms traps, for the purpose of controlling feral cats and ferrets, were set during the winter months. The larger DOC 250 traps, have replaced the Timms traps (since January 2018), but have only killed 1 cat since they were installed. As

noted above, the DOC 250 traps have been successful at catching cats at the Whitebait project site.

Table 14: Trapping Results.

Year	Stoats	Ferrets	Weasels	Hedgehogs	Rats	Cats
1/4/2011- 31/3/2012	29	0	1	13	3	1
1/4/2012 – 31/3/2013	28	0	1	12	3	0
31/3/2013 – 13/02/14	29	0	1	10	8	0
14/2/2014- 9/03/2015	37	0	0	12	10	0
10/3/2015 – 9/2/2016	21	1	3	15	7	Not set
10/2/2016 – 1/2/2017	14	2	0	14	48	4
2/2/2017 – 24/4/2018	54	3	4	19	17	0
25 /4/2018 – 25/2019	12	4	0	8	8	1
Total captures since 1/4/2011	224	10	10	103	104	6

Predictably predators are a problem at Rakatu and Redcliff. Trapping requires extra resources. Servicing the trap network 5-6 times during the year is a level of servicing the Trust can sustain. Interpretation of the results is difficult, but we are hopeful good outcomes will result from this initiative, in the medium to long-term. Reduction in pest animals should be reflected in an increase in bird numbers, particularly the ground nesting species.

c). Vehicle and Visitor Numbers.

The vehicle counter on the access road operated from 4 April 2018 to 30 April 2019 (391 days). It was read on 11 occasions, and the numbers recorded are summarised in the table 15 below.

A new track people counter was installed during the year. As at Home Creek, there have been some teething problems - getting it set in the right place and conditions (away from direct sunlight and vegetation) and protection from insect nesting. This data is also presented in table 15.

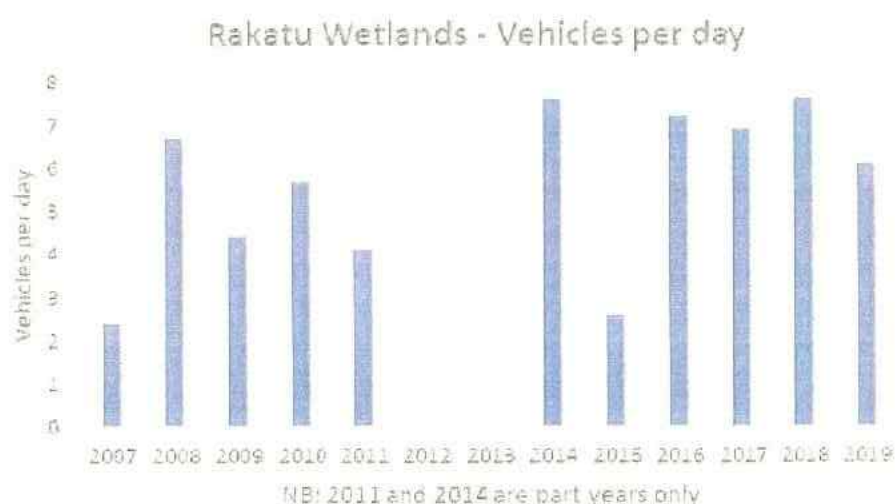
Table 15: Vehicles and people visiting Rakatu - April 2018 to April 2019.

Dates	Season	Days	No. vehicles	Vehicles per day	No People	People per day	People per vehicle
4 Apr – 8 Jun 2018	Autumn/winter	65	306	4.7			
9 Jun – 26 Oct 2018	Winter/spring	140	352	2.5			
27 Oct – 12 Nov 2018	Spring	17	118	6.9	166	9.8	1.4
13 Nov – 3 Dec 2018	Spring/Summer	21	186	8.9	88	5.5	0.5
4 Dec – 13 Dec 2018	Summer	10	117	11.7	180	18	1.5
14 Dec – 18 Dec 2018	Summer	5	45	9.0	80	16	1.8
19 Dec – 7 Jan 2019	Summer	20	225	11.3	324	16.2	1.44
8 Jan – 28 Jan 2019	Summer	21	210	10.0	553	26.3	2.6
29 Jan – 25 Feb 2019	Summer	28	391	14.0	nest		
26 Feb – 3 Mar 2019	Summer/Autumn	6	204	34	623	89	3.0
4 Mar – 30 Apr 2019	Autumn	58	254	4.7	292?	5.0	1.1
Totals		391	2408				
Averages				6.1			1.7

Seasonal and annual vehicles per day are very similar to last year. There is a clear seasonal pattern, with low numbers in the winter high numbers over the summer months with the autumn and spring numbers falling in between. Taking the annual average of 6.1 vehicles per day equates to 2300 vehicles over a 12 month period. Using the average number of people per vehicle of 1.7, from the above table, visitor numbers to Rakatu over the 12 month period are in the order of 4000. The new more reliable people counter means this information can be refined in the coming years.

Figure 5 shows the number of vehicles per day since 2007. The record is not complete. New Zealand has experienced a significant increase of tourists in the last few years. The 2016 - 2019 data shows consistently higher numbers of vehicles per day than in the period 2007-2010. This data, over time, provides a basis for decision-making about the standard of track maintenance needed at Rakatu.

Figure 5: Rakatu Wetlands – Vehicle Numbers to Car Park



A5 Stony Creek/Whitestone Habitat Enhancement.

Expenditure: Budgeted - \$2,200, Actual - \$645

Key Outputs Measures This year:

Maintenance: Spraying if required.

Achievements and Progress:

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

. No spraying was required at the site this year.

The Trust is of the view that the purchase of this 17.6 ha property has met its original objectives, in that the floodplain section of the property is again part of the Whitestone River berm, negating the need for ongoing expenditure on the maintenance of the adjacent stop banks.

A7 Dean Burn Kowhai Riparian Habitat.

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

Key Outputs Measures This year:

Maintenance: Willow control if necessary.

Achievements and Progress:

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

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

Under the QE II National Trust's Management Statement for the covenanted area, the Waiau Trust has an ongoing obligation to "progressively control or eradicate" the crack willow within the area, after consultation with the landowner. The 2008 willow removal work plus the 2009 follow up spray work has been successful. Further follow up spray of willow regrowth occurred in the spring of 2014. No work was required in 2018.

A15 Ramparts Road Wetland and Riparian Habitat.

Expenditure: Budgeted - \$2,400, Actual - \$10,389

Key Outputs Measures This year:

Maintenance: Pest plant spray programme.

Monitoring: Spring bird counts

Achievements and Progress:

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

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

Since the purchase of this property a number areas in the same catchment, upstream of this wetland, have been fenced and protected by QEII Covenant or part of the Trust's Habitat Enhancement Agreement project.

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

In 2011 a 1 ha open water wetland at the lower end of the property was constructed. Baseline spring bird counts were carried out in 2011, 2012, 2015, 2016, 2017 & 2108. Data from the 2 surveys in 2018 is presented in the Table 16.

Table 16: Ramparts Wetland Bird Survey 2018

Survey Date	Water Dependent Species	Water Associated Species	Other Species
1 May 2018	NZ Scaup: 26 Paradise Shelduck: 0 Mallard Duck: 22 NZ Shoveler: 15 Grey Teal :18 Grey Duck: 2	White-Faced Heron: 1 Pied Stilt: 0 Pukeko: 0 Kingfisher: 1	Harrier Hawk: 2 Welcome Swallow: 20+
30 November 2018	NZ Scaup: 5 Paradise Shelduck: 0 (1 brood.&c2) Mallard Duck: 7 NZ Shoveler: 2 Grey Teal : 2 Grey Duck: 0	White-faced Heron: 0 Pied Stilt: 0 Pukeko: 0	Harrier Hawk: 0

A Kingfisher was observed for the first time this year. Table 17 summarises the bird species recorded at the Ramparts open water wetland to date. Water dependent species known to breed (B) at the site are noted.

Table 17: Summary of Ramparts Wetland Bird Species Recorded to Date.

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

Although the open water wetland is relatively small, it has been colonised by 6 species of waterfowl and 6 water associated species. Colonisation has been rapid. Mallard Duck and Grey Teal bred at the site in the first spring and now 6 species of water dependent birds have been recorded as breeding at this wetland. This is a good result given the size, the marginal vegetation and the geographic location of the wetland. The location within an intensively farmed landscape, disconnection from major rivers, lakes and native bush areas, means the diversity of species it will support is limited, but it is expanding.

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

Unplanned expenditure occurred at this project during the year. Firstly the Trust was identified as an “affected party” under the RMA to a proposed subdivision (6 lifestyle blocks) on land adjacent to the Ramparts wetland. The Trust had input into the proposal at an early stage in terms of the location of building platforms in relation to the wetland boundary and effluent disposal fields. A major outcome for the Trust was the securing of legal title to the public access way to the wetlands from Ramparts Road. Previously this had been an easement in favour of the Trust. The Trust signed off on the Subdivision Consent proposal in December 2018.



Ramparts Wetland Project: Trust input to the proposed subdivision of neighbouring land for life style blocks resulted in the Trust securing ownership of this public access to the wetland.



Ramparts Wetland project: The “old man pine” shelterbelt (foreground of photo) and the 3.1ha pine plantation (centre right) were logged as part of the subdivision discussion process. The Trust replanted the 3.1ha with *P. radiata* in September 2018.

Secondly, the Trust worked with the owner of the land proposed for subdivision, to remove a shelterbelt of old pine trees along the boundary of the wetland. It was thought prudent to remove these trees prior to the subdivision and sale of the Lots, after which removal of the trees would have been more difficult. This work was completed in September 2018, incurring further cost.

Finally, the owners of the land proposed for subdivision are also the holder of half the Forestry Right over the Ramparts Wetland margin owned by the Trust. They decided to mill this 3.1ha block of pines and extinguish their share of the Forestry Right. The milling of these trees also occurred in September. The Trust then had to decide about replanting this area. Natives were considered, but were deemed too expensive, so *Pinus radiata* was replanted. Tubes were used given it was late in the planting season. PF Olsen sourced the plants and undertook the planting and release spraying. A quick decision had to be made, as the site would have rapidly been overtaken by broom. The tube plants and a spring/summer with good moisture has resulted in an excellent strike rate, with few losses. These trees will provide future income for the Trust.

The other 3.1ha of the Forestry Right trees will likely be harvested in 4-5 years, when the Right will be extinguished. Access for harvesting will be through the neighbouring Landcorp property. The Trust has had early discussions with Landcorp Farming Ltd about access for the harvesting of future Trust planted trees at this site.

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

Expenditure: Budgeted - \$ 160,000 Actual - \$17,048

Key Outputs Measures This year:

Capital: HEA projects completed (8)

Joint Waiau Trust/QEII Trust projects completed (6).

Monitoring: On going photographic record of project site restoration

Year 3 of the ecosystem response monitoring programme -Macroinvertebrate and fine sediment.

Background:

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

This project 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 opportunities for fisheries and wildlife habitat enhancement.

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

Achievements and Progress:

This area of work remains a key focus for the Trust. Progress continued to be made during the year. It was a very busy year for this project.

Eight (8) Habitat Enhancement Agreement projects and six (6) Joint Waiau Trust/QE II Trust projects were completed. A further 7 potential new projects were investigated, under Output J. These are at various stages of planning by land owners. Time to completion of these projects can take from a few months to 2 years, which complicates our annual budgeting. Those not completed in a current financial year are often carried over to the following year.

HEA Projects:

The table below documents the 8 projects completed under the HEA category during the year. Protection of 5.1 km of stream and 29.3 ha of wetland and riparian habitat was achieved. The Trust now has 90 such agreements on its books. It should be noted, riparian fencing projects are often completed section by section, over a number of years. HEAs are signed at the completion of each section and once the whole project is complete, the HEAs already signed are amalgamated into one new agreement. Two (2) of the 8 projects came under this scenario.

Table 18: Habitat Enhancement Agreements (HEAs) Signed This Year.

Landowner	Catchment/ Stream	Fence Length (m)	Stream Length (m)	Riparian Area (ha)	Capital Cost To Trust (\$)
Landcorp Farming Ltd, Mararoa Stn	"Banks 4", Thomas Burn	950	head waters wetland	4.4	3,737
Landcorp Farming Ltd, Mararoa Stn	"Dicks B & Dan 2", Lagoon Creek	451	425	2.5	3,162
Landcorp Farming Ltd	Travis Wetland Ext. Upper Waiau	1,603	500	3.3	3,850
Landcorp Farming Ltd, Kepler Farm	Kepler Mire Outfall, Home Creek	1,912	856	3.3	3,360
Landcorp Farming Ltd Mararoa Station	Long Gully & Danny's, Wilderness Creek	1,593	775	1.9	9,000
P&H Stirling	Morley Stream	826	413	2	3,304
DJ & BJ Chamberlain	Unnamed Tributary, Wairaki River	872	872	3.4	3,300
Wairaki Station	Grassy Creek, Wairaki River	2,005	1260	8.5	7,105
		7,208	5,101	29.3	36,818

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

Joint Waiau Trust/QEII Trust Projects:

The table below details the 6 Joint Waiau Trust/QEII National Trust projects completed this year, protecting **354 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 **107** Joint projects on the books.

Table 19: Joint Waiau Trust/QEII National Trust Projects Funded this Year.

Landowner and General Location	Description and Catchment	Fence Length (m) Area Protected (ha)*		Capital Cost To Trust (\$)
Landcorp Farming Ltd, Eweburn	Sue's Garden Extn	1030	2.58	3191
Glen Echo Station	Twin Creeks Whitestone	4619	64	22,805
Landcorp Farming Ltd, Mararoa Station	Beehive Gully Lagoon Creek	1192	3.98	4950
Landcorp Farming Ltd, Eweburn	The Hobbit, Trib of Upukerora	2000	235	4500
Landcorp Farming Ltd, Eweburn	Sue's Garden Extn (2),	900	22	5175
JNR Farm 2006 Ltd	Waimotu Stream	2250	26	12,342
TOTALS		11,991	353.56	52,963

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

Waiau River Liaison Committee:

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

Ecological Monitoring:

The monitoring programme of HEA projects established in 2017, designed to document the ecological outcomes associated with stream and wetland riparian enhancement and protection work, continued this year. It is based around annual macroinvertebrate sampling (a key measure of ecosystem health). Electric fishing (every 3 years) to record and monitor fish species present and their densities is also part of the programme. The programme is run in



Wairaki Station - HEA: A section of this Grassy Creek tributary (in the photos above) which drains to the Wairaki River, Lower Waiau catchment, was protected this year. The 8.5ha includes shrublands, small wetlands and associated species, as well as the stream system. Some small open water wetlands have also been constructed within the protected area.



Glen Echo Station – Young’s Covenant: This 150ha covenant contains sub-montane primary forest, shrubland, tussockland and a substantial stream system (a tributary of the Whitestone). It boundaries the DOC estate on the southern edge and was already completely fenced. It is a significant area and re-generating well. The Trust helped facilitate this project and incurred no capital cost.



Chamberlain, Eastern Bush HEA – Unnamed tributary of the Wairaki River:

Two sections of a small unnamed trib of the Wairaki River were fenced and protected under an HEA agreement on Chamberlain’s North Range property this year. Small lowland streams such as these still have good invertebrate fauna populations indicating reasonably good water quality.



Landcorp Farming, Eweburn Station: Hobbit Covenant. This 235ha area of modified primary forest, shrubland, wetland and mossfield is a magnificent contribution to the protection of biodiversity in Southland. It borders the DOC estate along much of its boundary. The area was used during the filming of “the Hobbit” movies. The area drains to the Upukerora River.



Glen Echo Station -Twin Creeks Covenant: This 64 ha Covenant protects small stream ecosystems, including a peat wetland in the lower reaches. The streams arise in the public conservation land of Snowdon Forest. The system is a tributary of the Whitestone River.



Landcorp Farming Ltd – Mararoa Station – Beehive Gully Covenant (above) This 4.8ha gully system is dominated by shrubland sp. and is now protected within the farm deer unit. A small permanent stream, a tributary of the Lagoon Creek, arises in the gully. **Tally Gully Covenant (below)** is 6.5ha in size and has similar characteristics to Beehive Gully. It contains a larger stream system with moderate fisheries values. It is also a tributary of Lagoon Creek.





Landcorp Farming Ltd, Eweburn – Sue's Garden (Extension 2): This 22ha secondary shrubland & fernland adjoins two other existing Covenants of the same name on Eweburn Station. The Sue's Garden protected area is in excess of 170ha.



Landcorp Farming Ltd, Mararoa Station: Banks 4 HEA. Trial direct drilling of native seed into the riparian margins of this protected area is shown. This was a joint DOC, Waiau Trust and Landcorp initiative. The seed mix included manuka, pittosporum, flax, cabbage tree and broadleaf. This method was trialled at several sites in the Waiau catchment this year.

conjunction with Environment Southland and Fish and Game, Southland. The sampling occurs in autumn when stream flows are relatively stable. It involves 6 sites in 4 separate catchments (Lagoon Creek, Wilderness Creek, Thomas Burn and Wash Creek) - all tributaries of the Mararoa River, Te Anau Basin. Five (5) of the sites involve 2 Landcorp Farming Ltd properties. The sites are generally downstream of the HEA projects which have protected streams, wetlands and gullies, although not all stream systems are completely fenced.

Table 20 shows the results from the 2017 and 2018 macroinvertebrate surveys. Results from the 2019 macroinvertebrate sampling are not yet available. Table 21 provides context in terms of what the macroinvertebrate indices mean in relation to documented National Standards. As the data from each year becomes available, trends of ecosystem health will be able to be assessed. Changes in the MCI and SQMCI between 2017 and 2018 are noted in Table 18, but data record is too short to comment on these observations. The year 1 electric fishing results were reported in 2017.

In 2018 an assessment of fine (re-suspendable) sediment at each site was added to the sampling programme. A test known as the "Shuffle Test" assigns values for each sampling site ranging from 1-5; 1 being "very good" and 5 being "poor" in term of water clarity and visibility. This data is also shown in Table 20.

The programme is long-term – at least 10 years. Results will be reviewed on an annual basis and the programme modified if necessary. The Trust provides Landcorp with the results of the macroinvertebrate and fish sampling programme as they become available. Additional sites may be added in the future.

Table 20: Freshwater Macroinvertebrate Survey results for 2017 and 2018 and Shuffle Test results for 2018 and 2019

Site	No. of taxa		MCI score		National Standard –MCI, change between 2017 -2018		SQMCI score		National Standard – SQMCI, Change between 2017 -2018		Shuffle Test sediment score (2018)	Shuffle Test sediment score (2019)
	2017	2018	2017	2018			2017	2018			2018	2019
Wilderness Ck (1)	25	13	87	85	Very poor, Moderate to severe pollution		5.3	5.2	Good, Very good quality		4 (Large plume, obscures tile slowly clears)	4
Lagoon Ck (2)	25	18	115	130	Good, Satisfactory quality		5.4	6.6	Good, Excellent quality		1 (Small plume, cleared quickly)	1
Thomas Burn (3)	27	20	121	119	Good, Satisfactory quality		4.9	6.5	Good, Excellent quality		2 (Plume briefly obscures tile)	3
Thomas Burn (4)	24	17	101	96	Fair, Probable moderate pollution		6.0	5.6	Good, Probable quality		3 (Plume partially obscures tile but quickly clears)	3
Wash Ck (5)	23	21	116	88	Fair, Probable moderate pollution		4.5	(2.2)	Fair, Probable moderate pollution		2 (Plume briefly obscures tile)	3
Wash Creek (6)	ND	22	ND	95	Fair, Probable moderate pollution		ND	5.9	Good, Satisfactory quality		3 (Plume partially obscures tile but quickly clears)	3

Colour Code for MCI and SQMCI changes: No change, Improvement, Deterioration. No data for comparison.

Table 21: Interpretation of macroinvertebrate community index values from Boothroyd and Stark (2000) (Quality class A) and Stark and Maxted (2007) (Quality class B).

Quality Class A	Quality Class B	MCI	SQMCI
Clean water	Excellent	≥120	≥6.0
Doubtful quality	Good	100 - 119	5.0-5.99
Probable moderate pollution	fair	80 - 99	4.0-4.99
Probable severe pollution	Poor	<80	<4.0

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 - \$5,740, Actual - \$3,738

Key Outputs Measures This year:

Maintenance: Annual maintenance programme

Achievements and Progress:

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

The total number of Access Projects, open for public use, remains at 12; the budgets for 3 of these (Rakatu, Ramparts and Home Creek) are associated with and therefore accounted for under Habitat Projects. Key expenditure relates to the maintenance of the other 9 accesses, which involves grading, maintenance graveling and spraying of the carriage-way, road side verges and walking tracks from the car parks to the river, as required.

This year maintenance expenditure (in the form of road spraying and grading) occurred at the Whare Creek, Jericho and Sunnyside/Monowai (spray only) accesses. Additional maintenance work was necessary at the Whare Creek access involving earthworks (ditch) and a small pedestrian bridge to prevent people driving vehicles right to the river. Maintenance costs for the other accesses were slightly less than expected, as spraying and grading is not always needed at every access, every year. Jericho Farm, which the Jericho access crosses has changed hands so a courtesy visit with the new owners occurred in June.

In recent years there have been issues with freedom campers at the Whare Creek access. The NO CAMPING signs and new barriers seems to have deterred this undesirable activity. This is closely monitored. Freedom camping is a nationwide issue. Provision of facilities for freedom campers does not fall under the Trust mandate. Consistent policy and regulation for the whole of New Zealand is required.

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

Table 22 provides location details for the 12 accesses.

Table 22: Waiau Trust Access Projects

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

3.3 Output C – Research Projects.

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

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

In April 2017 Rose Stuart began her PhD study on the distribution, life history and re-establishment of fishes in Southland coastal wetlands. The study area includes the created habitats of the whitebait habitat project near the Waiau Mouth and Lagoon. This is a three year study and the Trust is providing a \$4348/a contribution to this research. Progress reports are provided on a 6 monthly basis. Year two (2) of the study is now completed.

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

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

Expenditure: Budgeted - \$4300, Actual - \$760

Key Outputs Measures This year:

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

Maintain and enhance good working relationships with all stakeholders.

Implement aspects of the Communications Plan

Achievements and Progress:

Relationships within the community remain a high priority for the Trust. There is no doubt that the most important of all the people the Trust works with are landowners and farm managers. These are the people with whom we work to protect streams and wetlands and provide public accesses to the resources. We continue to work closely with the following organisations – QEII National Trust on protection of wetlands and streams, Landcorp Farming Ltd on protection of wetlands and riparian fencing of streams, Environment Southland (Land Sustainability Team) and the Southland District Council on riparian fencing and protection issues, and the Waiau Working Party. In our day-to-day business we have contact with Department of Conservation, LINZ, Waiau River Liaison Committee, Te Waiau Mahika Kai Trust, Te A o Marama, Meridian Energy Ltd and Fish and Game NZ, Southland Region. These people and agencies help us progress projects. The Trust is grateful to all those people we have worked with, as their co-operation has enabled the advancement of the objects of the Trust and the achievement of 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 Meridian up-to-date with Trust projects and progress. The Trust is mindful of the fact the Resource Consents for the Manapouri Power Scheme will need to be renewed in 2031.

The RMA National Policy Statement for Freshwater (NPSFW), Environment Southland's Land and Water Plan (subject to Appeal to the Environment Court) and the future contaminant limit setting process (including water allocation) for the Waiau catchment are all important factors influencing Waiau Trust thinking, as they are for the Waiau Working Party and other Waiau community groups.

On behalf of the Trust, Field Officer M Sutton attends meetings and field days within the catchment relevant to achieving Trust outcomes. Presentations about the Trust and Trust work are made to community groups when requested.

In terms of our Communication Strategy, publicity for the Trust arose through Landorp's Kepler Farm being the regional winner of the Southland 2019 Ballance Farm Awards. The Trust has been involved in a number of protection initiatives (streams, wetlands, remnant native vegetation) on this property. These stories were run in a number of local and farming publications.

The Trust website www.waiaustrust.org.nz, designed by Tim Mann from Te Anau, went live on 7 April 2014. The following table is a Google Analytics analysis of the visits the website received from the live date and then annually for each financial year.

Table 23: Analysis of Website Visits.

Statistics	7/4/14-31/3/15	Year to 31/3/16	Year to 31/3/17	Year to 31/3/18	Year to 31/3/19
Number of sessions	520	4,248	1233	844	2004
Number of users	428	3,864	997	733	1809
Percentage of new sessions %	82.12	90.91	80.13	91	90
Page views	1006	5,059	2667	1678	3292
Pages viewed per session	1.95	1.19	2.16	1.99	1.64
Ave. session duration (mins)	1:22	0:30	1:31	1.18	1:05
Sessions >3 minutes duration	48	211	204	92	189
Page views>3minutes duration	390	652	824	466	897

The website received 2004 visits. The majority were of short duration. New Zealanders, at 42%, were the dominant visitors to the website, followed by French (14%) then USA nationals (11%).

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 by the Trust Deed 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 under this Output. 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."*
- n) **Ryder Environmental (2017):** *" Waiau Trust – 2017 Freshwater Macroinvertebrate Summary"* Report to Environment Southland and Waiau Trust.
- o) **Ryder Environmental (2018):** *" Waiau Trust – 2018 Freshwater Macroinvertebrate Summary"* Report to Environment Southland and Waiau Trust.

3.5 Output E – Databases.

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

Expenditure: Budgeted - \$5,000, Actual - \$2,657

Key Outputs Measures This year:

Administration and Planning: Update Photographic library

Maintain Databases

Develop catchment protection maps

Update HEA maps

Achievements and Progress:

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

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

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

The HEA project system has been running for some 20 years now. Each agreement has an attached map showing streams and wetlands protected and fences funded. Hard copies of all HEA agreements are filed. A file (maps) of all the Joint projects completed with QEII National Trust is also maintained. A digital database of both types of HEA projects is also maintained.

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

3.6 Output G – Duncraigen Weir.

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

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

Achievements and Progress:

No work was required at the Duncraigen Weir this year.

3.7 Output J – Project Investigation and Advice.

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

Expenditure: Budgeted-\$11,000, Actual- \$11,750

Key Outputs Measures This year:

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

Achievements and Progress:

This output category covers expenditure on investigating new habitat and access projects and providing advice on habitat enhancement and protection. Seven (7) potential new projects were investigated during the year, involving a site visit. Numerous phone call enquiries from landowners thinking about stream and wetland protection were responded to.

The Trust Field Officer and the Waiau Catchment QEII National Trust Field Rep are currently undertaken by the same Contractor. Clear delineation between the Waiau Trust and QEII National Trust roles and interests is required. 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 is accounted for in a transparent manner and costs assigned to the appropriate organisation.

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

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

3.8 Output H – General Project Management.

H3 General Planning.

Expenditure: Budgeted - \$16,000, Actual - \$18,499

Key Outputs Measures This year:

Administration: Deed review

Strategic Plan review

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.

In March the Companies Office approved the Supplementary Deed of Variation of the Trust. Charities Services also approved the new document in May 2019. The updated Deed brings it into line with the Charities Act 2005 and subsequent Amendments. The Deed Objects and Purposes were updated. The expanded Objects and Purposes do not replace the original Objects and Purposes – they are complementary and better reflect the Trust work, 23 years after inception.

Preliminary work on the revision of the Trust Strategic Plan started during the year. Approval of the Supplementary Deed of Variation means this work can now be advanced.

The Trust continues to work on reinforcing and building on the relationship with Meridian Energy Ltd, leading up to the renewal of the Manapouri Power Station Resource Consents in 2031. A key components of this are monitoring and documentation of the ecological outcomes of the enhancement work the Trust does and implementing the Trust's Communication Plan.

H4 General Field.

Expenditure: Budgeted - \$18,000, Actual - \$19,659

Key Outputs Measures This year:

Administration: Management oversight of all projects.

Achievements and Progress.

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

3.9 Output H – Trust Servicing.

H1 General Administration

Expenditure: Budgeted - \$30,510, Actual - \$28,276

Key Outputs Measures This year:

Administration: Annual Report completed by 30 June.

Achievements and Progress:

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

H2 Trust Board.

Expenditure: Budgeted - \$5,800, Actual - \$5,640

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 the new Papatotara wetlands project site near the Waiau River Mouth in February.

Trustees are of the view that this frequency of meetings enables them to keep abreast of project developments and maintain an appropriate level of continuity. The capped reimbursement scheme continued this year.

H7 Financial Planning.

Expenditure: Budgeted - \$60,000, Actual - \$73,812

The fund management system, involving 3 Fund Managers, continued. The fees associated with the management of the fund are a known quantity at \$60,000. During the year Cambridge Partners were contracted to undertake a review of the Investment Fund and update of the SIPO (Statement of Investment Policies and Objectives). Additional costs were incurred.

3 B). Compliance, Outcomes and Long-term Performance.

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

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

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

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

3.10 Compliance with Governing Legislation - Charitable Trusts Act (1957), Trustees Act (1956), Trustees Amendment Act (1988), Charities Act 2005 and Health and Safety at Work Act (2015):

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

a). Charitable Purposes:

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

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

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. Currently three Fund Managers manage the fund and Table 23 details the original amount of money each had to invest and the balance at 31 March 2019. The total balance as at 31 March 2019 represents an 8.81% investment return for the 2018/19 year. This includes interest, dividends and revaluations, less withdrawals, fees and brokerage.

The Trust's **Statement of Investment Policy and Objectives (SIPO)** provides direction to the 3 Fund Managers. In May the Trust decided to undertake an independent review of the Investments and SIPO, given the changing financial markets and to ensure it is fit for purpose. Cambridge Partners were engaged to carry out this review, producing their report in August with recommendations. The SIPO was then updated, to reflect the recommendations, but has yet to be formally approved by the Trust.

The SIPO is conservative in nature. It has **objectives** for protecting the real value of the fund and generating enough income to fund Trust activities. It has a number of guiding principles including asset allocation, authorized investments, excluded investments and prohibited transactions, minimizing risk, socially responsible investment practices, foreign currency management and benchmarks for reporting against.

Table 24 is the breakdown of investment types for each Fund Manager and the percentage (asset allocations) of the fund in each investment type. It also shows how the asset allocations relate to the agreed asset allocation limits (targets) for each Fund Manager, as at 31 March 2019. It is important to emphasise that because each Fund Manager has different asset allocation targets, each Manager's investment returns are not directly comparable.

Reporting, by Fund Managers, to the Trust is very specific in terms of time, content and performance. 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.

All the above processes enable informed decision- making.

Table 23: Fund Managers and Investment Fund Values.

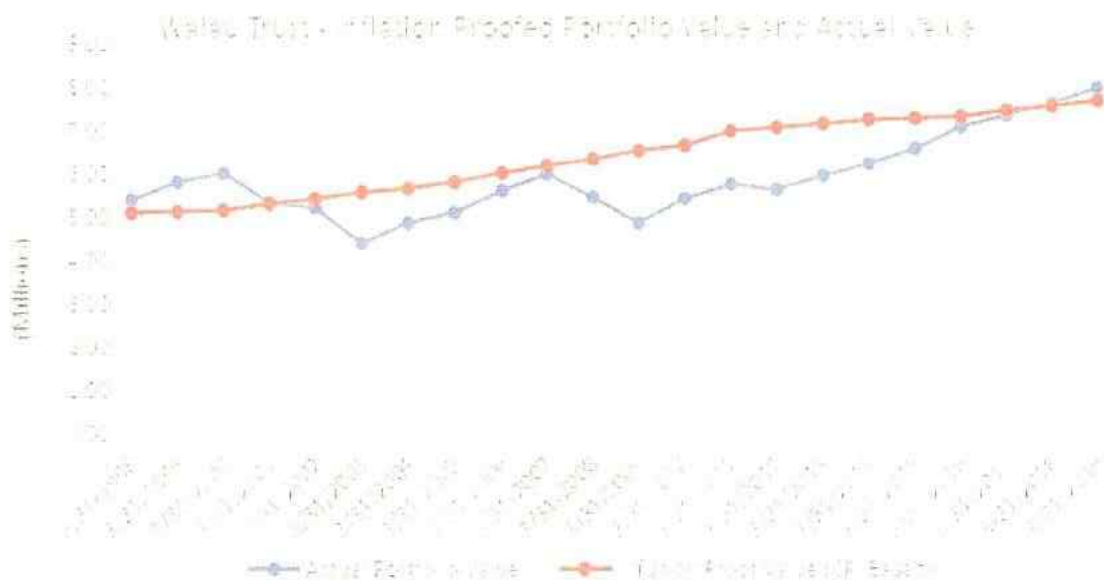
	Craigs Investment Partners	Milford Income Fund	First NZ Capital	Total/ Ave % return
Original Investment	2,980,168	2,000,000	720,000	6,200,168
Reassigned Funds 2017/18			544,715	
Balance at 31 March 2019	3,655,649	2,802,847	1,489,654	7,948,150
Annual Net Investment return after withdrawals, fees & brokerage - 31 March 2019	8.89%	9.1%	10.15%	9.2%

Waiau Trust Investments as at 31st March 2019						
Asset Allocations						
	Craigs Investment Partners	Milford Income Fund	FNZC	Total	% of fund	Target %
Cash	\$198,969	\$234,405	\$40,934	\$474,308	6%	5%
Total Cash (I)	\$198,969	\$234,405	\$40,934	\$474,308	6%	5%
NZ Fixed Interest	\$2,006,837	\$499,178	\$692,425	\$3,198,440	40%	55%
Australia & Global Fixed Interest		\$1,218,813	\$0	\$1,218,813	15%	
Total Fixed Interest (I)	\$2,006,837	\$1,717,991 (Australasian)	\$692,425	\$4,417,253	56%	55%
Nz Properties	\$108,842	\$410,379	\$142,554	\$661,775	8%	10%
Aust Properties	\$107,331			\$107,331	1%	
Total Properties (G)	\$216,173	\$410,379	\$142,554	\$769,106	10%	10%
NZ Equities	\$604,540	\$297,770	\$259,899	\$1,162,209	15%	15%
Australia Equities	\$491,747	\$124,094	\$72,029	\$687,870	9%	13%
International Equities	\$137,384	\$10,365	\$281,813	\$429,562	5%	2%
Total Equities (G)	\$1,233,671	\$432,229	\$613,741	\$2,279,641	29%	30%
Other		\$7,843		\$7,843	0%	
Total portfolio	\$3,655,650	\$2,802,847	\$1,489,654	\$7,948,151	100%	100%

Maintaining the value of the Fund, with respect to inflation, is an underlying driver for the Trust and is monitored on a yearly basis. Figure 6 shows the value of the fund at the end of each financial year (since inception and after withdrawals, fees and brokerage) 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 is now \$285,032 above the level it should theoretically be at, given the investment returns this year.

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

Figure 6:



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

c). Other Income Sources:

The Trust received 14.1% of total income from sources other than the investment of the Trust Fund. The Trust owns or leases a number of properties that have the ability to produce income from grazing, production forestry (plus the Emissions Trading Scheme) and harvesting grass for silage/baleage/hay, without jeopardizing the primary purpose of habitat enhancement. Past income generating sources have included external sponsorship of aspects of projects and disposal of Trust property assets for reinvestment in future projects.

d). General Financial Management:

The Trust sees itself operating in perpetuity and is now thinking strategically out to 2031 when the Meridian Energy Ltd Resource Consents for the Manapouri Power Scheme expire and will need to be renewed. The Trust will continue to work with Meridian Energy to promote a shared vision of the catchment from a natural ecosystem perspective and how it might look beyond 2031. This will include continuing with the current habitat enhancement work including habitat enhancement agreements. In addition the Trust intends to identify a

series of new flagship projects as part of a its strategic programme of works which will require new levels of funding into the future.

The Trust continues to look for efficiencies and effectiveness in the expenditure of the Trust Fund, in terms of project management, implementation and administrative structures. Reviews of expenditure and reassessment of project priorities throughout the year, depending on investment performance, are considered to be a prudent management approach. Contracts for the provision of secretarial/administration, field and planning services remain cost effective. Records of hours each contractor spends on Waiau Trust work are kept. Based on 1832 hours being the equivalent of one full-time person, this year contract hours totaled 1555 (including 50 hours for general administration). This is 85% of one full-time person, which is slightly higher than last year.

Trust costs continue to increase and management of resources will be an ongoing challenge. Habitat and access projects have been established in perpetuity. This will require the permanent provision of resources to manage and maintain such projects. As time moves on, the number of operative projects will increase as will the resources required to maintain the larger number of projects. Operationally this means providing for pest plant and animal control, road maintenance, fence maintenance and other habitat maintenance in the Annual Plan, as required. Financially this means ensuring the returns from investment of the capital fund are sufficient to provide income necessary to meet the ongoing costs of projects created by the Trust, long term. This is an issue of sustainability for the Trust and will require further thought in the future. In 2018/19 project maintenance costs were 7.5% of expenditure and 10.7% of income. In 2017 the Trust decided to put more resource into monitoring. Monitoring is now a separate line of expenditure for major projects, where monitoring is carried out. Monitoring costs in 2018/19 were \$10,442 (2.5% of expenditure and 2.6% of revenue).

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

e) Health and Safety:

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

Currently, at each Trust meeting, Trustees receive a health and safety report, documenting the change in status of known hazards, any new hazards that have arisen at project sites and any incidents. Focus is particularly on the project sites where the public have access.

3.11 Compliance with the Trust Deed:

a). Objects of the Trust:

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

There has been activity on 6 of the 8 Objects in the Trust Deed this year. The Trust has actively investigated new projects, particularly those suitable for Habitat Enhancement Agreements (Objects 1 and 2). The capital works at the whitebait habitat project adjacent to the Waiau Lagoon on the east side of the river (Object 4 of the Deed), are now more or less completed and the project is in maintenance and monitoring mode. The Papatotara project on the west side resulted in the development of new wetlands this year (Object 4 of the Deed).

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

The Trust has 15 major habitat enhancement projects on the books, 4 of which are also accounted for as joint Waiau Trust/QEII National Trust projects. There are 89 completed Habitat Enhancement Agreement projects (A100) for stream riparian and wetland habitat, plus 107 completed joint Waiau Trust/QEII National Trust projects. These 211 habitat projects come under Object 1, 2 and 4 of the Deed.

The PhD study into the distribution, life history and re-establishment of fishes in Southland coastal wetlands, aligns with Object 6. The maintenance of the Duncraigen Weir, as per Object 5, did not incur any costs this year and no further expenditure is anticipated in the medium term.

Provision of public access and interpretative signage at Trust project sites promotes public understanding of the values for which the Trust was established (Object 7). The Rakatu project contributes substantially to the meeting of Object 7. Visitor numbers to Rakatu Wetlands continue at a reasonable level and we constantly receive positive feedback from visitors. Public access and interpretative panels about whitebait, their lifecycle and habitat requirements are an integral part of the whitebait project at the Waiau Mouth. 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.

Given the approval of the Supplementary Variation of Deed, next year’s Annual Report will report Outputs based around the revised Objects and Purposes.

b) Other Deed Compliance Matters:

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

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

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

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

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

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

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

Key Trust Outcomes are:

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

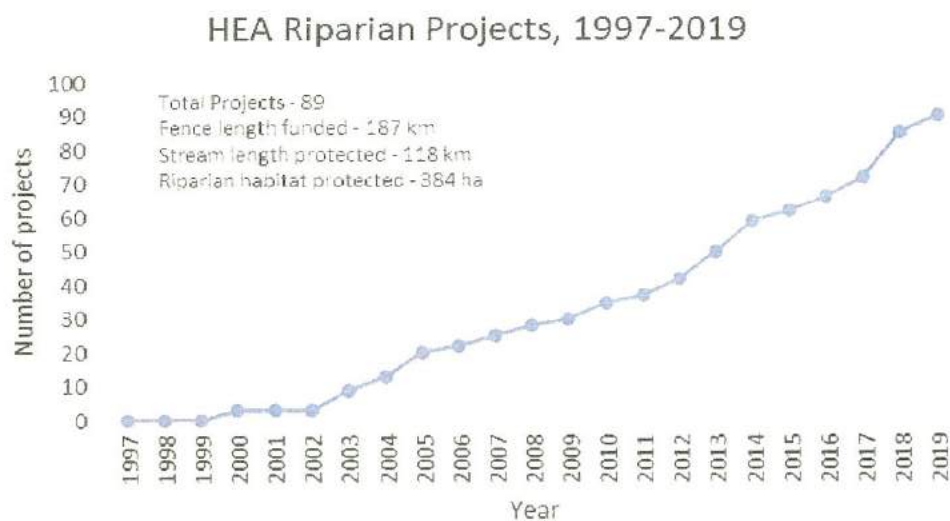
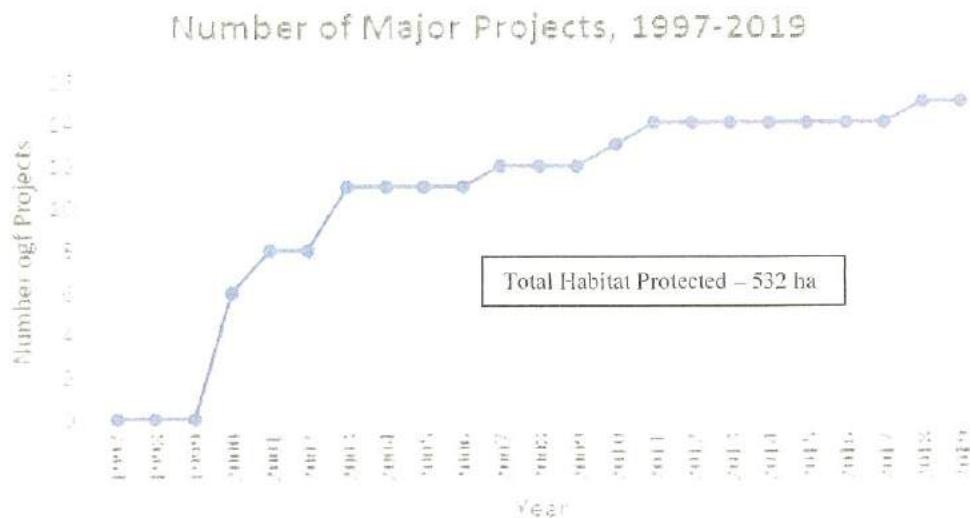
Outcome Performance Measures:

a). Enhanced Habitats.

The following figures (7,8 & 9) and Tables (25 & 26) summarise the quantity and types of habitat created and enhanced and shows progress over time. The Trust has 211 habitat projects, enhancing a total of **3209** 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).

Figures 7, 8 & 9: Numbers of Projects at 31 March 2019



Joint QE/WT Projects, 1997-2019

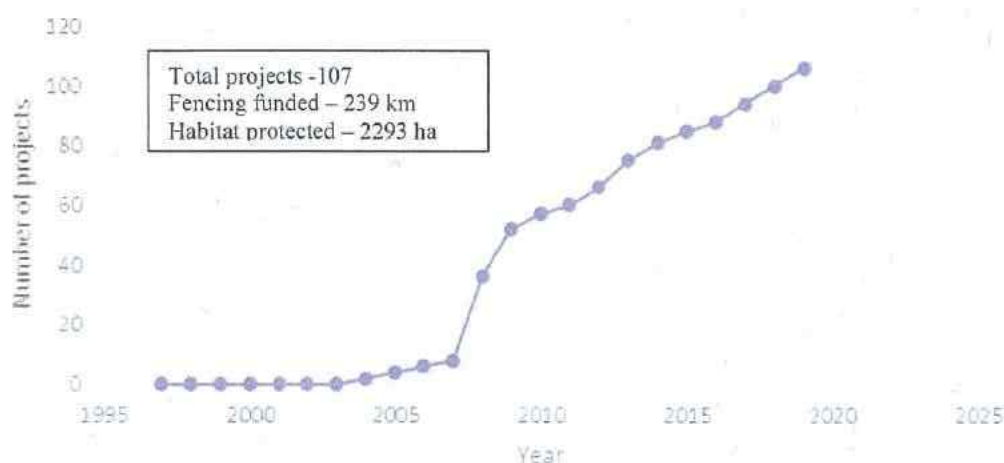


Table 27 summarises the types of data available for the habitat enhancement projects.

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

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

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

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

Ecological Outcomes -Ecosystem Restoration Progress - Before/After Photos:



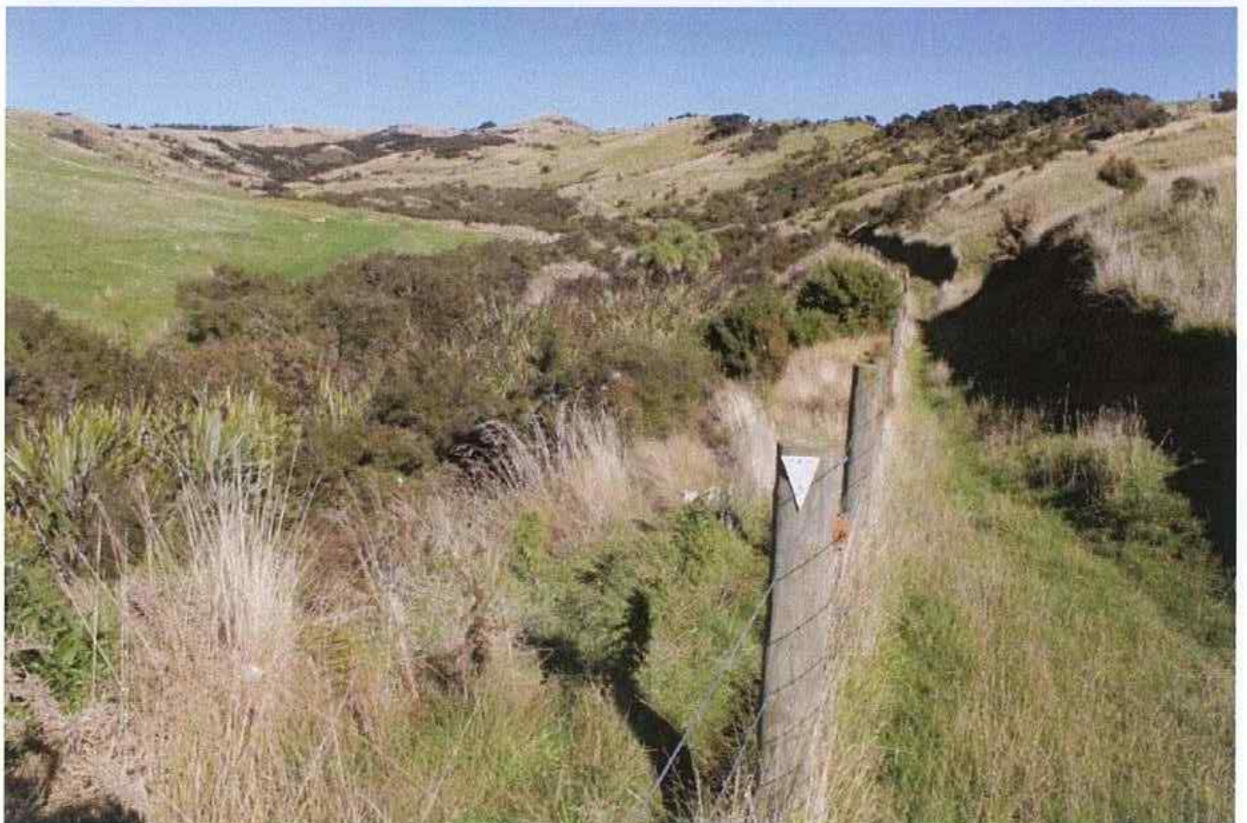
Landcorp Farming Ltd - Freestone Wetland Covenant:

Above: 2011. Below: 2019. Protection of this 67.7ha peat bog wetlands has resulted in excellent recovery of shrubland species over 8 years. Such habitats provide good habitat for small native birds. This wetland is located in the lower reaches of McLeod's Drain which drains to the Waiau Arm of Lake Manapouri.



Landcorp Farming Ltd, Eweburn Station- Tibble's Wetland Covenant:

Above: 2010. Below: 2019. This 51.6 ha area of forest, shrubland and rushlands continues to make ecological gains, notably the expansion of manuka and bracken fern. The owners continue to undertake pest plant control work in this Covenant.



Pinckney, Jericho Farm (ex Landcorp) – Matt's Shrubland Covenant:

Above: 2012, Below: 2019. 20.45 ha of regenerating flax and shrubland riparian vegetation provide protection for a small unnamed tributary of Jericho Stream, Lower Waiau valley. An excellent riparian margin for filtering farm runoff in addition to fish and wildlife habitat.



Mt Prospect Station - Dawson City Covenant:

Above: 2012, Below: 2018. Again another example of a rapidly recovering red tussock and shrubland valley floor ecosystem. This 28.2 ha protected area is in the Whitestone catchment.



Landcorp Farming Ltd Mararoa Station – Bartlett’s Extension Covenant:

Above: 2016, Below: 2019. After just three years of protection and stock removal the native vegetation is thriving. This and other Covenants are part of the headwaters of Lagoon Creek, which has significant native fishery values. This location is part of the macroinvertebrate sampling programme (site 2), described elsewhere in this report.



Landcorp Farming Ltd, Duncraigen - HEA, M18, Lower Waiau: The top image is of the HEA area prior to fencing, retiring, re-vegetating & creating open water habitat. It was taken in Sept 2017 and shows the very modified wet seep and scattered hawthorn bushes. These were removed as part of the process. A couple of thousand flax and manuka plants were planted once the fences and earthworks were completed.

Table 25: Waiau Trust & QE II National Trust Joint Projects - March 2019

Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)
Mararoa	Stevens Farm Kettles	Landcorp Farming	Stevens Farm	1,625	6.4
Reidsdale+ Whitestone	Webbs Wetland	Landcorp Farming	Lynmore Farm	110	9.4
Orauea	Kowhai Reach'	B Collie & F Hopkins	1313 Ohai-Clifden Hwy	2,370	3.1
Mararoa	Lynmore Tarns	Landcorp Farming	Lynmore Farm	2,220	8.9
Mararoa	Hikurangi Gap Wetland	Landcorp Farming	Hikurangi Farm	650	23.1
Eweburn Stream	Pyramid Wetland	Landcorp Farming	Eweburn Farm	1,940	20.0
Eweburn Stream	Morgans Wetland	Landcorp Farming	Eweburn Farm	810	6.2
Wash Creek	McKenzie Swamp	Landcorp Farming	Hikurangi Farm	1,492	27.0
Home Creek	Deans Wetland - Kepler	Landcorp Farming	Kepler Farm	800	4.1
Home Creek	Kepler Airstrip Wetland	Landcorp Farming	Kepler Farm	680	9.4
Thomas Burn	Rough Gully	Landcorp Farming	Mararoa Station	1,900	61.6
Flaxy Creek	Lynmore Canyon	Landcorp Farming	Lynmore Farm	1,009	15.1
Upukerora	Tibbles Wetland	Landcorp Farming	Eweburn Farm	2,400	51.6
Upukerora	Round Barn Wetland	Landcorp Farming	Eweburn Farm	900	7.4
Ramparts Stream	AWS Wetland Ramparts Stream	Landcorp Farming	Stuart Farm	6,749	86.6
Waiau Mainstem	Thomas Covenant	R & A Thomas	879 Clifden Highway	170	3.6
Upukerora	Eweburn Wetland	Landcorp Farming	Eweburn Farm	3,000	31.5
Thomas Burn	Thomas Burn	Landcorp Farming	Mararoa Station	12,011	148.9
Whitestone	Lake Echo	Landcorp Farming	Mararoa Station	2,760	61.6
Eweburn Stream	Lees Wetland	Landcorp Farming	Eweburn Farm	470	5.0
Lake Te Anau	Sues Garden	Landcorp Farming	Eweburn Farm	4,400	155.5
Upukerora	Hankinson Bush	Landcorp Farming	Eweburn Farm	690	4.1
Linton Stream/ Orauea	Wildings / Wilanda Downs	Landcorp Farming	Wilanda Downs	940	29.9
Linton Stream/ Orauea	Broadleaf Bush/Wilanda Downs	Landcorp Farming	Wilanda Downs	1,175	8.6
Upper Waiau	Schaumanns Wetland	Landcorp Farming	Kepler Farm	960	1.4
Home Creek	Allen's Wetland	Landcorp Farming	Kepler Farm	850	8.4
Lake Te Anau	Ten Mile Swamp	Landcorp Farming	Eweburn Farm	1,715	13.7
Lake Te Anau	Seven Mile Swamp	Landcorp Farming	Eweburn Farm	600	3.7
Whitestone /Stony Creek	Lynmore - Extension	Landcorp Farming	Lynmore Farm	1,235	21.8
Upukerora	Te Anau Hill	Landcorp Farming	Dale Farm	2,485	103.7
Redcliff Creek/Jericho Creek	Matt's Shrubland + extension	Landcorp Farming	Jericho Farm	1,690	20.4
			Sub total	60,806	962

Table 25: Waiau Trust & QE II National Trust Joint Projects March 2019 Continued					
Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)
Mararoa	Inkersells Wetland	Landcorp Farming	Stuart Farm	1,400	6.4
Mararoa	Geoff's Wetland	Landcorp Farming	Stuart Farm	700	3.0
Mararoa	Bottom Knobby Wetland	Landcorp Farming	Stuart Farm	400	3.1
Whitestone	Simon's Gully	Landcorp Farming	Stuart Farm	530	5.3
Ramparts Stream- Upper Waiau	Ramparts Airstrip Wetland	Landcorp Farming	Stuart Farm	920	4.6
Mararoa	Liko's Wetland	Landcorp Farming	Stuart Farm	650	3.1
Grassy Creek	Wairaki Station Bushland	Richard & Trudy Slee	Blackmount RD 2 Otautau	2,700	19.7
Whitestone	Andy's Wetland	Andrew Gillespie	55 Ramparts Rd, Te Anau	700	3.3
Whitestone Fred Burn	Gordon's Gully	Landcorp Farming	Dale Farm	800	11.9
Whitestone	Cricket Ground	Landcorp Farming	Dale Farm	3,400	40.3
Whitestone	Kits Bog Pine	Landcorp Farming	Dale Farm	890	3.9
Wash Creek	Ramhill 1 & 2	Landcorp Farming	Hikuraki Station	6,280	35.2
Mararoa/Lagoon Cr	Waynes Gully	Landcorp Farming	Lynmore Farm	500	3.2
Te Anau tributary	Toni's Wetland	Landcorp Farming	Eweburn Farm	7,800	38.4
Mararoa	Rough Wetlands + extension	Landcorp Farming	Lynmore Farm	1,900	6.6
Mararoa	Tim's Gully	Landcorp Farming	Mararoa Station	5,120	24.7
Sharpridge Creek	Chamberlains Wetland	J Newson & M Chamberlain	538 Olahu-Eastern Bush Road, Birchwood	2,240	28.1
Upukerora	Carole's Wetland	Landcorp Farming	Eweburn Farm	11,065	22.5
Upper Waiau	Kepler Five Bush	Landcorp Farming	Kepler Farm	2,030	3.9
Orauea	Olivers Bush	G & J Broughton	Feldwick	2,610	5.1
Fred Burn	Fred Burn	Landcorp Farming	Dale Farm	7,390	14.3
Marshburn -Orauea	Cassells & Church	David Church	Feldwick	4,127	9.1
Wash Creek - Mararoa	One Tree Wetland	Landcorp Farming	Centre Hill Station	3,645	16.7
Mararoa	Lagoon Creek Wetlands	Landcorp Farming	Lynmore Farm	1,890	8.9
Lower Waiau	Mannings Wetland	Landcorp Farming	Duncraigen Farm	2,645	11.0
Lower Waiau	Big Bend Wetland	Landcorp Farming	Duncraigen Farm	1,255	8.0
Wash Creek - Mararoa	Kerry's Wetland	Landcorp Farming	Haycocks Station	1,685	12.1
Lagoon Cr, Thomas Burn	Templetons	Landcorp Farming	Mararoa Station	3,500	19.1
Waiau River	Roses	Landcorp Farming	Duncraigen Farm	1,750	7.0
Lagoon Creek	Bartletts	Landcorp Farming	Mararoa Station	4,710	63.1
Lake Te Anau	Four Mile	Landcorp Farming	Eweburn Farm	1,055	10.1
			Sub total	147,093	1413.4

Table 25: Waiau Trust & QE II National Trust Joint Projects March 2019 Continued

Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)
Lower Waiau	Addenbrooke & Harris	Addenbrooke & Harris	2804 Ohai - Clifden Highway	480	9.8
Lower Waiau	Office	Landcorp Farming	Duncraigen Farm	570	1.6
Lower Waiau	Collar	Landcorp Farming	Duncraigen Farm	995	6.3
Mararoa	Dale Burn trib.	Landcorp Farming	Mararoa Station	2,920	17.2
Whitestone	Dawson City - Mt Prospect	GR, G&R Cockburn	3348 Kakapo Road, Te Anau	4,800	28.2
Waiau Arm	Ibbotson's Riverslea	Landcorp Farming	Riverslea Farm	1,450	6.5
Orauea	Pearce & Spencer	R & K Pearce, N Spencer	172 Mulvey Road, Otautau	2,075	32.7
Orauea	Stirling Wether Hill	PM, HM & WA Stirling	277 Wether Hill Road, Otautau	800	17.5
Whitestone	Gerry's	Landcorp Farming	Dale Farm	2,050	11.8
Mararoa	Anitas	Landcorp Farming	Mararoa Station	2,280	20.9
Lower Waiau	Ben's	Landcorp Farming	Duncraigen Farm	1,183	4.5
Lower Waiau	Tim's	Landcorp Farming	Duncraigen Farm	948	4.5
Orauea	Wilsons Moffat Bush	G A Wilson	344 Clifden Gorge Road, Otautau	2,200	12.1
Lake Te Anau	Podocarp	Landcorp Farming	Eweburn Station	720	2.4
Waiau River	Richard's Bush	J & E Richards	Ohai Clifden Hwy, RD 2, Otautau	1,032	4.4
Whitestone	Jack's Gully	Landcorp Farming	Stuart Farm	3,053	8.3
Lake Manapouri	Leslie's Wetland	Landcorp Farming	Kepler Farm	960	4.1
Orauea	Broughton Sturgess Block	G & J Broughton	640 Scotts Gap Feldwick Rd. RD 2, Otautau	500	0.8
Wilderness Stream	Groundwater - Atanga	AP&B.J.&MD Groundwater	450 Glassford Road, RD1, Omakau	10,700	47.0
Whitestone	Stony Creek Wetland	GR, GW & RJ Cockburn	1338 Kakapo Rd. RD 2, Te Anau.	2,300	14.6
Reidsdale	Willans Wetland	MJ & TM Willans	1945 Te Anau Mossburn Highway	1,200	9.3
Upukerora Trib	Aubrey's Wetland	Landcorp Farming	Dale Farm	1,500	9.2
Lagoon Creek	Bartlett's Extension	Landcorp Farming	Mararoa Station	3,900	6.7
Whitestone	Mt Prospect-Road Block 1	GR, GW & RJ Cockburn	1338 Kakapo Rd. RD 2, Te Anau.	2,508	8.7
Lake Te Anau	Tapnell's Wetland	Landcorp Farming	Eweburn Station	1,200	13.8
Wash Creek	Kennedy's Wetland	Landcorp Farming	Centre Hill Station	1,200	3.7
Mararoa	One Tree Wetland	Landcorp Farming	Haycocks Station	1,850	14.9
Whitestone	Mt Prospect -Road Block 2	GR, GW & RJ Cockburn	1338 Kakapo Rd. RD 2, Te Anau	8,040	50.9
Eweburn Stream	Safari Wetland	Landcorp Farming	Eweburn Station	200	14.9
Lake Te Anau	Four Mile Extension	Landcorp Farming	Eweburn Station	1,560	8.8
Waiau Arm	John's Wetland	Landcorp Farming	Freestone Farm	1,700	31.2
			Sub total	213,967	1840.7

Table 25: Waiau Trust & QE II National Trust Joint Projects March 2019 Continued

Sub Catchment	Waterbody Name	Landowner	Physical Address	Fence (m)	Area protected (ha)
	DoC Wetland	Landcorp Farming	Stuart Farm	470	6.8
Home Creek	Allans Wetland Extension	Landcorp Farming	Kepler Farm	520	8.2
Marshburn	Edwards	GA & TA McMeeken	117 Hamilton Road, RD 2, Otiautau	0	1.2
Lagoon Creek	Bartlett's Extension 3	Landcorp Farming	Mararoa Station	1,100	12.6
Upukerora	Mathews Wetland	Landcorp Farming	Dale Farm	872	24.4
Whitestone	Duck Hut Bush	Glen Echo Station	Kakapo Road, RD 2, Te Anau	750	8.2
	Jacks Extension	Landcorp Farming	Stuart Farm	350	3.8
Lagoon Creek	Tally Gully	Landcorp Farming	Mararoa Station	1,100	5.3
MI Prospect Stream	Geordies	GR, GW & RJ Cockburn	1338 Kakapo Rd., RD 2, Te Anau	7,150	28.6
Waimotu Stream	Pahi Groveburn Bush	John I Pahi - JNR Farm	Groveburn	2,250	26.0
Lake Te Anau	Sue's Garden Extension (1)	Landcorp Farming	Eweburn Station	1,030	2.6
Whitestone	Twin Creeks	Glen Echo Station	Kakapo Road, RD 2, Te Anau	4,619	64.0
Lagoon Creek	Beehive Gully	Landcorp Farming	Mararoa Station	1,192	4.0
Lake Te Anau	Sue's Garden Extension (2)	Landcorp Farming	Eweburn Station	900	22.0
Upukerora	The Hobbit	Landcorp Farming	Eweburn Station	2,000	235.0
			Grand Total	238,270	2,293
NB* Projects in red are approved by QEII National Trust, but Covenants not yet registered.					

Table 26: Habitat Enhancement Agreements (HEA) March 2019						
HEA	Sub catchment	Waterbody Name	Landowner	Fence	Stream	Area
#				length(m)	length(m)	(ha)
101	Little Creek	Little Creek	Whare Creek Partnership	860	430	0.43
102	Humbug Creek	Humbug Creek	P & K Gow	1050	1050	1.05
103	Mclvor Creek	Mclvor Creek	P & K Gow	1050	1050	1.05
106	Dean Burn	Dean Burn	NZ Deer Farms	2470	1770	7.08
110	Whitestone	Kakapo Swamp Outlet Stream	Owen Buckingham	1400	1400	4.20
112	Mararoa	Thomas Burn	Landcorp Farming Mararoa Stn	3100	5500	13.80
113	Mararoa	Wash Creek	Landcorp Farming Haycocks	6220	3665	12.70
114	Upper Waiou Mainstem	Ramparts Stream	Landcorp Farming Stuart Farm	810	405	0.50
115	Whitestone	Unnamed Streams	Kevin Woolhouse	2270	1135	1.40
116	Lake Manapouri	McLeods Drain Home Creek	Landcorp Farming Freestone	4850	2715	5.40
118	Lilburn	Unnamed Streams	Nell & Gray Robertson	4200	3450	3.33
119	Flaxy Creek	Flaxy Creek	Montana Farming P & M Tippet	3000	1500	3.75
120	Whitestone	Dawson City Wetlands	Landcorp Farming Mararoa Stn	3720	0	16.00
122	Waimotu Stream	Waimotu Creek	Seaview Trust	2200	1100	1.10
123	Makarewa Stream	Makarewa Stream	Peter Baker	520	520	5.20
124	Makarewa Stream	Makarewa Stream	S Slee	828	1450	14.50
125	Kowhai Creek	Kowhai Stream	Graeme Dodd	870	2510	2.51
126	Dean Burn	Trib Dean Burn	Mount Spence Holdings P Marshall	1800	900	1.35
127	Whitestone	Unnamed streams	Landcorp Farming Dale Farm	9980	4990	8.72
128	Waimotu & Kowhai Stream	Waimotu & Kowhai Stream	M & K Erskine	1175	1175	2.90
129	Waimotu Stream	Waimotu Stream	Graeme Dodd	480	240	0.50
130	Kowhai Creek	Kowhai Creek	Bruce Howden	1280	640	1.70
131	Orauea	Unnamed Tributary	Glenbrae Ltd E & A Cade	600	300	0.80
132	Lower Waiou Mainstem	Humbug, Grassy, Mclvor Creek	P & K Gow	3130	1565	1.57
133	Orauea	Morley Stream	Landcorp Farming Wilanda Downs	1400	1400	2.80
134	Lilburn	Fenham Creek trib	D & S MacGillivray	670	335	1.30
135	Home Creek/Kepler Mire	Stuart Farm - Radio Mast	Landcorp Farming Stuart Farm	480	250	1.00
136	Mararoa	Grassy Creek	Richard & Trudy Slee	900	780	1.60
137	Camp Creek	Camp Creek	Bevan Collie & Fione Hopkins	9500	5180	6.20
138	Lower Waiou Mainstem	Merton Creek	David Church	3330	3712	5.90
139	Orauea	Orauea River	Gary Hopcroft	1190	1190	1.00
140	Mararoa	Unnamed trib - Mararoa	Roderick McCall & Anne Roska	265	130	0.33
141	Flaxy Creek	Flaxy Creek	Paul Preston	2125	1990	5.97
142	Orauea	Marshburn Stream	Christopher Lindsay	1638	1638	1.20
143	Hollyburn	Hollyburn	Thomas O'Brien	1400	710	1.45
144	Mararoa	Spring Trib	Graeme & Joy Gunn	1120	700	1.38
145	Mararoa	Thomas Burn Trib	Landcorp Farming Mararoa Stn	1450	725	1.10
146	Wairaki	Grassy Creek Trib	Russell & Elizabeth Gray	600	600	0.82
147	Mararoa	Wilderness Creek	Elys Holdings David Dodunski	6670	5592	7.60
148	Orauea	Morley Tribs	Landcorp Farming Wilanda Downs	6410	4340	11.80
150	Orauea	Marshburn Stream	HC & LMJ Gill	1960	1960	2.30
151	Lower Waiou	Excelsior Creek	Landcorp Farming Duncraigen	1178	750	3.90
152	Lower Waiou	Clifden Caves Stream	Phillip & Rebecca Mercer	4410	2126	5.30
153	Waiou Arm Lake Manapouri	John's Outfall tributaries	Landcorp Farming Riverslea Farm	2235	2090	3.80
154	Mararoa River	Lagoon Creek	Landcorp Farming Mararoa Stn	1350	940	1.50
155	Mararoa River	Lagoon Creek	Landcorp Farming Lynmore Farm	3608	1850	5.73
156	Whitestone	Fred Burn Stream	Landcorp Farming Dale Farm	4800	2364	8.70
157	Dean Burn	Dean Burn tributary	Lindsay & Glenda Wilson	1000	500	0.70
158	Mararoa	Unnamed trib - Mararoa	Burwood Station Hamish McLean	4475	2022	4.30
159	Kowhai Creek	Kowhai Creek trib	Homestead Trust	1000	500	0.70
159	Waimotu Stream	Waimotu Stream	Homestead Trust	3400	1700	3.40
160	Whitestone	Unnamed trib - Whitestone	Landcorp Farming Dale Farm	1480	700	2.70
161	Orauea	Fenham Stream tribs	David MacGillivray	1410	710	5.21
162	Dean Burn	Unamed trib Dean Burn	G & V Dyson	6730	4170	6.40
163	Whitestone	Unnamed trib - Whitestone	Landcorp Farming Stuart Farm	2680	1650	35.80
164	Upukerora	Ray's Stream	Landcorp Farming Eweburn	2700	1380	1.70
165	Whitestone	Unnamed trib - Whitestone	Landcorp Farming Dale Farm	1380	690	2.50
166	Whitestone	Stony Creek	G & R Cockburn Mt Prospect	1700	1740	2.80
167	Lilburn	Unnamed tribs	Fraser & Sharon Hampton	490	490	0.75
			Sub Total	145077	98084	261.18

Table 26: Habitat Enhancement Agreements (HEA) March 2019						
HEA	Sub catchment	Waterbody Name	Landowner	Fence	Stream	Area
#				length(m)	length(m)	(ha)
168	Reidsdale	Reidsdale & unnamed tribs	Murray & Tania Willans	2350	1250	11.57
169	Orauea	Unnamed tribs Grass Burn	George & Justine Broughion	500	250	0.35
170	Camp Creek	Arthur Creek	Southwest Properties	900	850	8.90
171	Whitestone	Mt Prospect Flats Streams	G & R Cockburn Mt Prospect	3367	1500	2.54
172	Kakapo Swamp	Clow's Wetland	David & Sally Clow	440	0	2.60
173	Upper Waiau	Travis Wetland	Landcorp Farming Kepler Farm	600	0	7.00
174	Home Creek	Kepler Mine Outfall	Landcorp Farming Kepler Farm	5112	2556	6.80
175	Wash Creek	Kennedy's Wetland	Landcorp Farming Centre Hill Station	950	0	2.00
176	Mararoa	Weir Flats	Landcorp Farming Duncraigen	2000	1100	0.90
177	Upper Waiau	Robbies Wetland	Landcorp Farming Kepler Farm	1300	0	7.70
178	Whitestone	Unnamed Trib	Landcorp Farming Dale Farm	1615	1100	1.70
179	Fredburn trib, Whitestone	Unnamed trib	Glen Echo Ltd	2120	1060	1.20
180	Orauea	Morley Stream	PM & HM Stirling	2441	1160	5.40
181	Upper Waiau	Ellens Wetland	Landcorp Farming Kepler Farm	1350	0	6.00
182	Upukerora	F27 & F28 tribs of Upukerora	Landcorp Farming Dale Farm	1800	900	0.90
183	Lagoon Creek	West Reynolds Wetland	Landcorp Farming Mararoa Station	600	0	3.10
184	Whitestone	House Paddock Stream	Glen Echo Station	700	460	0.40
185	Mararoa	Airstrip Wetland	Landcorp Farming Stuart Farm	675	0	6.40
186	Home Creek	Steven's Haybarn wetland	Landcorp Farming Stuart Farm	267	0	0.40
187	Upper Waiau	Travis Wetland Extension	Landcorp Farming Kepler Farm	1260	0	5.90
188	Lower Waiau	M18 Wetland & Riparian	Landcorp Farming Duncraigen Farm	1300	0	4.00
189	Reidsdale	Lynmore Gully C25	Landcorp Farming Lynmore Farm	1205	580	1.70
190	Whitestone	F2 & D18 Paddock	Landcorp Farming Dale Farm	1500	1788	4.90
191	Orauea	Linton Stream	Landcorp Farming Wilanda Downs	1600	1450	5.00
192	Orauea	Coal Creek	Landcorp Farming Wilanda Downs	500	700	4.20
193	Thomas Burn	Banks 4 Wetland	Landcorp Farming Mararoa Station	950	0	4.40
194	Wilderness Creek	Long Gully & Dennys Paddock	Landcorp Farming Mararoa Station	1693	775	1.90
195	Lagoon Creek	Dicks B & Dan 2 Paddock	Landcorp Farming Mararoa Station	451	425	2.60
196	Wairaki	Unnamed trib Wairaki	DJ & BJ Chamberlain	872	872	3.40
197	Wairaki	Grassy Creek trib	Wairaki Station (RJ Slee)	2005	1260	8.50
			Grand Total	187,280	118,000	384.4

Table 27: Habitat Enhancement Project Data Bases and Monitoring Information

Habitat Enhancement Project	Types of Data Available.
Home Creek Riparian Habitat	Baseline fisheries data, Baseline vegetation survey, Permanent photograph points and monitoring of re-vegetation sites.
Lower Waiau Whitebait Habitat, Waiau Mouth	Pond physical properties, Colonization – macrophytes and fish, fish biomass, (4 reports, 1999-2003), Photograph records Spring bird counts and preliminary fish surveys on new habitat -2011, 2012, 2013, 2014, 2015, 2016, 2017. Analysis of water flow volumes into wetlands Baseline fisheries surveys of Whitehead and McCulloch Wetlands – 2013 and 2014 Pest animal trap lines installed and maintained. Pest tallies Fish distribution, life history and re-establishment PhD study 2017 - 2020
Lower Waiau Whitebait Habitat, Papatotara.	Pre- dam construction- bird surveys Pre- dam construction – fish surveys, Terrace Creek and Erskine Stream Post wetland construction - annual fish and bird surveys from 2020. Pest animal trap lines data– from 2020
Dean Burn Kowhai Riparian Habitat	Occasional spring native bird counts, Monitoring of kowhai vegetation and willow control, Permanent photograph points.
Rakatu	Baseline reconnaissance survey of natural wetland vegetation, Baseline stream hydrology, Fisheries and wildlife surveys and comparisons with other habitats, Photographic records, M.Sc. project funded, includes baseline fish community surveys Fish Survey, (J Futter 2008) Fish Survey, 2014 Spring Bird counts completed 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 Predator trap network installed 2011 and expanded and maintained. Pests tallies. Vehicle and visitor numbers (2006-2018).
Upukerora Wetland	Baseline vegetation survey, Permanent photograph points, Baseline fisheries survey, wildlife counts – pre and post wetland construction
Ramparts Wetland	Baseline vegetation survey, Permanent photograph points, Anecdotal monitoring of wetland water levels for forward planning Spring bird counts 2011, 2012, 2013, 2014, 2015, 2016, 2017
Flaxy Creek	Water quality data above and below fenced stream, Photographic records
A100 Projects	Photographic records of all projects. Water Quality data - Dale Farm, Baseline fishery surveys of a number of streams 2010. Annual inspections as per QEII Trust requirements Macroinvertebrate/electric fishing programme. – 6 sites

b). Improved Ecosystem Health:

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

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

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

c). Community Relationships and Awareness:

Community relationships and the Trust’s identity within the Waiau Catchment and wider community are important aspects of our Strategic Plan. The Trust is well aware that habitat enhancement and access projects would not be possible without the co-operation of individual landowners and the wider community. In achieving the 212 habitat enhancement and 12 access projects, the Trust has worked a large number of individual landowners and managers. All this work is carried out within a context of also considering the practicalities of every-day farming and other land use activities. This approach is working well, with mutual benefits for both landowners and fisheries and wildlife habitat being achieved.

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

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

d). Access to Resources:

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

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

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

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

a). Summary

The twenty-second 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 **\$454,157**. Total revenue for the year was **\$342,647**, and when the revaluation of the portfolio is included, the operating surplus was **\$328,860**.

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 return on the investment portfolio was **9.2%**. Investment returns are estimated based on Investment Income received (including both realised and unrealised gains less fees and brokerage) divided by the opening portfolio balance less withdrawals for the year.

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

- The granting of Resource Consent for the Whitebait habitat project, Papatotara, the building of the 2 new wetlands and completion of the fencing.
- 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.
- Completion of Year 2 of a PhD Study on Southland coastal fisheries which includes the whitebait habitat fisheries monitoring.
- Completion of 8 HEA projects protecting 5.1 km (29.3 ha) of streams, wetlands and their riparian margins, involving 7.2 km of fencing
- Completion of 6 joint Waiau Trust/QEII Trust projects protecting 353.6 ha of wetlands, streams and bush habitat
- Investigation of 7 potential new wetland and stream riparian protection projects.
- Maintaining the predator trap network at Rakatu/Redcliff wetlands.
- Maintaining the predator trap network at the Whitebait project.
- The ongoing relationships between the Waiau Trust and the QEII National Trust, Landcorp Farming Ltd and Meridian Energy Ltd.
- The ongoing implementation of macroinvertebrate/electric fishing long-term monitoring programme in Te Anau basin sub-catchments in conjunction with Environment Southland.

b). Looking to the Future:

- Phase 2 and 3 of the Papatotara whitebait habitat project on the west side of the Lower Waiau River, Waiau Mouth.
- There are a number of potential wetland habitat enhancement opportunities along the main stem of the Lower Waiau River, yet to be fully investigated.
- There remains a huge ongoing opportunity for Habitat Enhancement Agreement and Joint Waiau Trust/QEII Trust projects.
- There are a number of potential new public access opportunities to be followed up.
- Finally working closely with Meridian Energy Ltd, leading up to the renewal of the Resource Consents for the Manapouri Power Scheme, is now a priority, as is telling the story of habitat enhancement in the Waiau catchment.

Performance Report

Waiau Fisheries And Wildlife Habitat Enhancement Trust
For the year ended 31 March 2019

Prepared by BDO Invercargill

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Entity Information

Waiau Fisheries And Wildlife Habitat Enhancement Trust For the year ended 31 March 2019

Nature of Business

As a charitable organisation. The objectives of the Trust are to enhance and develop fisheries and wildlife habitat in the Waiau River Catchment.

Sources of Cash & Resources

The Trust's main source of revenue is derived from investment income.

Trustees

- Cam McCulloch - Chairman
- Glenys Dickson - Dept of Conservation
- John Whitehead - Dept of Conservation
- Mike O'Brien - Rural Community Representative
- Peter Sutton - Southland Fish & Game Council
- Andrew Feierabend - Meridian Energy Ltd
- Graeme L Watson - Southland Fish & Game Council

Secretary

Southland Fish & Game Council
INVERCARGILL

Solicitors

Preston Russell Law
INVERCARGILL

Investment Advisors

Craigs Investment Partners
INVERCARGILL

First NZ Capital
CHRISTCHURCH

Milford Asset Management
AUCKLAND

NZ Asset Managers (Ceased August 2017)
AUCKLAND

Auditors

Crowe Horwath
Chartered Accountants
INVERCARGILL

Charities Commission

Registration Number: CC20449

Waiau Fisheries and Wildlife Habitat Enhancement Trust

Statement of Service Performance

For Year Ending 31 March 2019

Description of the Entity's Outcomes:		
<ol style="list-style-type: none"> 1. Protection, restoration, creation and enhancement of fisheries and wildlife habitat in the Waiau Catchment, including whitebait habitat in the vicinity of the Waiau River mouth. 2. Provision and maintenance of public access to the resources of the Waiau River. 3. Provision of facilities and information to enhance the understanding of the public of the values for which the Waiau Fisheries and Wildlife Habitat Enhancement Trust was established. 4. Fund research and monitoring to measure habitat enhancement ecological outcomes. 		
Description and Quantification of Entity's Outputs	Actual \$ This Year	Budget \$ This year
Whitebait Project, Waiau Mouth M: Pest plant control, diversion manipulation, fertiliser application, native seeding trial	12,791	11000
Whitebait Project, Papatotora AP, C & MON - Build of new wetlands	102,346	53,500
Rakatu Wetlands MON: Bird counts, pest animal control	3,997	7500
HEA Projects: C: Joint QEII projects + HEA projects (budgeted 20, completed 14) MON: Macroinvertebrate programme implemented for 4 catchments with protected habitats	89,781 2,357	83,560 2,500
Access Projects: M: Spraying, grading, fence repairs, 9 sites	2,307	2600
Ramparts Wetland: C: Forestry replant MON: Bird counts	7,328 80	200 200
Project Investigation and advice: A: 7 potential new projects	11,750	11,000
Additional Output Measures: Total number of habitat projects completed (1997-2019): 212, protecting 3181 ha of habitat. Over time, the cumulative number of habitat enhancement projects completed (and area protected) contributes to the ecosystem health of the Waiau catchment. Total number of Access projects completed (1997-2019): 12 created and open to the public. 4 habitat project sites have walking access and other facilities. The cumulative number of public access projects contributes to recreational use of resources and understanding of the natural values of the resources.		
Additional Information: The Trust intends to operate in perpetuity. Habitat and access projects will require ongoing maintenance and management to ensure their long term sustainability.		


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

Approval of Financial Report

Waiau Fisheries And Wildlife Habitat Enhancement Trust For the year ended 31 March 2019

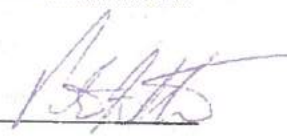
The Trustees are pleased to present the approved financial report including the historical financial statements of Waiau Fisheries And Wildlife Habitat Enhancement Trust for year ended 31 March 2019.

APPROVED



Cam McCulloch - Chairman
Trustee

Date 24/6/19



Peter Sutton
Trustee

Date 24/6/19

Statement of Financial Performance

Waiau Fisheries And Wildlife Habitat Enhancement Trust For the year ended 31 March 2019

	NOTES	2019	2018
Revenue			
Donations and Grants			
Rakatu Wetland - Donation Box		349	212
Other Donations		200	350
Total Donations and Grants		549	562
Sales of Goods and Services			
Rakatu Wetland - Grazing Lease		17,704	17,704
Whitebait Habitat - Sale of Baleage		26,730	20,650
Rebate - Fertiliser		158	150
Total Sales of Goods and Services		44,592	38,504
Interest and Dividends			
BNZ Interest		36	86
Investment Interest & Dividends		297,471	360,479
Total Interest and Dividends		297,506	360,565
Total Revenue		342,647	399,632
Expenses			
Project Costs			
Home Creek Riparian Habitat			
Admin & Planning		3,115	1,347
Capital Expenses		11	-
Ongoing Maintenance		4,837	810
Total Home Creek Riparian Habitat		7,963	2,157
Lower Waiau Whitebait Habitat, Waiau Mouth			
Admin & Planning		13,342	18,346
Capital Expenses		1,162	1,929
Monitoring		4,885	4,331
Ongoing Maintenance		12,791	24,091
Total Lower Waiau Whitebait Habitat, Waiau Mouth		32,180	48,696
Lower Waiau Whitebait Habitat, Papatotora			
Admin & Planning		28,831	8,356
Capital Expenses		73,514	-
Total Lower Waiau Whitebait Habitat, Papatotora		102,346	8,356
Stony Creek / Whitestone Habitat			
Admin & Planning		645	394
Total Stony Creek / Whitestone Habitat		645	394
Kepler Trig Wetland			
Admin & Planning		-	143
Total Kepler Trig Wetland		-	143

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

	NOTES	2019	2018
Rakatu Wetland			
Admin & Planning		10,642	9,891
Capital Expenses		717	791
Monitoring		3,997	3,994
Ongoing Maintenance		6,722	9,400
Total Rakatu Wetland		22,079	24,075
Ramparts Road Wetland			
Admin & Planning		2,587	614
Capital Expenses		7,328	-
Monitoring		80	156
Ongoing Maintenance		394	488
Total Ramparts Road Wetland		10,389	1,259
Habitat Enhancement Agreements			
Admin & Planning		7,754	9,775
Capital Expenses		89,781	98,709
Monitoring		2,357	1,961
Ongoing Maintenance		7,156	1,898
Total Habitat Enhancement Agreements		107,048	112,343
Whare Creek Access			
Admin & Planning		260	162
Ongoing Maintenance		1,202	679
Total Whare Creek Access		1,462	841
Motu / Lower Dean Burn			
Admin & Planning		145	200
Total Motu / Lower Dean Burn		145	200
Princhester Creek Access			
Admin & Planning		399	364
Total Princhester Creek Access		399	364
Redcliff / Jericho Access			
Admin & Planning		228	292
Ongoing Maintenance		711	775
Total Redcliff / Jericho Access		939	1,067
Johnson Access			
Admin & Planning		-	72
Total Johnson Access		-	72
Mararoa Whitestone Access			
Admin & Planning		399	363
Total Mararoa Whitestone Access		399	363
Sunny Side / Monowai Access			
Admin & Planning		-	150
Ongoing Maintenance		394	488
Total Sunny Side / Monowai Access		394	638

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



	NOTES	2019	2018
Fisheries Research			
Southland Coastal Wetland		4,348	4,348
Total Fisheries Research		4,348	4,348
Education and Public Awareness			
Admin & Planning		760	1,701
Capital Expenses		309	-
Website Design		145	265
Total Education and Public Awareness		1,213	1,966
Databases			
Admin & Planning		2,657	3,476
Total Databases		2,657	3,476
Project Investigation and Facilitation			
Possible Projects and Facilitator		11,750	10,708
Total Project Investigation and Facilitation		11,750	10,708
General Field			
General Field Admin (M Sutton)		19,659	17,383
Total General Field		19,659	17,383
General Planning			
General Planning		17,608	12,295
Travel Expenses		890	853
Total General Planning		18,499	13,149
Total Project Costs		344,512	251,998
Administration Expenses			
Accounting Fees		4,988	5,351
Administration General		4,027	4,245
Annual Report / Printing		7,133	7,013
Audit Fees		3,595	3,495
Depreciation		1,916	1,949
Insurance		3,848	3,828
Legal Fees		4,220	2,001
Printing, Stamps & Stationery		-	123
Repairs & Maintenance		48	-
Telephone & Tolls		417	454
Trust Board Expenses			
Board Meeting Expenses		1,340	1,152
Board Mileage		4,300	4,273
Total Trust Board Expenses		5,640	5,424
Financial Planning			
Brokerage	4	5,364	3,406
Investment Management Fees	4	60,625	53,354
Investment Reviews		7,823	-
Total Financial Planning		73,812	56,760
Total Administration Expenses		109,644	90,643
Total Expenses		454,157	342,641

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

	NOTES	2019	2018
Trading Surplus / (Deficit)		(111,510)	56,991
Revaluation of Investments			
Revaluation of Investments		440,370	90,850
Total Revaluation of Investments		440,370	90,850
Operating Surplus		328,860	147,841

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



Statement of Financial Position

Waiau Fisheries And Wildlife Habitat Enhancement Trust

As at 31 March 2019

	NOTES	31 MAR 2019	31 MAR 2018
Assets			
Current Assets			
Cash and Cash Equivalents	2	402,120	456,000
Accounts Receivable		10,905	1,130
Goods & Services Tax		14,174	8,850
Total Current Assets		427,199	465,980
Non-Current Assets			
Property, Plant and Equipment	5	459,623	469,589
Investments	3	7,474,582	7,107,158
Total Non-Current Assets		7,944,205	7,576,748
Total Assets		8,371,405	8,042,728
Liabilities			
Current Liabilities			
Accounts Payable		943	1,126
Total Current Liabilities		943	1,126
Total Liabilities		943	1,126
Total Assets less Total Liabilities (Net Assets)		8,370,461	8,041,602
Accumulated Funds at the Beginning of the Year			
Opening Balance		8,041,602	7,893,761
Net Surplus / (Deficit) For The Year		328,860	147,841
Total Accumulated Funds at the Beginning of the Year		8,370,461	8,041,602

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

Statement of Cash Flows

Waiau Fisheries And Wildlife Habitat Enhancement Trust For the year ended 31 March 2019

	NOTES	2019	2018
Cash Flows from Operating Activities			
<u>Cash was received from:</u>			
Receipts from providing goods or services		36,167	38,504
Interest, dividends and other investment receipts		296,347	361,328
Donations or grants paid		549	562
<u>Cash was applied to:</u>			
Payments to suppliers and employees		(452,500)	(337,012)
GST		(6,626)	(6,319)
Total Cash Flows from Operating Activities		(126,063)	57,063
Cash Flows from Investing and Financing Activities			
<u>Cash was received from:</u>			
Payments to acquire Property, Plant and Equipment		(1,950)	-
<u>Cash was applied to:</u>			
Purchase of Financial Assets		74,132	(53,763)
Total Cash Flows from Investing and Financing Activities		72,183	(53,763)
Net Increase/(Decrease) in Cash		(53,880)	3,300
Bank Accounts and Cash			
Opening cash		456,000	452,700
Closing cash		402,120	456,000
Net change in cash for period		(53,880)	3,300

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



Statement of Accounting Policies

Waiau Fisheries And Wildlife Habitat Enhancement Trust For the year ended 31 March 2019

Reporting Entity and Basis of Preparation

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

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

Measurement Base

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

Presentation Currency

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

Revenue Recognition

Donations and Grants

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

Goods

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

Lease Income

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

Interest & Dividends

Revenue is recorded as it is earned during the period.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts Receivable are stated at expected realisable value.

Fixed Assets & Depreciation

All assets are stated at cost less depreciation. Depreciation has been calculated on a diminishing value basis over the estimated useful life of the asset using depreciation rates published by Inland Revenue.

Buildings	3 - 4%
Land	0%
Land Development	6.3%
Office Equipment	39.6 - 48%
Plant	12 - 100%
Rakatu Forestry Blocks	0%

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 instruments.

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 measurements 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 investment and other income is not liable for income tax.

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.

Notes to the Performance Report

Waiau Fisheries And Wildlife Habitat Enhancement Trust For the year ended 31 March 2019

1. 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 Atchment.

2. Cash and Cash Equivalents

	2019	2018
BNZ	(71,451)	(31,533)
Craigs Investment Partners - Cash on Call	198,969	130,166
First NZ Capital - Cash on Call	40,934	115,931
Milford Fund Cash	233,665	241,459
Total Cash and Cash Equivalents	402,117	456,022

3. Investments - Fair Value through Surplus or Deficit

	2019	2018
Craigs Investment Partners		
Craigs Investment Portfolio	3,456,680	3,407,058
Craigs Investment Partners - Cash on Call	198,969	130,166
Total Craigs Investment Partners	3,655,649	3,537,224
Withdrawals for the Year	180,000	75,000
Net Investment Return after Withdrawals, Fees & Brokerage	8.89	4.78
First NZ Capital		
First NZ Capital Portfolio	1,448,720	1,276,451
First NZ Capital - Cash on Call	40,934	115,931
Total First NZ Capital	1,489,654	1,392,382
Withdrawals for the Year	40,000	-
Net Investment Return after Withdrawals, Fees & Brokerage	10.15	5.73
Milford Income Fund		
Milford Income Fund Portfolio	2,569,182	2,423,649
Milford Fund Cash	233,665	241,459
Total Milford Income Fund	2,802,847	2,665,108
Withdrawals for the Year	96,000	56,000
Net Investment Return after Withdrawals, Fees & Brokerage	9.10	5.94
Total Portfolio Investments and Cash on Call	7,948,150	7,594,714
Net Investment Return after Withdrawals, Fees & Brokerage	9.20	5.94

Investment returns are estimated based on Investment Income received (including both realised and unrealised gains less fees and brokerage) divided by the opening portfolio balance less withdrawals for the year

Realised and Unrealised Gains

	2019	2019	2018	2018
	Realised	Unrealised	Realised	Unrealised
	\$	\$	\$	\$
Craigs Investment Partners	26,410	156,739	4,539	38,789
NZ Assets Management	-	-	(2,237)	-
Milford Asset Management		160,837	-	19,398
First NZ Capital	(15,136)	111,520	(6,501)	36,861
	11,274	429,096	(4,199)	95,048
Total (Realised + Unrealised)	\$440,370		\$90,849	

4. Investment Management Fees and Brokerage

	2019	2018
Craigs Investment Partners Brokerage	5,364	3,406
Craigs Investment Partners - Fees	17,246	18,500
First NZ Capital Investment - Fees	11,383	9,729
Milford Income Fund - Fees	31,996	23,029
NZ Asset Managers - Fees	-	2,095
Total Investment Management Fees and Brokerage	65,989	56,760

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

5. Fixed Assets

2019	Cost	Opening Book Value	Additions / (Disposals)	Depreciation	Closing Book Value
Plant	24,069	4,327	1,950	684	5,593
Land	403,369	403,369		-	403,369
Office Equipment	9,761	236		94	142
Buildings	43,340	29,795		898	28,897
Forestry Blocks	28,048	28,048		-	28,048
Land Development	9,230	3,815		240	3,575
	\$517,817	\$469,590	1,950	\$1,916	\$469,624
2018	Cost	Opening Book Value	Additions / (Disposals)	Depreciation	Closing Book Value
Plant	22,119	4,942		615	4,327
Land	403,369	403,369		-	403,369
Office Equipment	9,761	388		152	236
Buildings	43,340	30,721		926	29,795
Forestry Blocks	28,048	28,048		-	28,048
Land Development	9,230	4,071		256	3,815
	\$515,867	\$471,539		\$1,949	\$469,590

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 environment 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 facilities for recreational and educational use to promote the values of the wildlife and fishery habitats.

Public Access Ways

Marara / Whitestone (purchase cost \$14,990)

Princhester Creek (purchase cost \$6,475)

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.

6. Financial Research Commitments	2019	2018
Operating Lease Commitments		
Current	2,000	2,000
Non-Current	6,000	8,000

Meridian Lease of 54.3 hectares, Sec 1-3 plan 12225. Registration number 35841 Waiau Mouth was renewed on the 30 September 2017 for a further 5 years until 2022 at an annual lease payment of \$2,000 per year.

Financial Research Commitments	2019	2018
Fisheries Research Commitments		
Current	5,000	5,000
Non-Current	-	5,000

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

7. Capital Commitments

There were no capital commitments as at 31 March 2019 (2018: \$Nil).

8. Contingencies

There are no contingent liabilities and no contingent assets as at 31 March 2019 (2018: \$Nil).

9. Related Parties

Peter Sutton is a Trustee of the Trust. Peter is related to Mark Sutton, project manager for the Trust. Mark's services for the year totaled \$85,506 (2018: \$69,188).

10. Subsequent Events

There are no subsequent events at balance date (2018: \$Nil).

11. Additional Information - Emissions Units

Pre 1990 Forest

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

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

Compensation units are recognised based on the market value on the date received. They have not been recognised as income in the financial statements. As at 31 March 2019 the Trust held 240 NZU with a value of \$6,144 (2018: \$5,028). As a registered charity, any income from the receipt or sale of these units is not taxable.

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

Post 1989 Forest

Waiau Fisheries And Wildlife Habitat Enhancement 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 emission units ('The units') for carbon stored in the specified area, from a 2008 baseline.

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

In April 2018 trustees applied for and received a further 1,659 NZU for post 1989 Forest to take the NZU's held to 3,135 with a value of \$80,256 (2018: \$65,678) as at 31 March 2019.

12. Reconciliation of Net Surplus to Cash Flow From Operating Activities

	2019	2018
Net Surplus / (Deficit)	328,860	147,841
Add Non-Cash Items		
Depreciation	1,916	1,949
Total Add Non-Cash Items	1,916	1,949
Add / (Less) Working Capital Movements		
(Decrease) / Increase in Accounts Payable	(183)	271
(Increase) / Decrease in Accounts Receivable	(9,775)	763
(Increase) / Decrease in GST	(5,323)	(6,319)
Total Add / (Less) Working Capital Movements	(15,281)	(5,285)
Add / (Less) Investment Movements		
Accrual interest	(1,186)	-
Investment Revaluation	(440,372)	(87,443)
Total Add / (Less) Investment Movements	(441,558)	(87,443)
Total Cash Flow from Operating Activities	(126,063)	57,062



INDEPENDENT AUDITOR'S REPORT**To the Trustees of Waiau Fisheries and Wildlife Habitat Enhancement Trust****Opinion**

We have audited the performance report of Waiau Fisheries and Wildlife Habitat Enhancement Trust (the Trust) on pages 6 to 17, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2019, the statement of financial position as at 31 March 2019, and the statement of accounting policies and other explanatory information.

In our opinion:

the performance report on pages 6 to 17 presents fairly, in all material respects:

- the entity information for the year ended 31 March 2019; and
- the financial position of the Trust as at 31 March 2019, and its financial performance, and cash flows for the year then ended

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

Basis for Opinion

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

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

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

Other Matter

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

Information Other Than the Performance Report and Auditor's Report

The Trustees are responsible for the other information. The other information comprises the information included in the performance report on pages 3 to 5, but does not include the performance report and our auditor's report thereon.

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

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

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

Responsibilities of the Trustees for the Performance Report

The Trustees are responsible on behalf of the entity for:

- (a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;

- (b) The preparation and fair presentation of the performance report, which comprises:

- the entity information;
- the statement of service performance; and
- the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

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

- (c) For such internal control as 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.

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

Auditor's Responsibilities for the Audit of the Performance Report

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

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

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represent the underlying transactions and events in a manner that achieves fair presentation.

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



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Invercargill this 24th day of June 2019