Controller and Auditor-General
Tumuaki o te Mana Arotake

Performance audit report

Department of Conservation: Prioritising and partnering to manage biodiversity

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Department of Conservation: Prioritising and partnering to manage biodiversity

This is an independent assurance report about a performance audit carried out under section 16 of the Public Audit Act 2001.

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Glossary

Adaptive management: An experimental approach to management, or "structured learning by doing". It is based on developing dynamic models that try to predict the effect of alternative management policies. Management learning then proceeds by systematic testing of these models, rather than by trial and error. Adaptive management is most useful when large complex ecological systems are being managed and management decisions cannot wait for final research results.

Biodiversity: The biological variability among living organisms from all sources (land and water) and the ecological complexes of which they are part. Biodiversity includes diversity within species, between species, and of ecosystems.

Biosecurity: The protection of people and natural resources, including biodiversity, from unwanted organisms capable of causing harm.

Conservation: As defined in the Conservation Act 1987, the preservation and protection of natural and historic resources for the purpose of maintaining their intrinsic values, providing for their appreciation and recreational enjoyment by the public, and safeguarding the options of future generations. In *The New Zealand Biodiversity Strategy* (and in the Convention on Biological Diversity), the term conservation is used in a broader sense than in the Conservation Act. Although distinguished from "sustainable use" and "sustainable management", conservation embraces both the protection and judicious use and management of biodiversity for the benefit of human society and for ethical reasons, including its intrinsic value and its importance in maintaining the life-sustaining systems of the biosphere.

Conservation land: About 8.5 million hectares of land that the Department of Conservation manages on behalf of New Zealanders, guided by conservation management strategies that are agreed with local communities. Conservation land includes national parks, high-country parks, forest parks, off-shore and subantarctic islands, reserves, wildlife management areas, historic sites, and "stewardship" areas.

Conservation of biodiversity: The management of human interactions with genes, species, and ecosystems so as to provide the maximum benefit to the present generation while maintaining their potential to meet the needs and aspirations of future generations. This encompasses elements of saving, studying, and using biodiversity.

Convention on Biological Diversity: An international agreement on biological diversity that came into force in December 1993. The objectives of the Convention are the conservation of biodiversity, the sustainable use of its components, and the fair and equitable sharing of the benefits arising out of using genetic resources.

Ecological integrity: Refers to a healthy function condition. The Department of Conservation uses ecological integrity to measure environmental performance.

Ecological integrity indicators: Markers of an important component of ecological integrity.

Ecological integrity measures: Specific information that can be compared against a goal. The measure for species extinction is "number of extinctions".

Ecosystem: An interacting system of living and non-living parts (such as sunlight, air, water, minerals, and nutrients). Ecosystems can be small and short-lived (such as water-filled tree holes or rotting logs on a forest floor), or large and long-lived (such as forests or lakes).

Ecosystem services: Processes by which the environment produces benefits useful to people. Ecosystem services include providing clean water and air, pollinating crops, mitigating environmental hazards, controlling pests and diseases, and storing or converting carbon dioxide (carbon sequestration).

Endemic species: An indigenous plant or animal species that lives only within a specified region or locality and is unique to that area.

Indigenous species: A plant or animal species that is native to New Zealand. It need not be endemic to New Zealand.

Introduced species: A plant or animal species that humans have brought to New Zealand, either by accident or design. A synonym is "exotic species".

Invasive species: An animal pest or weed that can adversely affect indigenous species and ecosystems by altering genetic variation within species or by affecting the survival of species or the quality or sustainability of natural communities. In New Zealand, invasive animal pests or weeds are almost always species that have been introduced.

Natural habitats and ecosystems: Habitats and ecosystems with a dominant or significant indigenous natural character. They do not include modified areas, such as farm or forestry land, where the indigenous vegetation has largely been replaced, although these areas may still provide important habitats for indigenous species.

Protected area: A geographically defined area that is protected primarily for nature conservation purposes or to maintain biodiversity values, using any of a range of legal mechanisms that provide long-term security of either tenure or land use. A protected area can be either publicly or privately owned.

Rehabilitation: The recovery of specific ecosystem services in a degraded ecosystem or habitat.

Restoration: The process of helping the recovery of an ecosystem that has been degraded, damaged, or destroyed.

Risk: In this report, the potential negative effect of a series of threats to species or ecosystems.

Threat: A potential source of harm to biodiversity (such as pests, changing land use patterns, and climate change).

Threatened species: A species or community that is nationally vulnerable, nationally endangered, or nationally critical. The Department of Conservation has assessed threatened species (using criteria for population trend, population size, or area occupied), to classify according to the risk of extinction.

Auditor-General's overview

This year, my Office is directing its attention quite specifically to the future. My staff will be carrying out a range of work under the theme of *Our future needs – is the public sector ready?* The focus is on how public entities prioritise work, develop necessary capabilities and skills, and use information to identify and address future needs.

This report is one of the first from this range of work. In it, we set out the findings of a performance audit that examined how well the Department of Conservation (DOC) is prioritising work, and working in partnership with other agencies and groups to manage biodiversity. It focuses on the changes that DOC is carrying out and what is needed for success in the future.

Biodiversity – why is it important?

New Zealand is home to an exceptionally high number of indigenous species and many of them are endemic to their country – they are not found anywhere else in the world. New Zealand's lands and waterways are also internationally renowned and attract many tourists. Visitors and New Zealanders alike benefit from our natural advantages in many ways.

The Government's business growth agenda goals of economic prosperity and well-being are underpinned by the health of New Zealand's ecosystems and the "services" they provide – for which the state of biodiversity is a major indicator.

Biodiversity is important to food security, medicines, fresh air and water, and a clean and healthy environment. Biodiversity provides a wide range of important "ecosystem services" that many people are not aware of, including soil retention, water purification, improving water yield from catchments, managing carbon, and hazard reduction (such as the role wetlands play in reducing the severity of floods).

Managing biodiversity – the big challenge

DOC is recognised for its leading conservation methods and practices, but it is not winning the battle against the threats to New Zealand's indigenous species and the habitats they live in. Recent reports show that, at best, efforts to date are merely slowing the decline of biodiversity in New Zealand, which is a cause for concern.

DOC has a difficult and complicated task in managing biodiversity. The task crosses geographical boundaries – between private and public land and waterways – and organisational boundaries at various levels of government and outside government. Ecosystems and the species within them have no regard for

boundaries between public and privately owned environments or how central and local government are organised.

DOC is responsible for managing biodiversity on conservation land and waterways. Outside the conservation estate, DOC provides support, advice, and funding to others who lead biodiversity management on private land. DOC's ability to effectively work with others in protecting indigenous biodiversity is highly dependent on its ability to engage willing partners in a variety of collaborative arrangements.

Changing to prioritise and partner more

The job of managing biodiversity on conservation land is far greater than the resources available.

In 2012/13, DOC will spend about $202 million on managing biodiversity. With the resources it has, DOC is able to actively manage only a small proportion (about one-eighth) of New Zealand's conservation land and about 200 of the 2800 threatened species.

DOC's tactic of prioritising its work and looking to other partners, community groups, and commercial enterprises for resources is logical, given the size of the responsibility and DOC's funding constraints.

Gathering and using information to set priorities

DOC is aware that some aspects of the way it has worked in the past need to improve and that it needs to be more targeted in how it works. DOC has invested time and resources to put in place better ways to use the information it gathers on biodiversity and prioritise how it targets its resources to best effect.

DOC has more work to do in gathering information on biodiversity to inform its work, although it has made progress. As this information accumulates over time, its value will grow. In our view, DOC needs to make a long-term commitment to collecting this information so it can form a view of biodiversity health, monitor changes over time, and gain a better understanding of how effective its programmes are.

We heard and saw a lot of different perspectives on DOC's new structure, prioritisation tools, and increasing emphasis on establishing partnerships. The new prioritisation tools are viewed by some as one of the most important changes to conservation management since DOC was created, having long-term effects across New Zealand. The decisions made by DOC using its new prioritisation tools will have long-term effects and are therefore critical.

There are concerns about how the prioritisation tools will affect existing partnerships as implementation takes place and whether DOC's staff will be equipped to manage any resulting tensions successfully. The potential tension between DOC stopping work on some historical projects that are not ranked as a priority while it attempts to increase the proportion of resources for managing biodiversity from existing and new partners is a risk that needs to be actively managed.

Working with others in a more co-ordinated and integrated way

Although there has been a lack of strategic collaboration between government agencies to tackle threats to biodiversity, we found signs of potential improvement. For example, a central government sector group is emphasising the need to integrate DOC's work on conservation land with neighbouring local authorities. Recently, DOC has been setting in place working agreements with some local authorities and for specific ecosystems to improve biodiversity management. This is encouraging and important for increasing the effectiveness of scarce resources.

DOC's regional conservation strategies have been out of date for some time. They need to be updated and then implemented to provide more clarity about how DOC intends to work with others in the regions and with communities. Local authorities have said that they want DOC to take a longer-term view of how it works with them on joint projects, to ensure that progress on biodiversity management is maintained over time.

In the regions, my staff found examples of DOC working well in collaboration with others to manage biodiversity, and examples of where improvements are needed. In my view, DOC could usefully provide more support and guidance to improve the effectiveness of collaboration initiatives in the regions, especially given its increased emphasis on working in partnerships to manage biodiversity. My staff did not find an integrated, strategic framework that the examples of regional partnerships fitted into. Such a framework is needed.

Staff are vital to future success

Almost everyone my staff talked to emphasised that DOC's main strength is its people, especially specialist staff out in the field in the regions. DOC has a valuable asset to take its mandate forward. DOC needs to ensure that its staff have the support and capabilities required to succeed in their new roles because they will be establishing more partnerships while implementing new prioritisation tools.

DOC needs to take others along with it, in managing biodiversity and in forming more partnerships. DOC's staff will be critical to its success.

As I noted earlier, efforts to manage biodiversity have, at best, resulted in merely slowing its decline. It is not my role to comment on the priorities that our nation chooses, but as Auditor-General I can consider whether public entities are achieving their desired outcomes. Given the current circumstances, DOC's goal to maintain and restore indigenous biodiversity is ambitious and DOC and its partners are challenged by it. Given the importance of biodiversity to our future, these challenges are real for DOC, its partners, and all New Zealanders.

Lyn Provost
Controller and Auditor-General

3 December 2012

Our recommendations

Prioritising to manage biodiversity

We recommend that the Department of Conservation:

1. put in place an implementation and risk management plan for its new prioritisation tools, ensuring that:
   - staff have the skills and support needed to successfully use the new prioritisation processes; and
   - there is adequate ongoing consultation with communities and key stakeholders and partners as part of prioritisation; and
2. ensure that there is effective long-term monitoring and reporting of the effects of biodiversity management, including through the Ministry for the Environment's national environmental reporting.

Strategic integration

We recommend that the Department of Conservation:

3. renew all conservation management strategies in a timely manner and before they expire;
4. prepare and implement working agreements with local authorities as a standard practice for managing biodiversity in the regions; and
5. establish longer-term plans and resourcing commitments with partners that are working on core biodiversity operations.

Working with others to manage biodiversity

We recommend that:

6. where biodiversity of national significance is at risk and requires timely and integrated responses, the Department of Conservation's national office ensure that effective regional leadership and co-ordination with other agencies is in place to respond to risks appropriately.

We recommend that the Department of Conservation:

7. produce policies, practices, and tools for preparing working agreements and collaborative action plans that would be appropriate for the range of partnerships it will be involved in; and
8. review the criteria for the Biodiversity Advice Fund for larger multiple-year collaborative projects, advocate for using standardised tools and templates, and set out specific reporting requirements for repeated funding applications.

Part 1
Introduction

1.1 In this Part, we set out:

- what biodiversity is and why it matters;
- challenges and risks to biodiversity;
- the purpose of our audit;
- what we looked at;
- how we carried out our audit;
- what we did not cover; and
- the structure of this report.

What biodiversity is and why it matters

1.2 The word biodiversity is abbreviated from biological diversity. It means the amount and variety of all biological life on earth, including plants, animals, fungi, micro-organisms, the genes they contain, and the ecosystems on land or in water where they live.

1.3 As a remote and isolated group of islands, New Zealand has a wealth of biodiversity.[1] Much of New Zealand's indigenous biodiversity is endemic (which means that the flora and fauna do not live anywhere else), with small, self-sustaining, and site-specific populations. These characteristics make populations especially vulnerable to extinction from predation by introduced pests and diseases or from catastrophic events.

1.4 As noted by the Convention on Biological Diversity (the Biodiversity Convention):

> *... biological diversity is about more than plants, animals and micro organisms and their ecosystems – it is about people and our need for food security, medicines, fresh air and water, shelter, and a clean and healthy environment in which to live.*[2]

1.5 The state of New Zealand's biodiversity is an important indicator of the health of the country's ecosystems. Those ecosystems underpin the country's prosperity and well-being[3] by providing ecosystem services such as soil retention, water purification, improving water yield from catchments, managing carbon, and hazard reduction (such as the role wetlands play in reducing the severity of floods).[4] The country's lands and waterways are also an essential part of New

1 *New Zealand's Fourth National Report to the United Nations Convention on Biological Diversity* (2009), page 3.

2 *Sustaining life on Earth: How the Convention on Biological Diversity promotes nature and human well-being* (2010), The Secretariat of the Convention on Biological Diversity. See the website for the Biodiversity Convention, www.cbd.int.

3 *The Natural Resources Sector Briefing to Incoming Ministers* (2011), page 12.

4 *The Natural Resources Sector Briefing to Incoming Ministers* (2011), page 12.

Zealand's "clean and green" image, which has helped to make tourism one of New Zealand's most lucrative industries.

1.6 In 2012/13, the Department of Conservation (DOC) will spend about $202 million on managing biodiversity. It is difficult to calculate the total amount spent on biodiversity by all central and local government agencies, partly because one sizeable pool of funding for biodiversity work was dispersed among responsible central government agencies in 2006.

Challenges and risks to biodiversity

1.7 New Zealand has been classified as one of 34 biodiversity "hotspots" in the world because it is one of the richest reservoirs of plant and animal life on Earth but also one of the most threatened:

> *The biodiversity hotspots hold especially high numbers of endemic species, yet their combined area of remaining habitat covers only 2.3 percent of the Earth's land surface. Each hotspot faces extreme threats and has already lost at least 70 percent of its original natural vegetation. Over 50 percent of the world's plant species and 42 percent of all terrestrial vertebrate species are endemic to the 34 biodiversity hotspots.*[5]

1.8 New Zealand has one of the highest extinction rates in the world. About 2800 known land-based and freshwater species of animals and plants are classified as threatened.[6] A 2007 "state of the environment" report[7] noted that all threatened indicator species were showing a continued decline in their habitat range and that New Zealand's biodiversity faced the same pressures as it did 10 years earlier. More recent reports have concluded that New Zealand is, at best, slowing the decline of biodiversity.

1.9 The challenges to biodiversity that DOC must manage are big and complex. It is responsible for deciding which ecosystems and species can and should be saved. DOC's prioritising decisions will have long-term effects on the environment, the economy, and future generations.[8]

1.10 Resources are scarce, but the problem is large. DOC is currently able to actively manage only about one-eighth of New Zealand's conservation land and about 200

5 See www.conservation.org, Where we work, Priority areas.

6 Department of Conservation, *Managing natural heritage – a quick guide to DOC's tools and processes*, Natural Heritage Management System factsheet 675832.

7 Ministry for the Environment (2007), *Environment New Zealand 2007*, Wellington, page 353.

8 Biosecurity is also important. Protecting native flora and fauna from harmful incursions provides a secure and stable environment. In a separate audit, we are reviewing the effectiveness of the Ministry for Primary Industries in preparing for, and responding to, biosecurity incursions.

of the 2800 species that are classified as threatened.[9] As well as the scale of the challenge to biodiversity, the ecosystems, the species within them, and the threats that they face have no regard for boundaries between public and privately owned environments or how central and local government are organised. Managing biodiversity requires an integrated and collaborative approach that extends across these boundaries.

The purpose of our audit

1.11 During 2012/13, we are carrying out a series of performance audits under the theme of *Our future needs – is the public sector ready?* We are focusing on how public entities prioritise work, develop necessary capabilities and skills, and use information to address foreseen future needs.

1.12 In keeping with this theme, we carried out a performance audit to assess how effectively DOC uses the information it has on biodiversity to prioritise its resources. We also assessed how effective DOC has been in working with others to manage indigenous biodiversity to achieve the greatest gains with the resources available.

1.13 We decided to focus on DOC's performance in working with others on managing biodiversity because it is an important aspect of its mandate, strategy, and policies.

What we looked at

1.14 For 2012/13, DOC has about $202 million available to meet its objective of maintaining and restoring indigenous biodiversity.[10] This audit assessed how effectively DOC has directed the resources available to it to manage biodiversity. DOC's mandate, objectives, and new business model described in Part 2 are directed at better prioritising its use of resources and working in partnership with others (inside and outside government) to effectively manage biodiversity. Given this, we focused our audit on three main questions:

- Has DOC used the information it has to prioritise resources to target risks to indigenous biodiversity?
- Has DOC taken an integrated, strategic approach to managing indigenous biodiversity in working with other governmental agencies and in its own operations?
- Has DOC been effective in working with other government and non-governmental agencies or groups in managing indigenous biodiversity?

9 Department of Conservation, *Managing natural heritage – a quick guide to DOC's tools and processes*, Natural Heritage Management System factsheet 675832.

10 This amount includes funds for biodiversity that others will distribute (non-departmental output expenses) – the funding allocated to NZ Biodiversity Funds ($10.5 million) and funding to protect natural and historic places ($19.8 million). See paragraph 2.22.

How we carried out our audit

1.15 We reviewed documents and files and DOC's information systems and processes. As well as interviewing stakeholders and staff in Wellington, we visited four DOC regions to study how DOC works with others. This research was used for the case studies in this report (see Parts 5 and 6). The four DOC regions we visited, as shown in Figure 1, were Southland, West Coast Tai Poutini, Wellington Hawke's Bay, and Northland.

1.16 We chose these regions to represent different geographical areas, places where we knew there were regional collaborative initiatives and biodiversity projects, and areas where there are threats to ecosystems of national significance and the species within them (such as Waituna Lagoon, as requested by the Parliamentary Commissioner for the Environment).

1.17 We also contracted an independent specialist on biodiversity, Professor David Norton, from the University of Canterbury, to peer review our work and this report.[11]

1.18 We spoke to DOC staff, members of the New Zealand Conservation Authority[12] and regional Conservation Boards, and people working in other government offices and non-governmental organisations who work with DOC as part of managing biodiversity. We met representatives from community groups and trusts, national and regional representatives of agencies that interact with DOC on biodiversity management, Crown research institutes, the New Zealand Fish and Game Council, Royal Forest and Bird Protection Society of New Zealand (Forest & Bird), and Federated Farmers of New Zealand, as well as commercial enterprises involved in biodiversity projects.

1.19 We also visited local initiatives in the four regions and observed practical examples of how DOC works with others to manage biodiversity.

What we did not cover

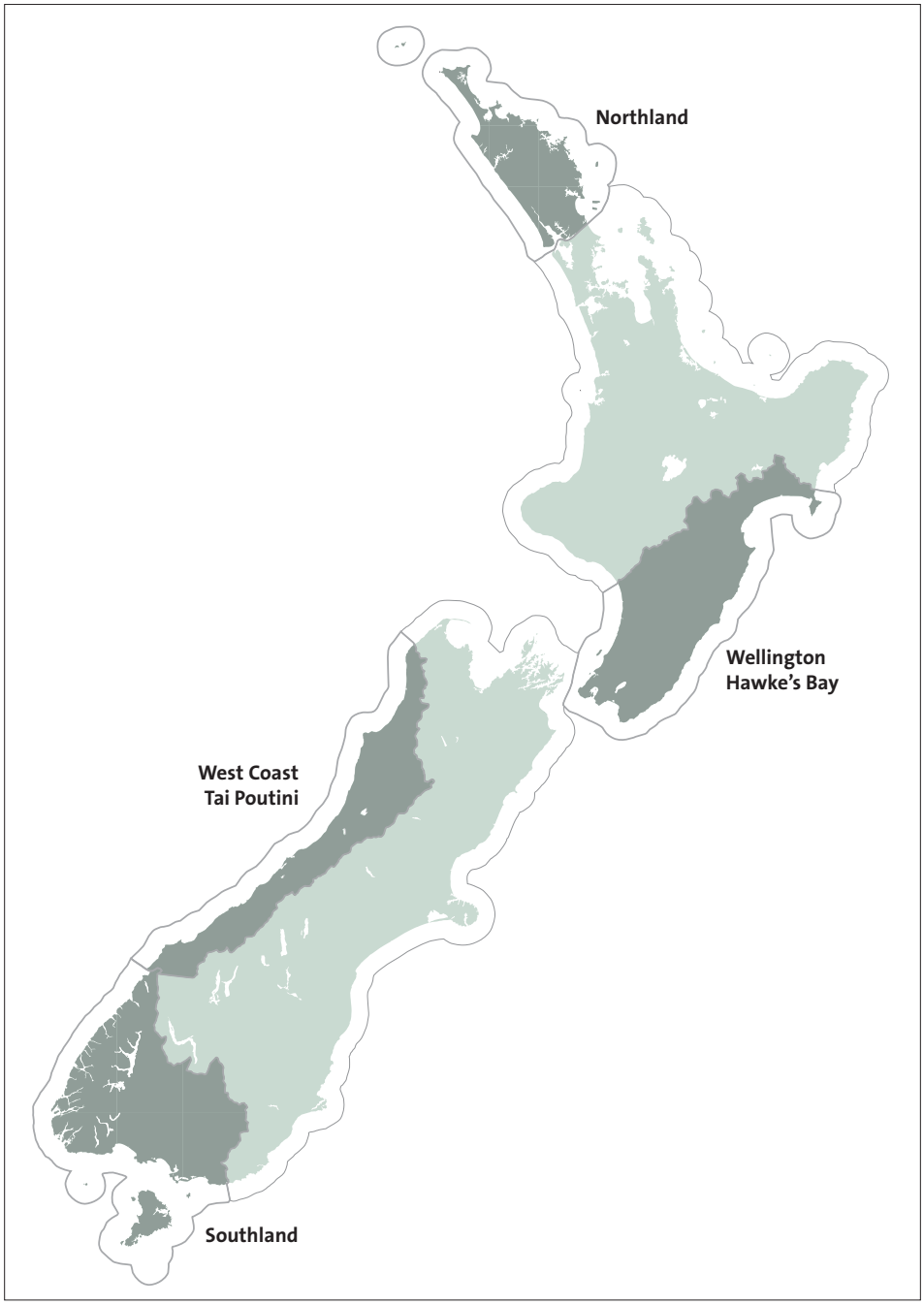
1.20 Biodiversity is a large and complex subject to audit. We limited our performance audit to DOC's prioritising and partnering work for land and freshwater habitats and the species within those ecosystems. Although marine and coastal biodiversity values are critical, for practical purposes we excluded matters associated with managing marine and coastal biodiversity.[13]

11 Professor Norton was recommended to us by the Office of the Parliamentary Commissioner for the Environment.

12 The 13-member New Zealand Conservation Authority advises the Minister of Conservation and the Director-General of Conservation. It approves DOC's statutory strategies and plans. For more information, see www.doc.govt.nz/getting-involved/nz-conservation-authority-and-boards.

13 Waituna Lagoon is part of a coastal wetland, but our focus was primarily on the wetland and surrounding catchment.

Figure 1
Regions we visited for our case studies



1.21 This audit did not focus on biodiversity management activities on private land other than how DOC supports others in that work.

1.22 We did not focus on DOC's broader international and national context – DOC operates within a complex framework of international agreements, numerous statutes, and national strategies and policies.

1.23 We were in contact with the Office of the Parliamentary Commissioner for the Environment when developing the audit scope and to discuss our audit plan. The Office of the Parliamentary Commissioner for the Environment has been working on issues with the commercial use of conservation land, so to avoid duplication we excluded that from the scope of our audit.

Structure of this report

1.24 Part 2 describes DOC's mandate, operating intentions and objectives, its funding to manage biodiversity, and its changing business model and structure.

1.25 Part 3 discusses how well DOC gathers and uses information on biodiversity to target its resources to achieve its outcome of maintaining and restoring biodiversity. We review some of DOC's more recent prioritisation tools and systems.

1.26 Part 4 discusses whether DOC has taken an integrated, strategic approach to managing biodiversity in working with other agencies in the regions and throughout its own operations.

1.27 Part 5 provides an overview of the sorts of partnership approaches that we saw working most effectively as well as those where improvements can be made. We used eight case studies to show how DOC has worked with others to manage biodiversity.

1.28 Part 6 provides details on each case study and our assessments.

1.29 Appendix 1 provides more detail on DOC's functions under the Conservation Act 1987, and Appendix 2 sets out an extract from the *Conservation General Policy* produced in 2005. Appendix 3 is a checklist for setting up and running collaborative initiatives, and a list of related publications.

Part 2
About the Department of Conservation

2.1 DOC operates within a broader context that includes international agreements on biodiversity[14] and a range of interconnected national statutes, policies, and strategies. For this performance audit, we focused specifically on DOC's role in managing biodiversity and how well it integrates its work with others.

2.2 In this Part, we describe DOC's:

- mandate for managing biodiversity and its statutory and planning framework;
- intentions and objectives for managing biodiversity;
- funding for managing biodiversity; and
- changing business model and structure.

Mandate and framework for managing biodiversity

2.3 DOC's roles and functions are set out in the Conservation Act 1987. DOC was set up to manage, for conservation purposes, land and natural and historic resources held under the Act. It is responsible for managing biodiversity on conservation land[15] and waters. Conservation land comprises about one third of New Zealand's total land mass.

2.4 Outside of conservation land, DOC advocates, informs, supports, and encourages others to manage biodiversity effectively. How DOC works with local authorities is particularly important for biodiversity management outside conservation land and waterways.

2.5 DOC also has specific responsibilities under the Conservation Act to "preserve so far as is practicable all indigenous freshwater fisheries, and protect recreational freshwater fisheries and freshwater fish habitats". Appendix 1 sets out the applicable subsections of the Conservation Act.

Statutory and planning framework

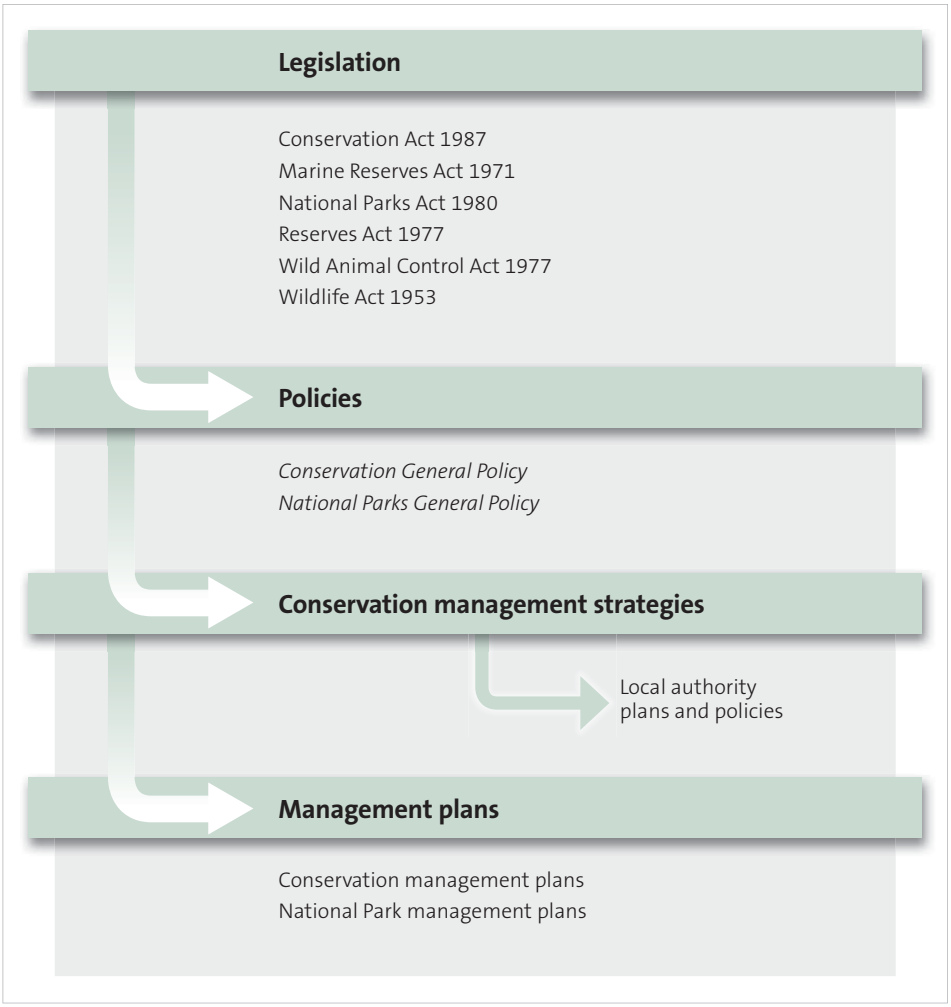
2.6 As well as for the Conservation Act, DOC has the lead responsibility for the National Parks Act 1980, Reserves Act 1977, Wild Animal Control Act 1977, and Wildlife Act 1953. There are complex connections with the Resource Management Act 1991 and its responsible agency, the Ministry for the Environment, and with local authorities, which we discuss further in Part 4.

14 The international conventions are the 1993 Convention on Biological Diversity (the Biodiversity Convention) and the 1971 Convention on Wetlands of International Importance (the Ramsar Convention).

15 See Glossary. Conservation land includes national parks, high-country parks, forest parks, off-shore and subantarctic islands, reserves, wildlife management areas, historic sites, and "stewardship" areas.

2.7 The statutory framework that DOC works within has a hierarchy of policies, strategies, and plans. The hierarchy includes statements of general policy, conservation management strategies, and conservation management plans, which are set out in Figure 2.

Figure 2
Statutory framework for managing conservation land



Source: Department of Conservation.

Note: Marine and coastal biodiversity is outside the scope of our audit.

Conservation General Policy

2.8 DOC is responsible for producing statements of general policy. It published the *Conservation General Policy* in May 2005 (see Appendix 2, which sets out Chapter 7 of the *Conservation General Policy*, on "Conservation Beyond Public Conservation

Lands and Waters"). It provides direction for implementing the Conservation, Wildlife, Reserves, and Wild Animal Control Acts, as well as the Marine Reserves Act 1971 and the Marine Mammals Protection Act 1978. The *National Parks General Policy* provides the same implementation guidance for its associated legislation (the National Parks Act 1980).

2.9 DOC has said clearly for some time that it relies on other government and non-governmental agencies and groups to achieve its goals. DOC's *Conservation General Policy* states:

> *... not all conservation goals are achievable on public conservation lands or waters. DOC needs to work cooperatively with other landowners and occupiers and the wider community, including local government, to protect and advocate for natural resources.*

2.10 The *Conservation General Policy* also provides direction for conservation management strategies, produced by DOC's regional conservancy offices in consultation with the community.[16]

Conservation management strategies

2.11 Conservation management strategies are DOC's mechanism for ensuring that national strategies (including statements of general policy) are supported locally. The strategies set up objectives for the integrated management of natural and historic resources, and for recreation, tourism, or other conservation purposes.

2.12 Conservation management strategies cover a 10-year period, and DOC must renew each strategy within 10 years of the New Zealand Conservation Authority approving it.

2.13 The purpose and processes for developing and approving conservation management strategies are set out in section 17D of the Conservation Act. Like local government's long-term plans, the regional conservation management strategies are prepared using a formal consultation process. DOC describes conservation management strategies as its "handshake with the community".

2.14 Preparing conservation management strategies is the primary method of setting regional conservation and recreational goals, objectives, and methods of management. The consultation process is intended to include the local community in identifying protected areas and values important for regional management. Similar strategies and implementation plans are used for national parks.

2.15 Conservation management strategies have important implications for local authorities, which must take the conservation management strategies into

16 DOC has 11 regional conservancy offices. More information about DOC's structure is available at www.doc.govt.nz, About DOC.

account when preparing resource policies and plans, granting resource consents, and setting conditions on consents.[17]

Conservation management plans

2.16 The purpose of conservation management plans is to carry out conservation management strategies. The plans are intended to set out detailed objectives for the integrated management of natural and historic resources within areas managed by DOC under various Acts, and for recreation, tourism, and other conservation purposes.

The Department of Conservation's intentions and objectives

2.17 At the time of conducting our audit, DOC had published its 2011-14 statement of intent (SOI). The SOI set out what DOC intended to achieve and how it would carry out its role in protecting biodiversity. The most relevant objective was that "the diversity of our natural heritage is maintained and restored".[18]

2.18 There were six areas of work under this outcome:

- *Conserving a full range of ecosystems to a healthy functioning state.*
- *Conserving nationally threatened native species to ensure their persistence.*
- *Maintaining and restoring the natural features (landforms, landscapes and seascapes) that the majority of New Zealanders consider nationally iconic.*
- *Maintaining and restoring the native species that the majority of New Zealanders consider nationally iconic.*
- *Maintaining or restoring locally treasured natural heritage through working with others.*
- *Holding public conservation lands, waters and species for the benefits they deliver now and for the future.*[19]

2.19 DOC's SOI also included specific references to working with others to achieve its outcomes:

- Priority ecosystems and indigenous species do not necessarily always occur on public conservation land and waters. DOC collaborates with others to secure these priority ecosystems and threatened species using a range of means, including providing training, information, help with equipment, and operating shared pest management programmes.
- DOC works with local government in its operations, as part of Resource Management Act planning processes, and to support biodiversity protection outside conservation land and waters. DOC engages with tāngata whenua,

17 Sections 66, 74, and 104(1)(b)(i) of the Resource Management Act 1991.

18 Department of Conservation (2011), *Statement of Intent 2011-2014,* Wellington, pages 17-18.

19 Department of Conservation (2011), *Statement of Intent 2011-2014,* Wellington, page 18.

local government, private landowners, and land care community groups through the delivery of Ngā Whenua Rāhui, Biodiversity Condition, Biodiversity Advice, and Nature Heritage funds.[20]

2.20 DOC also manages the Terrestrial and Freshwater Biodiversity Information System by providing funding for biodiversity information, data systems, and digital media, and governs this through a cross-sector steering committee made up of central government agencies, Crown research institutes, and local government representatives.

Funding to manage biodiversity

2.21 The total appropriation for Vote Conservation in 2012/13 is $444.9 million.[21] Within Vote Conservation, three different appropriations support biodiversity management:

- The Management of Natural Heritage appropriation makes up 35.1% of Vote Conservation (totalling $156.3 million in 2012/13). The appropriation is for maintaining, restoring, and protecting ecosystems, habitats, and species.[22]
- The Conservation with the Community appropriation ($15.1 million) is for educational and public awareness services, and getting the community involved in conservation. DOC told us that about $12.5 million (80%) of this appropriation is directed towards biodiversity management.
- The Crown Contribution to Regional Pest Management Strategies (totalling $3.1 million) is for controlling animal and plant pests on conservation land.

2.22 There are also some non-departmental output expenses that contribute to biodiversity management. They include:

- NZ Biodiversity Funds (grants for land managers, to help with the cost of biodiversity activities), with a budgeted amount of $10.5 million; and
- Identification and Implementation of Protection for Natural and Historic Places (funding for identifying and protecting biodiversity and ecosystems on private and Māori land), with a budgeted amount of $19.8 million.

2.23 At the time of writing, DOC told us that it estimated there were the equivalent of 1148 people working full-time within DOC on biodiversity.

20 These are contestable funds that DOC administers. The Ngā Whenua Rāhui fund is for helping Māori landholders protect indigenous forest and other ecosystems "in a way that is responsive to their spiritual and cultural needs". The Biodiversity Condition Fund is for improving indigenous species and habitats, and the Biodiversity Advice Fund supports providing information and advice to land managers. The Nature Heritage Fund is for protecting indigenous forests and other ecosystems that "represent the full range of natural diversity originally present in the New Zealand landscape".

21 This total includes output expenses of $368.1 million and $62.4 million of capital expenditure.

22 We note that, of the $13.5 million funding reduction for 2012/13, the amount budgeted for the Management of Natural Heritage appropriation reduced by $7.7 million.

2.24 DOC is not the only source of funding or of people working to protect biodiversity in New Zealand. We are unable to provide an estimate of the amount of overall funding being used for biodiversity management throughout central government because this information is no longer collated and monitored.[23] It would also be difficult to identify funding for biodiversity in local government, and doing so is outside the scope of this audit.

The Department of Conservation's changing business model and structure

2.25 DOC has embarked on a major process of change prompted by recognising that it needed to improve its effectiveness to achieve its outcomes as well as meet funding reductions. In 2011/12, an internal review led to a significant redesign of DOC's business model and structure.

2.26 DOC's new business model has two main drivers:

- *focus us externally toward our stakeholders and*
- *integrate the organisation to deliver consistent, aligned outcomes.*[24]

2.27 The new business model was designed to support local conservation work in a way that is consistent nationally and to support better co-operation and collaboration between DOC's business groups.

2.28 The new structure was designed to centralise support service functions through three shared service offices.[25] These changes, along with other efficiencies, have enabled DOC to find the required budget savings.

2.29 DOC is increasing its focus on partnerships to achieve biodiversity gains. It has established new business development and community engagement staff roles to support this strategy. DOC is also researching how biodiversity "offsetting"[26] might work to achieve Government's environmental and economic goals.

2.30 The second phase of DOC's change process will include a review of its delivery functions, which is due to be competed in July 2013.

23 Funding on biodiversity throughout central government agencies has not been monitored since funding under *The New Zealand Biodiversity Strategy* was distributed into separate Department budgets in 2006.

24 Department of Conservation (September 2011), *Final Report of the Organisational Design Review*, page 5.

25 The shared service offices are in Hamilton, Wellington, and Christchurch.

26 Biodiversity "offsetting" means accepting that economic development will sometimes lead to a site-specific loss of biodiversity that cannot be avoided, remedied, or mitigated. Developers can enhance the same or more threatened biodiversity at a separate nearby site "to achieve a net gain in biodiversity, measured using selected ecological criteria." See DOC's January 2010 publication, *Biodiversity Offsets Programme*, for more information.

2.31 DOC has stated that the purpose of its change of operations is to "get others involved in conservation – contributing money and effort to vital conservation work in the field". DOC will know it is succeeding:

... when something like:

- *60% of all conservation work is carried out by local partners on and off conservation land*
- *40% of all conservation work is carried out by DOC field staff.*[27]

2.32 DOC has also prepared new tools for prioritising its work on biodiversity management, as part of its Natural Heritage Management System. The new prioritisation tools are designed for species and ecosystems management as well as for DOC's advisory work under the Resource Management Act. The new tools have not yet been fully implemented.

27 Department of Conservation (September 2011), *Final Report of the Organisational Design Review*, page 9.

Part 3

New approaches to using information about biodiversity to prioritise work

3.1 In this Part, we discuss how well DOC gathers and uses information on biodiversity to target its resources towards maintaining and restoring biodiversity. We review some of DOC's more recent tools and systems for targeting resources.

3.2 We discuss how DOC uses information to:

- assess the health of species and ecosystems and identify biodiversity risks;
- decide how to respond to biodiversity risks (specifically, how it uses a new way of prioritising where resources should be directed); and
- monitor progress and measure the effectiveness of its efforts towards biodiversity outcomes.

3.3 We expected that DOC would use the information it gathers on biodiversity to prioritise resources effectively to achieve its outcomes for biodiversity, and use monitoring information to adapt and improve its effectiveness over time.

Summary of our findings

3.4 DOC's ability to monitor the effectiveness of its work on biodiversity and its new prioritisation approach will require better data than DOC currently has. DOC has identified what information it needs and has begun to collect it. The first complete set of information for the state of biodiversity on conservation land is expected to be available in 2016/17. Trend information will follow in five-yearly increments to show changes over time.

3.5 Measurement of the effectiveness of interventions needs to be progressively implemented through monitoring a selection of optimised ecosystems or species projects (see paragraphs 3.19-3.21). In our view, DOC needs to make a long-term commitment to collect monitoring information to achieve a view of the effect of interventions on biodiversity health over time and to gain a better understanding of how effective its programmes are.

3.6 We see vulnerabilities in implementing the new prioritisation approach and how it may affect DOC's relationships with major partners. DOC still has a significant amount of work ahead to manage and adapt while its new tools and systems are implemented and new biodiversity information is collected.

Assessing the health of species and ecosystems

DOC does not have adequate state and trend information to measure the overall condition of biodiversity. DOC has worked to address shortcomings in how it collects and uses information.

3.7 A challenge in managing biodiversity is protecting individual species and their ecosystems. The challenge for New Zealand is that resources for addressing the threats to biodiversity are limited. DOC's response to this challenge has been to prepare new prioritisation tools.

3.8 DOC's work includes projects that focus on specific species as well as projects for ecosystems and the species that live within them. DOC is working to further integrate its work in these two areas. In Part 6, we discuss case studies that include examples of DOC's work involving species (for example, the West Coast Wildlife Centre kiwi husbandry operation), as well as ecosystem-based projects (for example, the Puketi Forest Trust, and the Kia Wharite Project in the Whanganui River catchment).

3.9 DOC assesses biodiversity threat and status by considering the current state as well as the trend of a species or an ecosystem. DOC has information on the state and trends of many species, but it does not currently have the information it needs to assess the state and trends of a representative set of ecosystems, although it is building this information base. This information is important to monitor the results of managing threats to protect biodiversity.

Species

3.10 DOC has good information and an established system for identifying risks to particular species. The system used to identify the risk of extinction to species is the Threatened Species Classification System. Based on the population size (number of birds, fish, or plants in each category) and population trend (increasing or decreasing over time) of various species, each is ranked as threatened, at risk, or not threatened. DOC relies on this system to inform priority programmes of biodiversity work, including work to conserve a particular plant or animal, habitat, or whole ecosystem. However, there are still many species on which there is not enough data to judge their status. DOC is slowly working to gather this data.

Ecosystems

3.11 Documents that we reviewed indicated that the significant threats to biodiversity are well understood. On conservation land, pest control is the "single biggest determinant of ecosystem health and of biodiversity loss or gain".[28] On other land, changes in land use affect some ecosystems. In particular, threatened lowland

28 *Briefing to the incoming Minister of Conservation* (2011), pages 5-7.

ecosystems tend to be located in high-value, productive pastoral areas, which are difficult and/or expensive to acquire and therefore under-represented in terms of protection.[29]

3.12 DOC has started to measure the health of ecosystems on conservation land and freshwater catchments under the Ecological Integrity Framework. DOC plans to measure more than 1300 sites on conservation land and waterways and is working with local authorities to set up monitoring sites on other lands. Measuring the healthy functioning state of ecosystems is tied to DOC's core concept of "ecological integrity". There are three aspects to a healthy functioning state:

- Species occupancy (to avoid extinctions) – are the species present what you would expect naturally?
- Indigenous dominance (to maintain natural ecological processes) – are the ecological processes natural?
- Ecosystem representation (to maintain a full range of ecosystems) – are the full range of ecosystems protected?[30]

3.13 Biodiversity can be analysed within this framework because it is a central part of ecological health.

3.14 DOC will collect information for each of the three aspects on a five-year rotating basis, beginning in 2011/12. The information includes, for example, measuring how much land is covered by native plants, whether the ecosystem has been damaged by fire, the number and abundance of species present within monitoring plots, and how many species remain threatened. However, several of the required indicators are not yet available. The information available to guide DOC's management of biodiversity will improve over time as more baseline measures are collected, additional measures are developed, and trends are identified.

29 *New Zealand's Fourth National Report to the United Nations Convention on Biological Diversity* (2009), pages 5, 12, 15, 19, 20, 23, and 26.

30 Department of Conservation (2011), *Statement of Intent 2011-2014*, Wellington, page 18.

Prioritising work to manage species and ecosystems

DOC has developed a national approach and tools for prioritising its work. The approach is intended to strategically allocate resources so that more species and ecosystems can be protected. DOC also has a new tool intended to provide a more consistent approach to deciding which Resource Management Act issues DOC will become involved in. These prioritisation tools are not fully implemented so we cannot comment on their effectiveness.

3.15 DOC recognised that it needed to improve the information it gathers on the state and trends of biodiversity (species and ecosystems) and also the need to be more strategic in how it uses the resources it has for managing biodiversity.

3.16 DOC has prepared new information-gathering systems as well as new species optimisation[31] and ecosystem prioritisation tools. The aim is to increase the number of threatened species and the number and range of ecosystems that DOC actively manages. We also discuss DOC's new prioritisation tool for the work it does in advising local authorities on Resource Management Act matters.

Using information on biodiversity to prioritise work to manage species and ecosystems

3.17 DOC's new prioritisation tools will model the costs and benefits of managing a particular species or ecosystem and aim to maximise or "optimise" the benefits within a budget. The prioritisation tools draw on a range of information, including biodiversity risk, expert opinion on how to respond to the risk, and judgements about biodiversity values and national priorities.

3.18 Currently, about 2800 indigenous species are threatened. DOC has been actively managing about 200 of these species and is planning to increase this to 300 threatened species in the next four years (see Figure 3). DOC has recognised that the ecosystems it manages are not representative enough and is trying to improve the breadth of ecosystems that are protected. To do this, DOC has started focusing its work on what it calls "prioritised management units". Each unit contains a cluster of ecosystems. DOC plans to manage 400 such units in the next four years.

Species

3.19 DOC is gradually implementing its tool for optimising species management. As a result, the number of species being managed has increased. In 2011/12, 50 prescriptions (plans for managing a species) from the optimised list were implemented. Of these, 20 were for species already being managed and 30 species began to be managed.

31 The academic papers describing this process use the term "species optimisation".

Ecosystems

3.20 DOC is also moving towards an identified set of priority ecosystems, which should enable it to better target its limited resources to greater effect. In November 2011, preliminary priority ecosystems lists were generated to provide guidance for DOC's operational planning. However, DOC staff recommended that these lists be updated with better information. As a result, DOC has not yet implemented prioritisation for ecosystem work but plans to do so in 2012/13.

3.21 DOC has provided details on its targets for managing new ecosystems and species based on its prioritising system (see Figure 3).

Figure 3
The Department of Conservation's targets for protecting more species and ecosystems

Year	From the prioritised ecosystems list	Total	From the optimised species list	Total
2011/12	Not yet available		50 species	50
2012/13	Top 100 ecosystems		50 species	
	Additional 50 from the top 200 ecosystems	150	Additional 50 from the top 200 species	100
2013/14	150 ecosystems		100 species	
	Additional 75 from the top 300 ecosystems	225	Additional 50 from the top 200 species	150
2014/15	225 ecosystems		150 species	
	Additional 75 from the top 350 ecosystems	300	Additional 75 species	225
2015/16	300 ecosystems		225 species	
	Additional 100 from the top 400 ecosystems	400	Additional 75 species	300
Target		**400**		**300**

3.22 In future years, DOC plans to align its species and ecosystem prioritisation. DOC told us that it is likely that some threatened species will live within the prioritised ecosystems and will, therefore, be managed within them.

3.23 An independent specialist on biodiversity has reviewed the prioritisation tools and considers them to be technically sound and consistent with DOC's goal of increasing the number of threatened species it is able to protect.[32] Using a national set of priority ecosystems and species as a decision-making tool is intended to improve the co-ordination and alignment of DOC's work.

32 We contracted Professor David Norton to provide independent technical advice on DOC's biodiversity monitoring and prioritising systems.

3.24 Although DOC recognises that future funding constraints are a challenge, it is confident that the targets set out in Figure 3 are achievable. DOC has emphasised that it intends to implement the new programme of work at a pace the organisation can adapt to. In our view, DOC's phased implementation is prudent.

Challenges in implementing the new approach to planning work

3.25 Because the prioritisation and optimisation tools are not yet fully implemented, we cannot comment on their effectiveness. The tools appear to be technically sound, but their effectiveness will depend on how successfully they are implemented. Our audit has highlighted that there are several risks to implementation.

Risks to relationships with existing partners and staff morale

3.26 Although DOC has been communicating with stakeholders, and training staff, staff told us that they had concerns about the effects of the new approach on programmes of work and existing partnerships. Stakeholders, particularly at local authorities, expressed concerns about DOC withdrawing from established projects at short notice. DOC acknowledges that:

> *... any existing work that is not able to be aligned with the optimised work programme will become apparent as the programme is implemented, and will need to be stopped, unless another party is willing to pick up the work.*[33]

3.27 In our view, the potential tension between DOC stopping work on some historical projects that involve partnerships while it attempts to increase the proportion of resources for managing biodiversity from existing and new partners is a risk that needs to be actively managed.

3.28 Also, it appears that DOC staff's lack of understanding about optimisation, and their beliefs about its potential implications for the work that they carry out, is lowering morale and might affect how well staff support the implementation of the optimisation tool.

Risks to value for money

3.29 Most biodiversity management programmes in the regions require years, if not decades, of investment. Changes to the plans for these programmes, before their goals are achieved, can result in a waste of resources. For example, pest management must be maintained otherwise pests will quickly multiply and negate previous progress on controlling their numbers. Therefore, there are risks to achieving value for money (or a return on investment) if prioritisation criteria or the resulting work plans are changed once under way.

33 Department of Conservation (2012), *Statement of Intent 2012-2017,* Wellington, page 16.

3.30 Staff in local authorities who work with DOC have raised concerns that a longer-term commitment of resources for core biodiversity work has been lacking (see paragraph 4.15). More recently, some of DOC's current partners on biodiversity projects have expressed concern that the prioritisation tools may put some historical work at risk and result in wasted resources. We consider that the way DOC implements its new prioritisation tools poses a risk to existing partnerships and the successful achievement of biodiversity outcomes.

Staff skills and capabilities

3.31 It is unclear whether DOC's staff have the skills and capabilities to implement the new prioritisation tools in the context of the partnership model, which is a risk. As part of a review of DOC's capital intentions for 2012, the Treasury also noted the need to lift the capability of DOC's staff. DOC will need to ensure that staff understand the prioritisation tools, know how to interpret prioritised lists, have the capabilities and skills to use this information in a range of contexts, and are able to negotiate changes with existing partners.

3.32 In our view, DOC needs to prepare a well-developed implementation and risk management plan. DOC also needs to support regional conservancy staff to operate effectively under its new business model and using the new prioritisation tools.

New tool for prioritising Resource Management Act advisory work

3.33 As well as actively managing species and ecosystems, DOC works, under the Resource Management Act, on matters affecting biodiversity off the public conservation estate. This includes providing advice, advocacy, and support to local authorities on plans, policies, and resource consent applications.

3.34 Historically, DOC staff have had little guidance on how to prioritise advisory work under the Resource Management Act. The need for DOC's new tool for prioritising this work arose from DOC's organisational review, subsequent changes to its operational structure, and budget pressures.

3.35 We reviewed the new prioritisation tool, its criteria, and examples of how it is intended to work. We expected to find that DOC would use the information it has on the condition of species and ecosystems as well as other criteria to help prioritise issues related to biodiversity.

How the prioritisation tool works

3.36 The prioritisation tool indicates that, where DOC's services are discretionary under the Resource Management Act, those services should meet at least one of seven criteria to be considered for DOC's involvement. The criteria include

some biodiversity considerations, including whether the work involves sites that have a high biodiversity value (and threatened or rare) or included in the Natural Heritage Management System. If one of the criteria were met, then the Resource Management Act request would be assessed in more detail.

3.37 However, in the cases we reviewed, it was not clear to us how the various criteria were weighted at the next level of assessment, and biodiversity information did not seem to be critical for prioritisation to be decided. In the examples we reviewed, decisions were made without confirming the condition of biodiversity values that could be affected. It is also unclear how the tool would result in more consistent decision-making when there is no weighting of criteria to guide staff about how to decide what would be a priority.

3.38 The design and intended implementation of a Resource Management Act prioritisation tool appear to be facing several of the same challenges as the ecosystem and species prioritising tools. For example, staff in the regions were unclear whether these tools were intended to be used to make definitive decisions or as decision-support tools with some discretion left to staff.

3.39 DOC's staff in the regions and local authority staff agree that DOC needs to be more strategic in how it decides which Resource Management Act matters to be involved in. However, there was a degree of concern about DOC decreasing its involvement in Resource Management Act matters because stakeholders see DOC as the only agency with specialist expertise on biodiversity and with the mandate for conservation.

Monitoring progress and measuring effectiveness

DOC is in a weak position to assess progress in terms of national biodiversity goals. The development of ecological integrity indicators and their collection should improve DOC's monitoring by providing a nationally representative set of indicators. However, it will be years before DOC has impact measurement data available to assess its effectiveness.

3.40 DOC needed, and now has, an improved performance framework, but it still needs to improve its performance measures and reporting practices at the programme and operational levels. Once DOC does this, it will be better able to identify the effectiveness of its work on managing biodiversity, learn from that, and adapt its approaches accordingly. We would expect that DOC uses the information it gathers to prioritise its resources as well as to assess its effectiveness and determine how to improve the way it works in meeting its outcomes for biodiversity.

3.41 DOC has not been monitoring its progress toward national biodiversity goals effectively. Biodiversity management requires a long-term investment, and decisions must be supported and carried through over many years. In the past, monitoring of results has been based on specific project- or species-level results. However, there is a need to monitor the effect that DOC, and its strategic approach to management, is having on biodiversity at a broader level.

3.42 Multiple reports since 2005 have validated DOC's core conservation work, but these reports also noted that DOC was in a weak position to assess progress on national biodiversity. The most significant gaps have been in environmental performance measures, nationally representative data, and integrated data.

3.43 DOC has identified a more purposeful approach to data collection for its managed sites. The Natural Heritage Management System includes features designed to remedy the shortfalls noted in paragraph 3.42.

3.44 The development of ecological integrity indicators and their implementation through the Natural Heritage Management System should improve DOC's monitoring. However, only one year of the first five-year cycle has been collected, and it will take four more years to have a complete set of representative biodiversity information about the baseline condition of the monitored sites. Trend data will be available when successive cycles are completed.

3.45 Monitoring the effectiveness of projects will occur as the optimised projects are implemented. Although the data will be collected and output achievements identified each year, it will be years before DOC has enough measurement data to assess its effectiveness.

3.46 The Natural Heritage Management System appears to be well positioned to meet DOC's information needs in the future. External expert review has validated its main features, including indicators of ecological integrity. However, we expected to see a programme of work that would use this data for evaluations or impact assessments to identify progress and demonstrate performance in the interim. We did not find this.

3.47 There is a risk associated with the long time required to see the results of the new data collection system. Much like the investment in biodiversity management, too much change to the data monitoring plan will result in wasting earlier investments. The system will not be able to establish trends and effects unless data is consistently collected for adequate periods of time.

Recommendation 1

We recommend that the Department of Conservation put in place an implementation and risk management plan for its new prioritisation tools, ensuring that:

- staff have the skills and support needed to successfully use the new prioritisation processes; and
- there is adequate ongoing consultation with communities and key stakeholders and partners as part of prioritisation.

Recommendation 2

We recommend that the Department of Conservation ensure that there is effective long-term monitoring and reporting of the effects of biodiversity management, including through the Ministry for the Environment's national environmental reporting.

Part 4
Integrated strategic management of biodiversity

4.1 Biodiversity requires integrated and strategic management because it crosses geographical and organisational boundaries. In this Part, we examine:

- DOC's work with sector groups on managing biodiversity;
- DOC's regional conservation management strategies and links to local authorities and others in the community; and
- whether DOC has working agreements to support working in collaboration with its partners.

Summary of our findings

4.2 DOC is a member of some sector groups in central government that are showing signs of focusing on improving the integration of biodiversity management between central and local government. Recent examples of working agreements between DOC and local authorities are starting to address the lack of regional co-ordination between agencies.

4.3 DOC has not renewed many conservation management strategies before the end of their 10-year terms. It is unlikely that these out-dated documents are supporting DOC's current strategic direction. Some of the people we interviewed were concerned that activities DOC has allowed on conservation land are not in keeping with conservation management strategies agreed with local communities.

4.4 Until recently, working agreements were not in place to support integrating DOC's work in the regions with local authorities' strategies for managing biodiversity. Roles and responsibilities were not clear.

Sector work with other government agencies

There are signs that integration of biodiversity management within central government and between central and local government may improve.

The New Zealand Biodiversity Strategy

4.5 Although The New Zealand Biodiversity Strategy (the Strategy) has not been set aside or replaced, our audit research confirmed that the Strategy is considered historical and, currently, is not relevant to managing biodiversity in New Zealand. DOC continues to have a "passive" co-ordinating role associated with the Strategy. During the past few years, DOC has shifted to focusing on policy work for central government sector groups, such as the Natural Resources Sector and the Business Growth Agenda.

Natural Resources Sector

4.6 The Natural Resources Sector (the NRS) was set up in 2008 to provide consistent quality policy advice about natural resources. The six member agencies are DOC, Land Information New Zealand, the Ministry of Agriculture and Forestry (now part of the Ministry for Primary Industries), the Ministry of Economic Development (now part of the Ministry of Business, Innovation and Employment), the Ministry for the Environment, and Te Puni Kōkiri.

4.7 The work of the NRS since 2009 has resulted in a number of issue papers intended to inform longer-term strategic policy. Recently, the NRS confirmed that its policy priorities were water, climate change, and the marine environment. Biodiversity is considered an important issue that "sits across" those priorities. However, the current priorities do not include land-based biodiversity, which is known to be at high risk.

Business Growth Agenda and Action Plan

4.8 The Government's Business Growth Agenda[34] is supported by a Building Resources Action Plan in 2012. The Action Plan includes a focus on biodiversity and better co-ordination. The Action Plan identifies the "state of biodiversity" as a major indicator of economic prosperity. The Action Plan's conservation goal, "economic prosperity and well being", is underpinned by the "health of our ecosystems and the services they provide".

4.9 As a participating agency, DOC is responsible for leading two actions in 2012:

- engaging at a strategic level with local authorities to improve co-ordination and more effectively manage biodiversity and ecosystem services; and
- preparing guidance on biodiversity offsetting, in partnership with local authorities and developers, to help DOC when engaging with business and to support decision-making under the Resource Management Act.

34 For more information about the Business Growth Agenda, see the Ministry of Business, Innovation and Employment's website, www.mbie.govt.nz, Business Growth Agenda.

Conservation management strategies to guide decision-making

Most of the conservation management strategies that DOC is responsible for were not renewed before the end of their 10-year term. They are important documents and required by law. DOC is supposed to take conservation management strategies into account when making decisions about activities on conservation land, and local authorities are supposed to take conservation management strategies into account when planning, and when making decisions under the Resource Management Act.

4.10 DOC describes conservation management strategies (see paragraphs 2.11-2.15) as its "handshake with the community". Conservation management strategies are also critical because local authorities are required by the Resource Management Act to take the strategies into account when preparing resource policies and plans and when granting resource consents.

4.11 Most conservation management strategies expired between four to eight years ago. This year, DOC started consulting to renew most of these. During our interviews, some of DOC's main stakeholders expressed concern about DOC's lack of timeliness in renewing conservation management strategies.

4.12 Members of conservation boards and other stakeholders also expressed concerns with how conservation management strategies and national park plans have been implemented. In their view, some activities that DOC has approved do not align with the conservation management strategies and national park plans agreed to with the community in those regions. They felt that DOC has not respected the integrity of the agreement that conservation management strategies and national park plans represent between the Crown and the public about how conservation land will be managed.

4.13 In 2006, we produced a report about DOC's management of conservation land. Recognising how critical conservation management strategies are to local decision-making and planning, we recommended then that DOC "give priority to finishing conservation management strategies ... that it has not prepared or reviewed within statutory timeframes".[35]

4.14 In our view, DOC has not met the intent of the statutory requirement to consult with communities and stakeholders in preparing local long-term strategic plans and in how these have been implemented in its decision-making processes in some instances.

35 Controller and Auditor-General (2006), *Department of Conservation: Planning for and managing publicly owned land*, Wellington.

4.15 People we interviewed told us that, in their view, DOC has focused on annual planning and budgeting and has not had a robust long-term strategic approach to planning. Concerns were raised about DOC's short-term approach to resourcing core biodiversity operations (such as pest and weed control), which are often co-managed with other partners, especially local authorities. As DOC prepares to implement its new prioritisation systems, it needs to consult with communities on how its new systems will affect conservation management in the regions.

4.16 Without effective engagement and longer-term planning, DOC may be limiting its ability to build effective local working relationships.

Clarity of roles and responsibilities in working agreements

We found a lack of clarity about roles and responsibilities between agencies in the regions we visited. Until recently, working agreements have not been in place to support integrating DOC's work in the regions with local authorities' strategies for managing biodiversity. Recent working agreements between DOC and local authorities are starting to address the lack of regional co-ordination.

4.17 In 2009, New Zealand's fourth report to the Convention on Biological Diversity said that:

> *... the development of memorandums of understanding and joint operational statements would also encourage agencies to work collaboratively for better biodiversity outcomes.*[36]

4.18 The lack of partnership agreements to support integrating biodiversity management between agencies is still an issue. Formal strategies and working agreements may not be appropriate or practical for some types of collaborative initiatives. However, for local authorities involved in core biodiversity work on neighbouring public land and waterways, often in partnership with DOC, we expected to find some form of working agreement. The absence of these agreements undermines the clarity of common goals, roles and responsibilities, and ongoing co-ordination to achieve results.

4.19 In the regions we visited, we did not find a co-ordinated strategic approach to managing biodiversity. We did find some more recent examples of working agreements with local authorities.

4.20 One example, the Nature Central initiative, is a formal partnership agreement between DOC's Wellington and Hawke's Bay regional conservancies and three local authorities in the lower North Island. There is also a well-developed formal partnership agreement (the Kia Wharite restoration project) between DOC and Horizons Regional Council (the Council) to integrate work across public conservation and private land in a specific ecosystem (see Part 6).

36 *New Zealand's Fourth National Report to the United Nations Convention on Biological Diversity* (2009), page 35.

4.21 We also found recent examples where DOC and regional council chief executives had set up co-ordinated working agreements or discussion groups. The agreements and groups showed promise of a more co-ordinated and collaborative approach to managing biodiversity.

4.22 These types of partnership agreements could address the historical lack of integration between DOC and local government. In our view, they could be used as models to facilitate developing more agreements with local authorities.

4.23 Part 5 of this report looks in more detail at how effectively DOC has worked with regional agencies and stakeholders.

Recommendation 3

We recommend that the Department of Conservation renew all conservation management strategies in a timely manner and before they expire.

Recommendation 4

We recommend that the Department of Conservation prepare and implement working agreements with local authorities as a standard practice for managing biodiversity in the regions.

Recommendation 5

We recommend that the Department of Conservation establish longer-term plans and resourcing commitments with partners that are working on core biodiversity operations.

Part 5
Working with others to manage biodiversity – a summary

5.1 In this Part, we discuss how effectively DOC has worked with others to achieve its goals for biodiversity in the regions. We start by setting out the criteria we used to assess DOC's working relationships. We then summarise our assessment of DOC's performance in working with others based on eight case studies.

5.2 In the case studies we looked at, DOC's involvement fell into four broad types:

- ecosystem-based collaboration (Puketi Forest Trust and Kia Wharite);
- commercial partnerships (pest control at Tiwai Peninsula and the West Coast Wildlife Centre);
- regional responses to wetlands at risk (Wairarapa Moana Wetland Group and Waituna Lagoon); and
- regional community-driven strategies (Northland Biodiversity Forum and Southland Biodiversity Forum).

5.3 We also set out themes that emerged from our interviews with DOC staff and people in the agencies that work with DOC.

Our overall findings

5.4 Working with others to manage biodiversity has been a part of DOC's strategies and policies for achieving biodiversity outcomes for many years. DOC intends to increasingly focus on managing biodiversity through partnerships.

5.5 We found examples of partnerships that met all or most of our expectations, were clearly achieving measurable biodiversity outcomes, and were supported by positive working relationships. The partnerships that worked best were structured, including the ecosystem-based and commercial partnerships.

5.6 We also found initiatives that DOC was involved in that struggled to show tangible results after years of collaboration – including work associated with wetlands at risk and community-driven initiatives that DOC was supporting.

5.7 Stakeholders value DOC as a partner, as a supporting representative on working groups, as a funding agency, and especially for the specialist technical expertise that its staff provide. Stakeholders observed that DOC's working style is changing, which has resulted in improving working relationships in some instances. Some stakeholders indicated that improvements could be made to DOC's processes to help make partnerships more effective.

5.8 In our view, DOC's funding criteria and reporting requirements for the Biodiversity Advice Fund could usefully be reviewed for larger multiple-year collaborative projects to improve the outcomes achieved.[37] DOC could support improvements in how these projects are set up and operate by providing tools to applicants. We note that DOC has yet to implement recommendations made in an independent review in 2009 of the Biodiversity Advice Fund and other contestable funds that DOC administers (see paragraph 2.19) to improve these funds' performance framework and reporting practices.

Our criteria for assessing DOC's working relationships

5.9 Based on DOC's mandate and best practices on collaborative initiatives, we looked for the following characteristics in the partnerships and collaborative initiatives that we reviewed:

- a shared understanding of the biodiversity risks and the problems that needed to be addressed to remedy the risks;
- clarity of purpose for the partnership or initiative;
- some form of implemented working agreement or memorandum of understanding between partners;
- clearly defined and agreed roles, responsibilities, and accountabilities of the agencies and partners involved;
- some form of strategy or plan with specific actions to achieve common goals;
- a clear performance framework, with actions linked to outputs (achievements along the way) that link to outcomes (some tangible outcome for biodiversity species or habitats), with time frames for achieving targets;
- scheduled reporting (milestones and annual reports) to track progress; and
- clear systems for reviewing and assessing whether changes or improvements are needed (adaptive management).

5.10 We formed a view on whether the working relationships were effective. We also looked for evidence that collaborations or partnerships were achieving their desired outcomes and leading to biodiversity improvements.

5.11 Some criteria might not be relevant to all types of collaborative projects or initiatives. However, we consider these criteria to be reasonable where DOC works with major stakeholders as part of operating within its mandate or on more formalised projects or strategies, such as those that we have reviewed for this report (see Part 6).

37 The Biodiversity Advice Fund is funded from DOC's appropriation for NZ Biodiversity Funds (see paragraph 2.22).

Summary of our assessment of DOC's performance in working with others

In our view, the effectiveness of DOC's current approach to working with others is variable. A more structured approach would be helpful, especially given that DOC's strategy is to increase its focus on working in partnership with others to achieve its outcomes for biodiversity.

5.12 The case studies we selected provide a range of examples of the partnerships and collaborative initiatives on managing biodiversity that DOC has been involved in. These case studies also show the different roles that DOC has in working with other agencies on biodiversity.

5.13 For the most part,[38] agencies and stakeholders appear to understand the risks to biodiversity in the regions and within specific ecosystems included in our audit work.

5.14 In several cases we looked at, working agreements and clearly defined roles and responsibilities and accountabilities were not in place. Many stakeholders and DOC staff indicated that some form of working agreement would improve DOC's effectiveness in working with others.

5.15 More structured working plans are needed that specify the overall purpose of the initiative and the actions needed to achieve common goals and that identify responsibilities and milestones to report progress and results against.

5.16 The lack of performance measures and reporting needs to be addressed. Cases we reviewed that had not set up performance frameworks (inputs, outputs, and milestone targets, linked to outcomes for the project) also lacked the ability to report on progress and struggled to identify what progress they had made. In a few cases, these groups also struggled to maintain focus and direction over time.

5.17 The cases we reviewed show variable performance in reviewing and assessing the partnership or project over time to consider whether changes were needed and to improve effectiveness. The examples that had more formalised working agreements and well-developed action plans tended to also include adaptive management in their approach.

38 The exception was on the West Coast, where DOC and the West Coast Regional Council have been in the Environment Court for years over the definition of wetlands and what needs to be protected. There is also some disagreement between DOC and farmers in the Waituna catchment.

Aspects of partnerships that were working well and areas needing improvement

5.18 The commercial partnerships that we reviewed (pest control on Tiwai Peninsula, and the West Coast Wildlife Centre) and the Puketi Forest Trust are collaborative partnerships that met our expectations. More importantly, they showed measurable improvements in biodiversity outcomes. These partnerships were based primarily on positive working relationships.

5.19 In our view, the Kia Wharite project is an excellent example of a well-developed collaborative and formal partnership between DOC and Horizons Regional Council and also iwi, landowners, and community groups. The project aims to integrate management practices across the boundaries between conservation land and privately owned land in the region. Its plan includes clearly defined roles and responsibilities, funding responsibilities, and actions linked to targets. Reporting against these is showing positive biodiversity results so far.

5.20 Stakeholders value DOC's contribution to setting up and supporting the collaborative Wairarapa Moana Wetland Group. Achievements were recorded in various documents and showed some progress being made.

5.21 Given DOC's lead co-ordinating role in the Wairarapa Moana Wetland Group, we expected to see more structure to how progress was monitored and reported against the Action Plan so that outcomes were identified. Stakeholders expressed concern about the lack of a strategic action plan and what measurable biodiversity outcomes had been achieved to date. The new project plan for the Fresh Start for Freshwater Clean-up Fund funding (see paragraph 6.64) should address some of these gaps, if it is integrated into the group's Action Plan and reported against.

5.22 Given the various roles that DOC has for the Waituna Lagoon and the critical state of the Lagoon in recent years, we expected to see DOC take a more proactive and targeted approach to working with others to address the threatened state of the Lagoon. More broadly, staff and major stakeholders expressed the need for more formal working arrangements and healthier working relationships between the agencies involved in addressing the risks to the Lagoon.

5.23 The Arawai Kākāriki Wetland Restoration Programme, which includes the Waituna Lagoon, has a well-developed implementation plan. Achievements to date are encouraging in some areas. However, the lack of reporting of outcomes on the work in the Waituna catchment area makes it difficult to identify the results achieved for the resources invested. Questions were raised about whether funding had been prioritised appropriately, given the threatened state of the Lagoon.

5.24 Locally driven regional working groups have also struggled to achieve tangible biodiversity results over time. These cases showed the value that DOC can provide by advocating for and supporting the development and implementation of better practices for collaborative initiatives, especially given its new business model and community engagement roles. There is also room for DOC to promote and expect (or require) better results through its power as the administrator of different biodiversity funds.

5.25 Several case study projects had received funding from the Biodiversity Advice Fund for a number of years. We reviewed some of the project reports to the Biodiversity Advice Fund as part of our work and expected to see clearer results being achieved, especially where projects received funding for the same initiative over several years. In our view, improved reporting requirements and monitoring for larger multiple-year projects might help improve the outcomes achieved.

DOC's varied roles

5.26 As a funding agency, DOC has a role in improving the effectiveness of local collaborative groups or initiatives by setting up funding criteria that would encourage more structure to how the local initiatives are set up, operate, and report on outcomes.

5.27 As a participant on locally driven collaborative working groups or initiatives, DOC's role could also usefully be to provide support, advice, and tools to improve how these groups are set up, operate, and report on their progress and outcomes.

5.28 Part 6 provides details on the case studies we reviewed and our assessments for readers who are interested in more detail.

Recommendation 6

We recommend that, where biodiversity of national significance is at risk and requires timely and integrated responses, the Department of Conservation's national office ensure that effective regional leadership and co-ordination with other agencies is in place to respond to risks appropriately.

Recommendation 7

We recommend that the Department of Conservation produce policies, practices, and tools for preparing working agreements and collaborative action plans that would be appropriate for the range of partnerships it will be involved in.

Recommendation 8

We recommend that the Department of Conservation review the criteria for the Biodiversity Advice Fund for larger multiple-year collaborative projects, advocate for using standardised tools and templates, and set out specific reporting requirements for repeated funding applications.

Themes that emerged during our interviews

5.29 We interviewed various stakeholders who work with DOC, as well as DOC staff, to inform our assessment of how effective DOC is in working with others to manage biodiversity. We reviewed the information we gathered and identified themes that arose.

5.30 Our audit was conducted when DOC was going through a major change process, which can affect people's views. We acknowledge that these views may change over time as the new business model is implemented and as DOC's transition progresses.

5.31 As a part of our audit process, interim findings from our work (including the themes discussed here) were provided to DOC for its consideration and follow up.

Theme 1 – respect for DOC's regional staff

5.32 DOC's regional conservancy staff were cited as DOC's strength, highly respected for their technical specialist knowledge and willingness to work with others to address local issues. Representatives of other entities said that they depended on DOC's regional specialist staff. Stakeholders expressed concern about the loss of regional specialist advice and support arising from DOC's restructure and centralising of significant positions. They felt that this would affect the ability of DOC's staff to be effective and responsive.

5.33 Feedback about staff in the national office or in management positions was not as favourable. Stakeholders who interact with regional conservancy offices and the national office said that they found DOC's staff at national office to be less "amenable", not as accessible, nor as respectful of local knowledge and relationships. In several instances, they said that this lack of respect for local knowledge and established relationships had had a negative effect on relationships with local iwi. This feedback was echoed by central government stakeholders working with DOC on biodiversity.

Theme 2 – slow and onerous processes

5.34 Many stakeholders told us that DOC's processes and responses can often be slow and unnecessarily onerous. Stakeholders believe that this stems from overly bureaucratic processes driven by a risk-averse culture. They commented that this style of work culture is not conducive to DOC's plan to work more with other agencies to achieve biodiversity gains, and noted that DOC needs to find the right balance to work well with others.

Theme 3 – desire for active management of more conservation land

5.35 Stakeholders and private landowners expressed concern and frustration that such a small portion of conservation land is actively managed. It results in biodiversity risks when animal and plant pests move between public and private land. DOC's active management of a small proportion of conservation land results in a perception that DOC is not a responsible neighbour, nor does it set a good example of how to manage biodiversity risks effectively.

Theme 4 – new approach to setting priorities might undermine existing projects and relationships

5.36 Staff and external stakeholders were concerned about whether the new prioritisation tools will align resources with the interests of community groups and potential partners. People felt uncertain about how any gaps between the new tool's priorities and community interests would be managed. They were also concerned about how existing projects not considered to be priorities in the future might affect existing working relationships and staff's ability to achieve DOC's objective of expanding partnering to manage biodiversity.

Theme 5 – balancing conservation and economic development

5.37 Balancing conservation and promoting economic development is confusing to many stakeholders and an uncomfortable, if not at times conflicting, coupling of responsibilities for staff. Some iwi representatives said that they were losing trust in DOC because of this new strategy, as well as because of the loss of regional specialist staff.

Theme 6 – viability of DOC's strategy

5.38 Staff and stakeholders questioned the viability of DOC's strategy to increasingly achieve biodiversity gains through community and commercial partnerships, especially in regions with lower socio-economic characteristics or smaller populations to draw from.[39] Some questioned whether DOC's working style and staff capacity and capabilities might be obstacles to the success of this new strategy.

39 For example, Northland and Wairarapa.

5.39 Feedback from our audit interviews showed that stakeholders have observed that, recently, DOC's working style appears to be shifting. This is having a positive effect on some of DOC's working relationships. Some stakeholders questioned whether the improvements were based on personnel changes rather than organisational changes. However, it is clear that DOC needs to consider how to build on the positive shift that is being observed and continue to adjust its operational practices and the way it works with others, especially with its increasing dependence on working with partners to manage biodiversity.

Part 6
Detailed case study assessments

6.1 In this Part, we summarise our assessment of the four different types of partnerships and collaborations that we looked at. Each summary section is followed by a discussion about the specific partnerships and collaborations that formed our case studies.

6.2 Figure 4 provides an overview of our findings against the criteria we used to assess each partnership or collaboration.

Figure 4
Criteria used to assess case studies of how effectively the Department of Conservation works with others to manage biodiversity

	Ecosystem based		Commercial partnerships		Wetlands at risk			Regional biodiversity groups	
Criteria	Puketi Forest Trust	Kia Wharite	Tiwai peninsula pest control	West Coast Wildlife Centre	Wairarapa Moana Wetland Group	Waituna restoration programme	Waituna regional response	Northland Biodiversity Forum	Southland Biodiversity Forum
Common understanding of biodiversity risks	✓	✓	✓	✓	✓	✓	✓	✓	✓
Clarity of shared purpose	✓	✓	✓	✓	✓	P	x	✓	P
Implemented working agreement or memorandum of understanding	✓	✓	P	✓	✓	x	x	x	x
Clearly defined roles and responsibilities	✓	✓	✓	✓	✓	P	x	P	P
Implemented plan of action	✓	✓	P	✓	P	P	x	✓	x
Performance framework	✓	✓	P	✓	x	x	x	x	x
Results reported	✓	✓	✓	✓	P	x	x	P	P
Adaptive management	✓	✓	✓	✓	P	x	x	✓	x
Effective working relationships	P	✓	✓	✓	✓	P	x	✓	✓
Biodiversity improvements	✓	✓	P	✓	P	x	x	x	P

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Summary of ecosystem-based collaboration with community groups and local authorities

6.3 We looked at case studies where DOC works with other agencies and organisations to manage specific local ecosystems that have clear threats to their biodiversity.

6.4 Puketi Forest Trust and Kia Wharite stand out as examples of good practice, showing the results that can be achieved through ecosystem-based collaborative projects.

6.5 The Puketi Forest Trust (the Trust) raises funds and organises community volunteers to resource pest management work. The work is carried out in 5500 hectares of kauri forest that is protected as part of the Northland Forest Park, which is administered by DOC.

6.6 The Trust works with DOC through a formal agreement and is supported by DOC staff's specialist advice and the use of DOC's specialised equipment.

6.7 The additional resources provided by the Trust are used to improve the health of the forest and the species that reside there. The Trust's efforts have been successful enough for the forest to be considered for the translocation of the kōkako and the reintroduction of the North Island robins, which are both threatened species.

6.8 Kia Wharite is a restoration project and a collaborative partnership between DOC and Horizons Regional Council staff. Kia Wharite also benefits from funding contributed by other organisations. This partnership aims to integrate biodiversity management activities across the boundaries of public conservation and private land to greatest effect. Kia Wharite aims to share the skills of both organisations, using resources efficiently and maximising the opportunities to align operations. Kia Wharite addresses biodiversity management on a scale not previously attempted in New Zealand.

6.9 Kia Wharite has been running for more than three years. Progress from 2008 to 2011 included improvements in forest health and condition, improvements in species conservation, and improvements in the way the participating organisations work together.

Case study 1: Puketi Forest Trust

6.10 The Puketi Forest Trust was set up in 2003. It is a charitable trust and registered charity administered by up to nine Trustees. The Trust operates in Northland and works in 5500 hectares of Puketi Forest, which is a 15,000 hectare kauri forest protected as part of the Northland Forest Park administered by DOC. The Trust works to remove introduced pests from the area.

6.11 Populations of remaining native birds, such as North Island brown kiwi, kūkupa (New Zealand pigeon, kererū, or kūku), and pied tit, as well as two species of bats, are located in the forest. Their populations have declined and are likely to disappear from the area without intervention.

6.12 The Trust has a formal management agreement with DOC, recently extended to October 2015, which sets out the roles and responsibilities of the Trust and DOC. It also sets out details of how work on the land will be managed to align with DOC's standard operating procedures and other expectations.

6.13 DOC staff provide support and technical advice, lend equipment, and share resources to support the Trust's pest control and monitoring activities. The Trust and DOC meet every two months.

6.14 The working relationship with DOC is described as cordial and constructive. Feedback from representatives of the Trust indicated that there have been some issues in the past with how DOC worked with the Trust, but that there have been notable improvements in the past few years.

Effectiveness of the working relationships

6.15 There are signs that bird populations, including kiwi, are increasing. Pest control has been effective enough that the Trust is now working on reintroducing native birds and other wildlife that had been lost from the forest previously.

6.16 In June 2009, 30 toutouwai (North Island robins) were transferred to the Puketi Forest and a further 30 were transferred in April 2010. Monitoring has confirmed that the toutouwai have bred successfully in the core area each season since their release.

6.17 In February 2012, the Trust announced that the Northland Conservator had approved the proposal the Trust had submitted to DOC to transfer kōkako to the Puketi Forest. Plans are under way to transfer kōkako from Mataraua to Puketi in the spring of 2012. The transfer will be led by the Trust, with technical assistance from DOC staff and support from Piki Te Aroha Marae and the iwi Te Roroa.

Planning for longer-term financial security

6.18 Understanding that work must be continued indefinitely to sustain the restoration achieved, the Trust has started a capital fund to provide annual investment income that will help to secure the project's future. A target of $1 million has been set, which should provide enough income to sustain the project. This fund will be built from donations made expressly for this purpose. Donations will qualify for tax rebates.

6.19 Figure 5 sets out our assessment of DOC's work with the Trust.

Figure 5
Our assessment – working with the Puketi Forest Trust

Criteria	Our assessment
Common understanding of biodiversity risks	✓
Clarity of shared purpose	✓
Implemented working agreement or memorandum of understanding	✓
Clearly defined roles and responsibilities	✓
Implemented plan of action	✓
Performance framework	✓
Results reported	✓
Adaptive management	✓
Effective working relationships	P
Biodiversity improvements	✓

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Case study 2: Kia Wharite

6.20 Kia Wharite was set up in 2008 to:

> *... protect some of our most precious taonga in one of the most stunning and least-visited areas of the North Island. Blue Duck (Whio), North Island Brown Kiwi, and old growth forest will be protected by the combined pest control efforts of DOC, Horizons, landowners and iwi.*[40]

6.21 DOC and Horizons Regional Council (the Council) work together on species and habitat conservation, catchment protection, and economic development. They try to use innovative approaches and share services to protect and conserve biodiversity throughout 180,000 hectares of public and private land in the Whanganui River catchment area.

6.22 Kia Wharite aims to provide effective services to the public by sharing the skills of DOC and Council staff, using resources efficiently, and maximising the opportunities to align DOC and Council operations. Other organisations have contributed funds to Kia Wharite, including BNZ Save the Kiwi Trust, the Central North Island Blue Duck Charitable Trust, and Forest & Bird.

6.23 The area covered by Kia Wharite integrates biodiversity management on a geographical scale larger than anywhere else in New Zealand. Much of the DOC land is located within the Whanganui National Park, which contains the second-largest remaining stand of lowland native forest in the North Island. It is also the largest stronghold of the North Island brown kiwi and hosts many other bird, animal, and plant species. Rivers flowing through the area are a stronghold of the native blue duck or whio, whose survival is threatened by stoats and feral cats. Forest health is degraded and the survival of occupying indigenous species is at risk from possums, goats, introduced predators, and weeds.

6.24 The collaboration between DOC and the Council is managed by two teams within DOC and the Council – a higher-level governance team and an operational team that meets monthly to co-ordinate and jointly manage Kia Wharite's implementation. All actions are discussed and agreed to by the operational team before implementation, and the operational team is the main contact point with landowners and the community.

Effectiveness of the working relationship

6.25 Kia Wharite is a good example of the type of integration needed between DOC and local authorities to improve the effectiveness of efforts to manage biodiversity. Participants have a common purpose, clear roles and responsibilities, an action plan, a reporting regime, and adaptive management. The success of Kia

40 See www.kiawharite.govt.nz for more information about the project.

Wharite appears to be driven by the willingness of DOC and the Council to work together and, crucially, the support of landowners and tāngata whenua.

6.26 Animal pest and weed control operations are improving large areas of the forest, and the number of stoats has reduced significantly. Baseline monitoring of the kiwi population has been completed, which will let the project team see whether the kiwi population changes in response to stoat control measures during the next three years. Reports of the number of calling kiwi are encouraging. More than 400 dogs have been trained to avoid kiwi, and kiwi aversion training for dogs will soon be a requirement of a hunting permit on conservation land in the Whanganui area.

6.27 Figure 6 sets out our assessment of DOC's work with Kia Wharite.

Figure 6
Our assessment – working with Kia Wharite

Criteria	Our assessment
Common understanding of biodiversity risks	✓
Clarity of shared purpose	✓
Implemented working agreement or memorandum of understanding	✓
Clearly defined roles and responsibilities	✓
Implemented plan of action	✓
Performance framework	✓
Results reported	✓
Adaptive management	✓
Effective working relationships	✓
Biodiversity improvements	✓

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Summary of commercial partnerships

6.28 DOC has established many partnerships with commercial organisations (commercial partnerships) that have contributed additional resources to managing biodiversity in various types of environments in New Zealand.

6.29 Discussions with DOC staff and document reviews indicate that, although commercial partnerships are an opportunity to increase the available resources to managing biodiversity, DOC needs to balance the potential benefits with a number of factors, including potential risks. Commercial partnerships can be vulnerable because they depend on the financial viability of the sponsoring businesses over time.

6.30 In an environment of scarce resources, seeking commercial partnerships to contribute to biodiversity management in New Zealand is logical. Such partnerships can help to address the current shortfall of resources available for managing biodiversity in New Zealand – assuming specialist conservation requirements are prioritised and other risks are appropriately managed.

6.31 The commercial partnerships we reviewed were supported by formal working agreements, with clearly defined common goals, roles and responsibilities, and funding arrangements. For the most part, these agreements were also supported by well-developed strategies with action plans, risk and operational plans, monitoring and reporting responsibilities, and time lines for assessing progress and reviewing the partnerships.

6.32 Some findings suggest a need to be diligent in ensuring that specialist technical considerations associated with species work and/or pest control activities and risk management plans are prioritised when partnerships are set up and when operational plans are prepared.

6.33 The partnership agreements we reviewed and the stakeholders we spoke to suggest that the commercial partnerships are working well and achieving their goals. There were a few aspects that could be improved, mostly to do with DOC understanding how to be more flexible in working with the businesses and the timeliness of DOC's processes.

6.34 DOC is aware of, and responding to, the need to set in place risk management practices associated with commercial partnerships.

Case study 3: Pest control on Tiwai peninsula

6.35 New Zealand Aluminium Smelters Limited (NZAS) operates an aluminium smelter on the Tiwai peninsula, next to Waituna Lagoon. As a condition of it operating on land leased from the Crown, NZAS must carry out a plant and animal pest control programme to standards required by the Regional Pest Management Strategy for Southland. NZAS reports results of its work to DOC each year.

6.36 In 2009, a fire started while a contractor was spraying weeds in the area. The fire destroyed about 930 hectares of conservation land on the peninsula. No one was injured but the local environment was damaged.

6.37 Discussions between DOC and NZAS after the fire identified the need for improved risk management and a more formal strategy for land management on the peninsula. This led to DOC and NZAS agreeing a land management strategy for 2011 to 2015. NZAS provides detailed reports on its pest control work in the area, which enables results to be monitored over time.

6.38 NZAS has also prepared a biodiversity action plan for 2012 to 2016. The action plan is intended to direct, monitor, and review the effective management of "priority biodiversity features" at its aluminium smelting operations. The plan has the following goals and objectives:

- eliminating (where possible) and mitigating high and critical operational threats to priority biodiversity features;
- demonstrating a commitment to the conservation of priority biodiversity features and supporting local, national, and global conservation initiatives (where appropriate);
- applying appropriate expertise and resources to biodiversity issues, building internal and external capacity where necessary; and
- helping to promote the collection, analysis, and dissemination of biodiversity information and knowledge at the smelter and the greater Tiwai peninsula.

6.39 The plan has only recently been prepared. Because it is a private strategy, we cannot comment on its effectiveness – but we can observe that it appears well-developed and proactive.

6.40 We also note that our audit was carried out in 2011. Because of increasingly difficult business conditions in 2012, NZAS will not be able to continue funding for stoat trapping in the area. This contribution was not a requirement of the lease but additional pest control work that NZAS provided. The smelter will continue to work on pest and weed control work as required by its operating lease with DOC, and its employees will continue to provide voluntary services.

Effectiveness of the working relationship

6.41 DOC and NZAS have a clear framework to work within because DOC has agreed with NZAS on a formal strategy for managing the peninsula.

6.42 The fire on the peninsula made it clear that better risk management was needed for the lease arrangement between NZAS and DOC. Monitoring and reporting on the pest control work enables NZAS to show the results of its work over time.

6.43 The land management strategy includes a review process at the end of its term in 2015, which should enable DOC and NZAS to assess whether any changes are needed to improve the strategy's effectiveness.

6.44 NZAS's biodiversity action plan is a good example of how commercial partners can seek to incorporate biodiversity risk assessment and actions into their operational plans and how DOC might facilitate more of these when negotiating future commercial partnerships.

6.45 Figure 7 sets out our assessment of DOC's work with NZAS.

Figure 7
Our assessment – working on pest control with New Zealand Aluminium Smelters Limited

Criteria	Our assessment
Common understanding of biodiversity risks	✓
Clarity of shared purpose	✓
Implemented working agreement or memorandum of understanding	P
Clearly defined roles and responsibilities	✓
Implemented plan of action	P
Performance framework	P
Results reported	✓
Adaptive management	✓
Effective working relationships	✓
Biodiversity improvements	P

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Case study 4: West Coast Wildlife Centre

6.46 The West Coast Wildlife Centre (the Centre) opened in Franz Josef in November 2010. It is a commercial partnership between a private business and DOC. The Centre incubates and rears the most endangered kiwi – the rowi and Haast tokoeka.

6.47 The facility is a tourist attraction that provides information to raise awareness of the threatened species and the risks to them. Visitors can observe the kiwis in a specialised nocturnal viewing area as well as visiting the operating facilities with a premium "backstage pass".

6.48 DOC and the Centre signed a memorandum of understanding in 2010. It set out how the partnership would work, including funding conditions, DOC's staff contributions, operational and risk management plans that are based on DOC operating manuals and procedures, as well as an advocacy plan. The memorandum also includes terms for reviewing the agreement after three years.

Effectiveness of the working relationship

6.49 The Centre has met and exceeded its targets and has a kiwi survival rate of 90%. In the first year, 15 rowi chicks were hatched when the target was 12. In the second year, operations were expanded to include work with the Haast tokoeka. In 2012, the Centre is expanding and upgrading to accommodate hatching up to 50 rowi eggs and 25 Haast tokoeka eggs, as well as introducing a kiwi hospital for sick or injured kiwi brought in from the wild.

6.50 The partnership appears to be running effectively and achieving tangible biodiversity outcomes. The memorandum of understanding includes a review period after three years, which enables an adaptive management approach.

6.51 One lesson that could be learnt from this case study would be to ensure that technical specialist considerations are prioritised when developing facilities to ensure that all technical requirements and risks are considered from the onset.

6.52 Figure 8 sets out our assessment of DOC's work with the Centre.

Figure 8
Our assessment – working with the West Coast Wildlife Centre

Criteria	Our assessment
Common understanding of biodiversity risks	✓
Clarity of shared purpose	✓
Implemented working agreement or memorandum of understanding	✓
Clearly defined roles and responsibilities	✓
Implemented plan of action	✓
Performance framework	✓
Results reported	✓
Adaptive management	✓
Effective working relationships	✓
Biodiversity improvements	✓

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Summary of two regional responses to wetlands at risk

6.53 Wetlands are important habitats for a number of indigenous species, many of which are threatened. We decided to include two case studies where scientific monitoring has shown that wetlands have been deteriorating in health for several years, with potential detrimental effects on the indigenous species that live in them. These case studies look at how DOC worked with other stakeholders to respond to the known risks to the biodiversity values within the wetlands.

6.54 The Wairarapa Moana Wetland Project (the Wetland Project) is a good example of a collaborative initiative led and co-ordinated by DOC to address major risks to biodiversity, in part because it has formal management structures (governance, defined roles, and working plans – though these have not been updated since 2010).

6.55 People we interviewed felt that DOC had worked well with others in co-ordinating the groups involved in the Wetland Project and providing technical specialist support. Although references to achievements can be found in various documents, a lack of formal reporting against the project plan made it difficult to identify what outcomes have been achieved in addressing the known risks to the wetland.

6.56 As well as a general statutory obligation to protect freshwater fisheries, DOC has two specific roles in relation to Waituna Lagoon – there is a scientific reserve in the area, and the wetland is designated as an internationally significant wetland under the Convention on Wetlands of International Importance (the Ramsar Convention, which New Zealand is a signatory to and DOC is the administrating authority).

6.57 We looked at how DOC has worked with others on Waituna Lagoon, in general through its advisory and support work and specifically through implementing the Arawai Kākāriki wetland restoration programme. Although some parts of the restoration programme are reporting positive outputs achieved in collaboration, other activities are not reporting results.

6.58 Our research showed that, as a general practice in the region, DOC needs to improve how it works with other stakeholders in addressing known risks to biodiversity in Waituna Lagoon.

6.59 Considering the responsibilities that DOC has in relation to the wetland and its critical threatened state, we expected a more proactive and effective collaborative response on DOC's part.

Case study 5: Wairarapa Moana Wetland Project

6.60 A protective water conservation order was placed on Lake Wairarapa under the Resource Management Act in 1989, recognising the high ecological values of the area and particularly the wetlands around the Lake. DOC administers most of the Lake Wairarapa wetlands under the Conservation Act and the Reserves Act.

6.61 DOC has worked with its partners in the Wairarapa Moana Wetland Group (the Wetland Group) – local iwi and hapū, Greater Wellington (the regional council), South Wairarapa District Council, Wellington Fish and Game Council,[41] and other stakeholders to produce the Lake Wairarapa Wetland Action Plan. The goal of the Action Plan is to "protect and restore" indigenous plant and animal species and the ecological processes that ensure their survival.

6.62 Based on data gathered between 2006 and 2010, the Lake has been classified as supertrophic, meaning it has "very high" nutrient levels. The degraded condition of the wetland has been attributed to increases in nutrients, organic matter, and sediment resulting from development and agricultural intensification in the surrounding area.

6.63 The wetland is an important habitat for many bird, fish, and plant species, including some that are classified as threatened (such as the eel (tuna), which is considered to have reduced significantly in number during the last two decades).

6.64 DOC leads the co-ordinating committee that works toward integrated management by all the agencies involved with the Lake.[42] There is also a governance group that is led by Greater Wellington and serviced by regional council staff. Terms of reference set out the roles and responsibilities and mandate of the agencies involved in the Wetland Group.

6.65 While we were carrying out our audit, Greater Wellington (in consultation with the Wetland Group members) prepared and submitted a proposal to the Fresh Start for Freshwater Clean-up Fund administered by the Ministry for the Environment. The Wetland Group was granted $1.01 million for restoring the Lake.

6.66 A Waitangi Tribunal report has recommended returning the lake beds of Wairarapa Moana and any government land surrounding the Wairarapa Moana to Wairarapa Māori. The Wetland Group is mindful that a Treaty settlement with local iwi is likely to be completed in the next two to three years and has reflected the expected change in its strategy.

41 The New Zealand Fish and Game Council (referred to in paragraph 1.18) and 12 regional Fish and Game Councils are collectively called Fish and Game New Zealand. The national and regional councils were set up in 1990 under the Conservation Act (see section 26B) to represent the interests of anglers and hunters and co-ordinate the management, enhancement, and maintenance of sports fish and game.

42 Goal 5 of the action plan is to achieve integrated management by the agencies involved in the project.

Effectiveness of the working relationships

6.67 A review of the governance group's meeting agendas, minutes, and reports indicated that the Wetland Group works in a collaborative and engaged way. During our interviews, representatives told us that DOC has worked well with others in co-ordinating the Wetland Group and in providing technical specialist support. DOC has fostered and maintained positive working relationships with the stakeholders on this project and in the region.

6.68 However, monitoring and reporting of progress towards the Action Plan was not set up and implemented in a consistent or structured manner. Reports to committee meetings tended to be irregular and generally did not link back to show progress against the Action Plan goals. This has made it difficult to highlight tangible results achieved. Annual reports on the Action Plan would have more clearly demonstrated the progress the group was making towards its goals. People we interviewed were not clear what biodiversity gains the Wetland Group had made.

6.69 Figure 9 sets out our assessment of DOC's work with the Wairarapa Moana Wetland Group.

Figure 9
Our assessment – working with the Wairarapa Moana Wetland Group

Criteria	Our assessment
Common understanding of biodiversity risks	✓
Clarity of shared purpose	✓
Implemented working agreement or memorandum of understanding	✓
Clearly defined roles and responsibilities	✓
Implemented plan of action	P
Performance framework	x
Results reported	P
Adaptive management	P
Effective working relationships	✓
Biodiversity improvements	P

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Case study 6: Waituna restoration programme and regional response

6.70 Waituna Lagoon was recognised as a wetland of international significance under the Ramsar Convention in 1976. Although Environment Southland has the main statutory responsibility for managing the quality of freshwater in the region, DOC manages a scientific reserve located in the Lagoon and is the administrating authority in New Zealand for the Ramsar Convention. Also, the Conservation Act requires DOC to "preserve so far as is practicable all indigenous freshwater fisheries, and protect recreational freshwater fisheries and freshwater fish habitats".

6.71 Waituna Lagoon sits at the bottom of a catchment surrounded by farms and affected by intensive farming practices. This is thought to be the main cause of the deterioration in the condition of the Lagoon, which has accelerated noticeably since 2009. The Lagoon is considered at imminent risk of "flipping", which means it would become irreversibly murky water dominated by algal slime. This would be devastating for the Lagoon and the endemic plants and animals that live in it.

6.72 As a result of the threatened state of the Lagoon and a number of regulatory and non-regulatory responses in the region, an intense level of local conflict has been a challenge for both DOC and Environment Southland to manage. However, a fragmented response by these agencies has impeded effectiveness in addressing the risks to the Lagoon.

6.73 DOC works with others in the wetland by providing support and specialist technical advice on biodiversity, and through processes associated with the Resource Management Act. DOC also works in Waituna Lagoon through its Arawai Kākāriki Wetland Restoration Programme (the Restoration Programme). As part of the Restoration Programme, DOC and Environment Southland jointly fund a position known as the Land Sustainability Officer. DOC also set in place and leads the Awarua-Waituna Advisory Group (the Group).

6.74 We reviewed the implementation of the Restoration Programme in the wetland as well as how DOC has worked with others as part of its operations in response to the threatened state of the Lagoon.

Effectiveness of the working relationships – Restoration Programme and Advisory Group

6.75 The Restoration Programme began in 2007 and aims to enhance the ecological restoration of three of New Zealand's foremost wetland/freshwater sites, one of which is the Awarua wetland. Although the Restoration Programme is not a formal collaborative initiative, it includes various collaborative activities.

6.76 The Restoration Programme's 2007-10 Implementation Plan provides a well-structured performance framework with integrated objectives, implementation actions, outputs, outcomes, and ecological indicators linked to DOC's national objectives.

6.77 A lack of reporting about the Lagoon makes it difficult to identify the outcomes achieved. However, since 2007/08, the Restoration Programme has:

- supported scientific research in the wetland and about the condition of species;
- supported control of invasive weeds and monitoring of mammalian pests;
- jointly funded with Environment Southland a Land Sustainability Officer dedicated to working with the farmers in the Waituna catchment;
- funded projects to promote awareness and encourage recreational access (an information centre and walkway); and
- set up a community advisory group (see paragraph 6.73) to promote sustainable land use and riparian fencing and planting.

6.78 The Restoration Programme has been considered a success by a number of people we interviewed (DOC staff and others). The scientific research and monitoring as well as partnering to work with the local community through the jointly funded Environment Southland Land Sustainability Officer are considered especially successful.

6.79 The Group was meant to be a local collaborative initiative, but its members were not clear about their roles. Some stakeholders were unsure what the Group had achieved in restoring the Lagoon. The last annual report was provided in 2008/09, which has added to difficulty in identifying the Group's achievements and its effectiveness. Preparing a performance reporting framework and reporting annually on achievements might have helped to clarify the results achieved.

6.80 People we interviewed told us that, since the condition of Waituna Lagoon became critical in 2010, numerous working groups or initiatives have evolved, with similar and potentially overlapping mandates or purposes to that of the Group. People suggested that, for efficiency purposes, DOC should assess how its programmes fit into the current context and consider how DOC can add the most value.

6.81 The lack of reporting means it is difficult to identify the results achieved for the resources invested through the Restoration Programme in the Waituna Lagoon.

6.82 Figure 10 sets out our assessment of DOC's work with the Restoration Programme and the Group.

Figure 10
Our assessment – working with the Arawai Kākāriki Wetland Restoration Programme and the Awarua-Waituna Advisory Group

Criteria	Our assessment
Common understanding of biodiversity risks	✓
Clarity of shared purpose	P
Implemented working agreement or memorandum of understanding	x
Clearly defined roles and responsibilities	P
Implemented plan of action	P
Performance framework	x
Results reported	x
Adaptive management	x
Effective working relationships	P
Biodiversity improvements	x

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Effectiveness of the working relationships – DOC working with others on Waituna Lagoon as part of its operations in the region

6.83 We interviewed DOC staff and external stakeholders and reviewed documents and files to assess how well DOC has worked with others in response to the threatened state of Waituna Lagoon. This section discusses DOC's work in the Waituna Lagoon area as part of its general operations.

6.84 Almost all the people interviewed about this case study, including DOC staff, said that some form of working agreement or memorandum of understanding was needed between DOC and Environment Southland. The agreement or memorandum would clarify roles and responsibilities and working arrangements on various activities or issues, and improve the effectiveness of the combined efforts in the region.

6.85 Some stakeholders and some DOC staff felt that DOC had not been proactive enough in how it responded to the critical condition of the Lagoon, considering the role DOC has as the manager of the scientific reserve in the Lagoon, the administrating authority for the Ramsar Convention, and its responsibilities for protecting indigenous freshwater fish under the Conservation Act.

6.86 DOC's specialist technical staff are well respected and valued for the support they provide to other agencies in the area. However, feedback about DOC staff at higher levels was not as favourable. Feedback indicated that relationships needed to improve for DOC to work more effectively with others in the Waituna Lagoon and surrounding area.

6.87 Some stakeholders did not feel supported by DOC and a lack of trust had developed. Others did not think that DOC was leading efforts to protect biodiversity in the area, even though they saw leadership as a clear part of DOC's role. Overall, DOC was not seen as proactive in working with others to respond to the critical condition of the Waituna Lagoon. This perception does not align well with the responsibilities DOC holds for Waituna Lagoon.

6.88 In our view, DOC needs to clarify and improve its working relationships with other stakeholders in the region to improve its effectiveness in responding to the risks to the Waituna Lagoon.

6.89 Figure 11 sets out our assessment of DOC's work with others as part of its Waituna Lagoon operations.

Figure 11
Our assessment – working with others on Waituna Lagoon as part of operations in the region

Criteria	Our assessment
Common understanding of biodiversity risks	✓
Clarity of shared purpose	x
Implemented working agreement or memorandum of understanding	x
Clearly defined roles and responsibilities	x
Implemented plan of action	x
Performance framework	x
Results reported	x
Adaptive management	x
Effective working relationships	x
Biodiversity improvements	x

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Summary of regional biodiversity groups

6.90 Two of the four regions we visited had set up local, collaborative working groups to manage biodiversity: the Northland Biodiversity Forum (the Northland Forum) and the Southland Biodiversity Forum (the Southland Forum).

6.91 In both regions, the working groups were led by New Zealand Landcare Trust staff and included various regional government agencies and non-governmental groups. DOC contributed funding through the Biodiversity Advice Fund and DOC staff provided specialist advice and support. Participating representatives viewed DOC's funding contribution as essential to the development and co-ordination of both initiatives, and the contribution of DOC's staff was valued by both working groups.

6.92 Both working groups have experienced some achievements and produced some outputs. However, given how long ago they were set up, we expected more biodiversity gains than the groups have reported.

6.93 Representatives of the Northland Forum noted that, despite their achievements after 10 years of operation (for example, preparing a regional strategy), they struggled to identify any tangible improvements to biodiversity. They identified a need for clearly defined objectives and an action plan to improve the Northland Forum's effectiveness in achieving biodiversity outcomes.

6.94 In Southland, the Southland Forum reported success in supporting local landowners to initiate biodiversity management actions and publishing case studies of best practice. The Southland Forum has drafted a regional biodiversity strategy that describes the Southland Forum's objectives. The strategy includes action plans and clearly states the roles and responsibilities of members. However, it has been in draft form for more than three years. The Southland Forum is optimistic that the strategy will be finalised and agreed during 2012.

Case study 7: Northland Biodiversity Forum

6.95 The Northland Forum was set up in 2001. The Northland Forum aimed to foster and implement a "whole-of-Northland approach" to biodiversity enhancement by building on existing co-operation and increasing the effectiveness of existing restoration initiatives.

6.96 The lead agency in setting up the Northland Forum was the New Zealand Landcare Trust. Other agencies providing support and/or funding are the Northland Regional Council, Queen Elizabeth II National Trust, New Zealand Kiwi Foundation,[43] Waimate North Landcare, Whangarei District Council, Far North District Council, Kaipara District Council, New Zealand Environmental Trust, Puketi Forest Trust, BNZ Save the Kiwi Trust, New Zealand Fish and Game Council, and the Mid-North Farm Forestry Association.

6.97 DOC and the Northland Regional Council fund a full-time position at New Zealand Landcare Trust to support ongoing co-ordination of the Northland Forum's strategy. Additional funding from Northland Regional Council, DOC, and the Biodiversity Advice Fund also provide support for some of the Northland Forum's activities. DOC also provides specialist advice and support to the Northland Forum.

Effectiveness of the working relationships

6.98 In 2004, the Northland Forum published a self-help kit for landowners interested in restoring biodiversity on their land. In 2005, the Northland Forum was behind the development of the Whole of Northland Project, which aims to integrate biodiversity work throughout Northland. The Northland Forum has published Towards a Strategic Direction for Biodiversity Enhancement, which sets out a comprehensive overview of Northland's biodiversity characteristics and issues. It has also published a guide to accessing funding for biodiversity management.

6.99 In 2008, the Northland Forum acknowledged its achievements but struggled to identify tangible results. The Forum noted that obstacles to overcome included:

- lack of clarity on the roles of participating agencies and individuals;
- no clarity of purpose for the Northland Forum as a whole, characterised by a lack of established outcomes and action plans;
- problems maintaining momentum and continuity because the Northland Forum depends on volunteer representatives; and
- irregular meetings and no formal contact process.

6.100 As a funder and participant, DOC has a role in supporting the Northland Forum to rectify the noted lack of strategic direction and planning. In our view, DOC could advocate and support the development and implementation of better

43 This is now known as "Kiwis for kiwi".

practices for collaborative initiatives, especially given its new business model and community engagement role.

6.101 DOC could also improve how it follows up on multiple-year applications to the Biodiversity Advice Fund. Although the Fund requires follow-up reports from applicants as a part of assessing eligibility for further funding, it is unclear how reported results are used to assess funding requests. In our view, DOC could provide further support by having good-practice tools and templates available to support community-based collaborative initiatives and link the use of tools and templates to funding criteria and approvals.

6.102 Figure 12 sets out our assessment of DOC's work with the Northland Forum.

Figure 12
Our assessment – working with the Northland Biodiversity Forum

Criteria	Our assessment
Common understanding of biodiversity risks	✓
Clarity of shared purpose	✓
Implemented working agreement or memorandum of understanding	x
Clearly defined roles and responsibilities	P
Implemented plan of action	✓
Performance framework	x
Results reported	P
Adaptive management	✓
Effective working relationships	✓
Biodiversity improvements	x

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Case study 8: Southland Biodiversity Forum

6.103 The Southland Forum was set up in 2001. It is jointly funded by DOC's Biodiversity Advice Fund, Environment Southland, and Southland District Council and is supported by the New Zealand Landcare Trust. The Southland Forum is preparing a biodiversity strategy for Southland and working on an inventory of biodiversity throughout Southland. The Southland Forum also helps landowners and community groups to gain funding to help protect and manage native biodiversity on private land.

6.104 The Southland Forum includes a Technical Core Group of representatives from agencies involved in managing or implementing biodiversity protection activities, and a larger advisory group with representation from a range of community groups.

6.105 DOC does not lead or co-ordinate the Southland Forum but has funded its operations for many years.

Effectiveness of the working relationships

6.106 The Southland Forum's draft biodiversity strategy includes objectives that are each supported by a list of goals and indicators of success, actions assigned to people or agencies, completion targets, resources, and tools. The draft strategy includes a section on implementation, monitoring, and review.

6.107 The Southland Forum has focused on working with landowners and community groups. It has helped them secure funding to carry out fencing for protection and animal and weed pest management and has resulted in increased local engagement in managing biodiversity.

6.108 There has been no formal reporting of results to show the Southland Forum's effectiveness. Reports submitted to DOC as a part of the Biodiversity Advice Fund requirements describe activities for the period of funding provided. However, one of the main outputs to be achieved was the biodiversity strategy, which has yet to be completed. Although the Southland Forum has terms of reference, it has no working agreement or plan to co-ordinate its actions.

6.109 In our view, DOC could support the Southland Forum in preparing a reporting framework to assess its progress. We expected DOC to require more formalised performance outcomes and reporting mechanisms as a condition of funding.

6.110 Figure 13 sets out our assessment of DOC's work with the Southland Forum.

Figure 13
Our assessment – working with the Southland Biodiversity Forum

Criteria	Our assessment
Common understanding of biodiversity risks	✓
Clarity of shared purpose	P
Implemented working agreement or memorandum of understanding	x
Clearly defined roles and responsibilities	P
Implemented plan of action	x
Performance framework	x
Results reported	P
Adaptive management	x
Effective working relationships	✓
Biodiversity improvements	P

Key:
✓ = The criterion was met.
x = The criterion was not met.
P = The criterion was partly met.

Appendix 1

Functions of the Department of Conservation under the Conservation Act 1987

Under section 6 of the Conservation Act 1987, DOC's primary statutory functions include:

(a) to manage for conservation purposes, all land, and all other natural and historic resources, for the time being held under this Act, and all other land and natural and historic resources whose owner agrees with the Minister that they should be managed by the Department:

(ab) to preserve so far as is practicable all indigenous freshwater fisheries, and protect recreational freshwater fisheries and freshwater fish habitats:

(b) to advocate the conservation of natural and historic resources generally:

(c) to promote the benefits to present and future generations of … the conservation of natural and historic resources generally … :

(d) to prepare, provide, disseminate, promote, and publicise educational and promotional material relating to conservation:

(e) to the extent that the use of any natural or historic resource for recreation or tourism is not inconsistent with its conservation, to foster the use of natural and historic resources for recreation, and to allow their use for tourism.

Appendix 2
Conservation General Policy – chapter 7 extract

The 2005 *Conservation General Policy* states, in Chapter 7: Conservation Beyond Public Conservation Lands and Waters, that:

7(a) The Department should work cooperatively to develop effective working relationships with people and organisations to protect natural resources, historical and cultural heritage, and public access.

7(b) The Department when managing public conservation lands and waters should work cooperatively with its neighbours to seek mutually satisfactory solutions to cross-boundary issues.

7(c) The Department should undertake statutory advocacy to protect the values of public conservation lands and waters where necessary.

7(d) The Department should undertake statutory advocacy to protect natural resources and historical and cultural heritage outside public conservation lands and waters for the benefit and enjoyment of the public, including public access, in particular where:

- *i. the resource or heritage is of international, national or regional significance; or*
- *ii. indigenous terrestrial or aquatic species or recreational freshwater fisheries are threatened with loss or decline; or*
- *iii. significant marine or freshwater habitats and ecosystems are threatened with loss or decline; or*
- *iv. significant geological or geothermal features or landforms are at risk of permanent degradation; or*
- *v. activities taking place or proposed in places linked to public conservation lands and waters could have adverse effects on them; or*
- *vi. proposed activities are likely to cause further loss, degradation or fragmentation of significant places; or*
- *vii. important linkages between significant places can be maintained or improved; or*
- *viii. representativeness of the full range of indigenous habitats and ecosystems can be maintained or improved; or*
- *ix. natural character of the coastal environment and the margins of lakes and rivers would be compromised; or*
- *x. recreational freshwater fisheries are threatened with loss or decline; or*
- *xi. public walking access to rivers, lakes or the coast and to public conservation lands and waters is inadequate.*

7(e) The Department may support the protection efforts and conservation advocacy of other people and organisations.

Appendix 3
Characteristics of successful collaborative initiatives

Although there is no "one size fits all" solution, lessons from New Zealand and abroad suggest that there are factors common to successful collaboration. We have described these characteristics below. The list is not intended to set out absolute requirements but rather to be a checklist to assess what could be put in place for various types of cross-agency collaborative initiatives or partnerships. We also list published reports that might be useful for readers.

Good practice criteria	Details
Common understanding of risks and problems	Is there a shared understanding among participants of risks, and the problems that need to be addressed to reduce those risks?
Shared outcome/result	Is there clarity about the purpose of collaboration (that is, a shared outcome or result is defined and agreed to)? Without some common view of what is being sought, it may be difficult for participants to orient their work in support of the shared outcome.
Working agreement or memorandum of understanding	Has some form of working agreement been prepared? The agreement can be as formal as a memorandum of understanding or as informal as an exchange of letters. Either way, it needs to reinforce the principle of collaboration by choice, not chance.
Clearly defined roles and responsibilities	Are the working relationships between the parties underpinned by clearly defined and understood roles and responsibilities of all the agencies – including who will contribute what and when? This is particularly important when responsibilities are not immediately clear because, for example, there are overlapping responsibilities or different goals for individual agencies.
Agreed strategy/action plan	Is there a clearly described strategy or action plan to achieve results? It should include: • goals to work towards; • actions and outputs that will work towards achieving each goal; • time lines for achieving milestones (outputs); • accountabilities (who is leading, supporting, advising) to achieve specified outputs; • reporting time frames and processes (such as monthly reporting to the group and an annual external report); and • links to any supporting management plans or programmes.
Measures to identify progress	Is the effectiveness of the collaborative initiative able to be measured? Measured progress towards the common goals should include: • outputs (items produced, such as publications of supporting information or tools); and • outcomes (actual changes).

Good practice criteria	Details
Operating plans and procedures	Are there explicit links to any operating procedures, policies, and risk management plans that need to be integrated into the group's activities?
Report, celebrate, and market achievements	Is there a plan for reporting results and celebrating/ marketing achievements externally? This is useful for gathering more support and maintaining the initiative's momentum.
Review, adapt, improve	Is there a planned time to review and adjust the collaborative plan and working agreement? Providing for adaptive management over time enables an initiative to improve and grow. This review process can be used to seek feedback and input from major stakeholders.
Other factors considered to be important	Is there awareness of the importance of: • establishing and maintaining positive and supportive working relationships; • following through on commitments and championing the initiative outside the group; • flexibility and willingness to balance individual organisational interests with the broader collaborative interests to achieve common outcomes; • strong chief executive and/or senior management commitment and sponsorship of the initiative, and • an organisational culture that supports collaboration?

Published reports on successful cross-agency collaboration

State Services Commission (2008), *Factors for Successful Coordination – A Framework to Help State Agencies Coordinate Effectively*, Wellington.

Controller and Auditor-General (2007), *Sustainable Development: Implementing the Programme of Action*, Wellington.

State Services Commission (2004), *Getting Better at Managing for Shared Outcomes: A Resource for Agency Leaders*, Wellington.

Controller and Auditor-General (2003), *Key Success Factors for Effective Co-ordination and Collaboration Between Public Sector Agencies*, Wellington.

Treasury Board of Canada Secretariat (2002), *Companion Guide: The Development of Results-based Management and Accountability Frameworks for Horizontal Initiatives*, Canada.

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- Realising benefits from six public sector technology projects
- Annual Plan 2012/13
- District health boards: Quality annual reports
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- Institutional arrangements for training, registering, and appraising teachers
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