



Performance audit report

Department of
Conservation:
Planning for
and managing
publicly owned
land





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Department of Conservation: Planning for and managing publicly owned land

This is the report of a performance
audit we carried out under section
16 of the Public Audit Act 2001.

May 2006

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Foreword

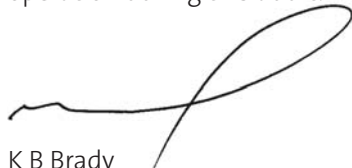
The Department of Conservation is responsible for managing 8.5 million hectares of publicly owned land. New Zealanders and increasing numbers of overseas visitors enjoy conservation land for its recreational and conservation values. The land contributes significantly to the economy, and to our cultural identity.

I expected the Department, which manages nearly a third of New Zealand's total land area, to have a very clear idea about what it was doing with the land. I conducted a performance audit that looked at the Department's strategic planning for land, and the adequacy of its management and information systems for implementing that planning.

In my view, the Department needs a national strategic plan to enable effective co-ordination of the Department's management and information systems to achieve long-term objectives for land. The Department needs to prepare and review statutory strategies and plans within the period set by legislation, and to provide stronger central oversight of its land management and information systems. I am concerned about the non-compliance with standard operating procedures highlighted in the 2 land transaction case studies, and intend to do further work in this area.

Overall, the Department met, or partially met, most of my expectations. The Department had policies and objectives for land within its statutory planning documents, and it had comprehensive management and information systems. However, the objectives were not always clear and consistent, and the Department's policies and objectives for land, land management, and land information systems were not always well connected.

I thank the Department's staff, the chairpersons of the New Zealand Conservation Authority and of the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservation Boards, and other stakeholders for their help and co-operation during this audit.



K B Brady
Controller and Auditor-General

18 May 2006

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Glossary

Area – An administrative unit of a conservancy. Each conservancy has up to 5 areas, each with an Area Office.

BioWeb – A national database recording information about the location and condition of flora, fauna, and archaeological sites of interest to the Department of Conservation.

Classification – Identifies the general purpose for which conservation land is to be managed. Land is classified under the Conservation Act 1987, National Parks Act 1980, Reserves Act 1977, or Wildlife Act 1953.

Concession – A lease, licence, permit, or easement granted under the Conservation Act 1987 to enable the carrying out of a trade, occupation, or business on conservation land.

Conservancy – An administrative unit of the Department of Conservation, responsible for delivering operational work in a particular geographical area. There are 13 conservancies, each with a Conservancy Office.

Conservation Board – A statutory body set up under the Conservation Act 1987. There are 14 Conservation Boards that provide advice to conservancy staff. There is one Conservation Board for each conservancy, and a separate Conservation Board for the Chatham Islands. The Minister of Conservation appoints most Conservation Board members, although a small number of member positions are specified by the Conservation Act 1987. Boards are independent of the Department of Conservation.

Conservation land – Publicly owned land that the Department manages for the Crown for conservation purposes.

Conservation management strategy – A statutory document to carry out statements of general policy, and set up objectives for the integrated management of natural and historic resources and for recreation, tourism, or other conservation purposes. The Conservation Act 1987 requires a conservation management strategy to be prepared, and reviewed every 10 years.

Conservation values – In this report, the intrinsic values of the natural and historic resources that are present, and any societal values associated with those intrinsic values or resources.

Conservator – A manager of a conservancy, who reports to one of the General Managers of Operations.

Directions and expectations – Internal Department of Conservation documents

prepared by the Director-General, General Managers, and Conservators to help staff to prepare annual business plans. The Director-General's directions and expectations inform the General Managers' directions and expectations, which in turn inform the Conservators' directions and expectations.

Director-General – Chief Executive Officer of the Department of Conservation.

General Managers of Operations – Two people accountable for the operational work of the Department of Conservation. The General Manager of Operations (Northern) is responsible for work in the North Island and Chatham Islands. The General Manager of Operations (Southern) is responsible for work in the South Island, Stewart Island, and sub-Antarctic islands. The General Managers of Operations report to the Director-General.

Land Acquisition Fund – A fund used to buy conservation land, or to pay for the costs of land transactions. The Department of Conservation manages this fund.

Land Environments of New Zealand (LENZ) – A classification of environments mapped over New Zealand's landscape, produced by the Ministry for the Environment and Manaaki Whenua Landcare Research New Zealand Limited. LENZ identifies environments that share similar climates, soils, and landforms.

Nature Heritage Fund – A contestable Ministerial fund that may be used to protect conservation land. The protection can be legal (such as direct purchases or covenanting) or physical (such as fencing).

New Zealand Conservation Authority – An independent national body that provides advice to the Department of Conservation and to the Minister of Conservation. The New Zealand Conservation Authority was established under the Conservation Act 1987. It is responsible for approving conservation management strategies, and has roles under the Conservation Act 1987, National Parks Act 1980, Reserves Act 1977, and Wildlife Act 1953. The Minister of Conservation appoints the 13 members of the New Zealand Conservation Authority.

Pestlink – A Department of Conservation database. It records reports about animal pests.

Standard operating procedure – An internal document prepared by the Department of Conservation. It identifies processes and compliance requirements for undertaking particular tasks.

Statements of general policy – In this report, the 2 statutory policy documents – *Conservation General Policy* and *General Policy for National Parks* – prepared under the Conservation Act 1987 and National Parks Act 1980.

Summary

The Department of Conservation (the Department) manages more than 8.5 million hectares of the publicly owned land – nearly a third of the country’s total land area.

We audited the Department’s strategic planning for land, and the adequacy of its management and information systems for implementing that planning. We reviewed the Department’s strategies, plans, and reports, and interviewed its staff at Head Office. We also carried out field work and interviews in 3 different conservancies, to see if the Department was planning for and managing publicly owned land consistently.

Our findings

Overall, the Department met, or partially met, most of our expectations. The Department had policies and objectives for land within its statutory planning documents, and comprehensive management and information systems. However, the Department’s strategic planning, management systems, and information systems were not always well connected.

In our view, the Department needs a national strategic plan for land, and stronger central oversight within its land management and land information systems, particularly for land transactions, so there is more clarity and consistency in managing publicly owned land for conservation purposes.

Strategic planning for land

Strategic planning involves setting long-term objectives and goals. We expected the Department to have comprehensive national strategic planning for the publicly owned land it manages. We expected this planning to be in writing, coherent, clear, and accessible. To assess whether the Department met our expectations, we examined the Department’s statements of general policy, conservation management strategies, management plans for national parks, and strategic plans.

The Department had policies and objectives for land within its statutory planning documents. In our view, a clear and comprehensive national strategic plan for land would provide for co-ordinated and consistent implementation of these policies and objectives throughout the Department. A national strategic plan for land would also enable effective co-ordination of the Department’s management and information systems to achieve long-term objectives for land.

The effectiveness of the Department’s strategic planning would be improved if it finished all the planning documents required by law (as they contain long-term objectives for land), and if it also ensured that the management objectives within and between conservation management strategies were clear and consistent.

Land management systems

Management systems involve processes and procedures to ensure that long-term objectives and goals are achieved.

We expected the Department's priorities and resource allocation for carrying out plans to manage publicly owned land to be clear at both a national level and conservancy level. We expected roles and responsibilities for land management to be clearly defined, and we expected the Department to have guidance in place to ensure that different parts of the organisation followed the same set of procedures when undertaking any land management work. We also expected any acquisition, disposal, transfer, or reclassification of land to be consistent with such guidance.

We examined the Department's *Statement of Intent 2005-2008*, its annual business planning process, standard operating procedures for land management, delegations framework, and accountability systems. We examined the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservancies' approaches to setting priorities and undertaking land transactions. We also undertook 2 case studies on land transactions undertaken by the Department.

The Department had comprehensive land management systems, which included many of the processes and procedures that we expected. However, in our view, these systems need to provide guidance for conservancies in setting priorities for land that are linked clearly to statutory policies and objectives. The Department also needs stronger and more centralised compliance monitoring, including reviewing all land transactions undertaken by the Department through the Land Acquisition Fund and by conservancies.

Land information systems

We expected the Department to gather appropriate information about the land it manages. We expected the Department to have comprehensive information systems that would store such information consistently and accessibly for staff who need it for their work.

We also expected the Department to use the land information for making decisions and checking progress against relevant planning objectives and priorities.

We examined the Department's national Land Register and procedures for its maintenance and use, property documentation for 28 individual properties in the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservancies, and the Department's reporting systems and processes.

The Department had detailed land information systems, which included much of the information we expected. However, we identified some ways to make the systems more effective.

Storing land transaction information consistently would help the Department to check that land transactions comply with standard operating procedures, and ensure that the Department has a clearer overview of the land it manages.

Storing information about conservation values of land consistently would ensure that the information is accessible to staff who need it to do their work. Gathering information about the origin of individual properties would help the Department to do certain types of work.

The Department uses land information to inform business plans and programmes, and to report on the legal protection of different land types. It is setting up systems to use land information for measuring, evaluating, and reviewing its performance in protecting natural and historic heritage areas. The Department could also use the information it holds to systematically check whether land classifications appropriately protect the land they apply to.

Our recommendations

We recommend that the Department of Conservation:

1. give priority to finishing conservation management strategies and national park management plans that it has not prepared or reviewed within statutory timeframes;
2. prepare a national strategic plan for all the land it manages;
3. prepare guidance for conservancies in setting priorities within business plans that are clearly linked to statutory policies and objectives for land;
4. formally monitor compliance with relevant standard operating procedures of all land transactions undertaken by conservancies;
5. review recent land transactions undertaken through the Land Acquisition Fund, and by all conservancies, to identify any common deficiencies and to ensure that the standard operating procedures are followed;
6. consider the usefulness of gathering information on the origin of all the individual properties it manages;
7. review its systems to record land transactions, to gain oversight of the number and type of land transactions occurring within individual conservancies and throughout the country;

8. include on its Land Register (or through links from its Land Register) references to relevant conservation management strategies, reports, inventories, and surveys relating to properties it manages; and
9. use land conservation value information as part of a programme to ensure that land classifications appropriately protect the land they apply to.

Part 1

Introduction

- 1.1 In this Part, we describe:
- why we undertook an audit;
 - the purpose of our audit;
 - at a high level, our expectations;
 - how we conducted the audit; and
 - what was outside the scope of the audit.

Why we undertook an audit

- 1.2 The Department of Conservation (the Department) manages more than 8.5 million hectares of publicly owned land. The value of the land managed by the Department is \$2,971 million.¹
- 1.3 The publicly owned land that the Department manages is clearly valuable and considerable – nearly a third of the country’s total land area. There is also wide public interest in the land managed by the Department.
- 1.4 We wanted to know if the Department had clarified through strategic planning its long-term goals and objectives for the publicly owned land it manages. We wanted to see if the Department’s management systems could adequately support that planning, and if the information systems could help the Department to check its progress and adequately inform the Department’s planning.

Purpose of our audit

- 1.5 The purpose of our audit was therefore to:
- assess the Department’s strategic planning for the publicly owned land it manages;
 - assess the Department’s management systems for achieving strategic goals and objectives for land; and
 - assess the Department’s information systems for informing planning and decision-making about land, and measuring progress in implementing the strategic goals and objectives.
- 1.6 In this report, by **strategic planning** we mean planning for long-term goals and objectives. When we discuss **management systems**, we mean the processes and procedures to ensure that long-term goals and objectives are achieved, while **information systems** enable the Department to gather, store, and use information about land.

¹ Department of Conservation, *Annual Report for the year ended 30 June 2005*, Wellington, parliamentary paper C.13, ISSN 1176-7324.

Our expectations

- 1.7 To assess the Department's strategic planning for land, and the adequacy of its management and information systems for implementing that planning, we set up audit criteria (or expectations). We considered the requirements of the legislation the Department must comply with, and best practice and guidance material from overseas. In particular, we referred to:
- the World Conservation Union's guidance on national system planning for protected areas;²
 - a report by the Australian National Audit Office on property management;³ and
 - good practice guidance on property management from the National Audit Office in the United Kingdom.⁴
- 1.8 We expected the Department to have:
- comprehensive national strategic planning for the publicly owned land it manages;
 - clear and robust management systems supporting co-ordinated strategic priorities, and administrative processes and procedures; and
 - consistent and accessible information management systems.
- 1.9 We set out our expectations in more detail in Parts 3, 4, and 5.

How we conducted the audit

- 1.10 During the scoping phase of our audit, the Department told us that it did not have a documented national strategic plan for land. We therefore looked for evidence, within the Department's planning and management activities, that the Department was carrying out national strategic planning for the significant amount of publicly owned land that it manages. We acknowledge that the Department has a different view to ours about the level and extent of strategic planning needed for publicly owned land.
- 1.11 To assess the Department's planning for and management of land, we reviewed the Department's strategies, plans, and reports. We interviewed Head Office staff in Wellington, and staff in 3 Conservancy Offices and Area Offices in the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservancies.

2 Davey, A.G., 1998, *National System Planning for Protected Areas*, IUCN, Gland, Switzerland and Cambridge, United Kingdom.

3 Australian National Audit Office, 2003, *Property Management*, Audit Report No. 19 2003-04, Commonwealth of Australia.

4 Appendix 2 in *Ministry of Defence: Identifying and Selling Surplus Property*, 1998, National Audit Office, United Kingdom, ISBN 010297098X.

1.12 We wanted to identify how national objectives and priorities informed strategies, plans, land transaction approaches, and activity at a conservancy level. We selected those 3 particular conservancies because they varied in size, and were geographically distant from each other.

1.13 The stakeholders we interviewed were:

- the chairperson of the New Zealand Conservation Authority;
- the chairpersons of the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservation Boards;
- representatives of Federated Farmers of New Zealand Inc;
- representatives of the New Zealand Fish and Game Council;
- representatives of the Royal Forest & Bird Protection Society of New Zealand Inc; and
- tāngata whenua representatives in some of our fieldwork locations.

Outside the scope of the audit

1.14 Our audit focused on publicly owned land managed by the Department. We did not consider covenants, or similar arrangements on private land, reserves managed by local authorities, specific permissions for activities on land, marine reserves, marine mammal sanctuaries, or the foreshore and seabed.

1.15 We did not look at the Department's involvement in the land tenure review process led by Land Information New Zealand, or how the Department gets land through contestable Ministerial funds, such as the Nature Heritage Fund.

1.16 We did not look at the Department's conservation management plans for specific sites, land management treatments or initiatives (such as pest management or specific species recovery programmes), the effectiveness of any such treatments or initiatives, or how they were being undertaken. We did not look in detail at the day-to-day management of conservancies.

1.17 The New Zealand Conservation Authority and Conservation Boards have statutory roles in relation to approving and reviewing policies, strategies, and plans within the statutory conservation planning framework. We did not audit the performance of the New Zealand Conservation Authority or Conservation Boards in carrying out their roles.

Part 2

Department of Conservation and its land planning and management frameworks

2.1 In this Part, we describe:

- the Department of Conservation’s legislative responsibilities for land;
- the location and classifications of the land it manages;
- the statutory planning framework for the land;
- the management framework for the land; and
- how the Department of Conservation is organised to work within those frameworks.

Legislative responsibilities for land

2.2 The Conservation Act 1987 set up the Department. Under section 6 of the Act, the Department is 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.

2.3 Legislation also requires the Department to:

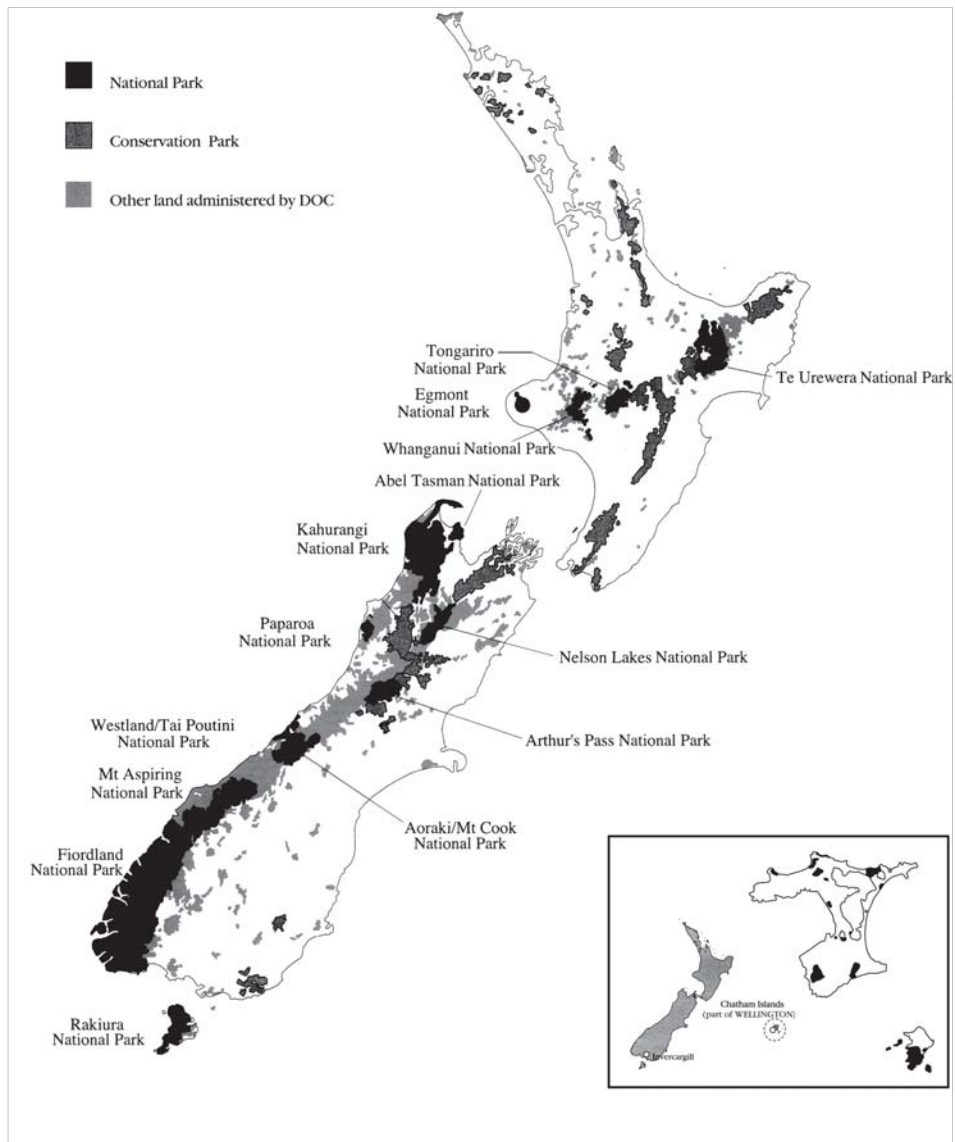
- advocate conserving natural and historic resources;
- promote the benefits to present and future generations of conservation of natural and historic resources;
- prepare, provide, distribute, promote, and publicise conservation information; and
- foster recreation and allow tourism, to the extent that the use of any natural and historic resource is not inconsistent with its conservation.

2.4 The Department has statutory responsibilities to prepare and review policies, strategies, and plans for land. The Department also has several statutory responsibilities in managing land. The relevant Acts for this report are the Conservation Act 1987, the National Parks Act 1980, the Reserves Act 1977, and the Wildlife Act 1953.

Publicly owned land managed by the Department of Conservation

2.5 The location of the more than 8.5 million hectares of publicly owned land that the Department manages is shown in Figure 1.

Figure 1
Publicly owned land managed by the Department of Conservation



Source: Department of Conservation.

Classification of the land managed by the Department of Conservation

- 2.6 The Department manages land under classifications set by legislation. Land classifications identify the general purpose for which parks, areas, sanctuaries, refuges, and reserves are to be managed.
- 2.7 Land classified under the Conservation Act 1987 accounts for about 55% of the area managed by the Department. It includes conservation parks, wilderness areas, ecological areas, sanctuary areas, watercourse areas, amenity areas, wildlife management areas, and stewardship areas.
- 2.8 Land classified under the National Parks Act 1980 accounts for about 36% of the land area managed by the Department. It includes national parks and areas that can be further classified within national parks, including specially protected areas, wilderness areas, and amenities areas.
- 2.9 Land classified under the Reserves Act 1977 accounts for about 8% of the land area managed by the Department. It includes reserves for recreation, historic, scenic, natural, scientific, and government purposes.
- 2.10 Land classified under the Wildlife Act 1953 accounts for less than 1% of the land area managed by the Department. It includes wildlife sanctuaries, wildlife refuges, and wildlife management reserves.

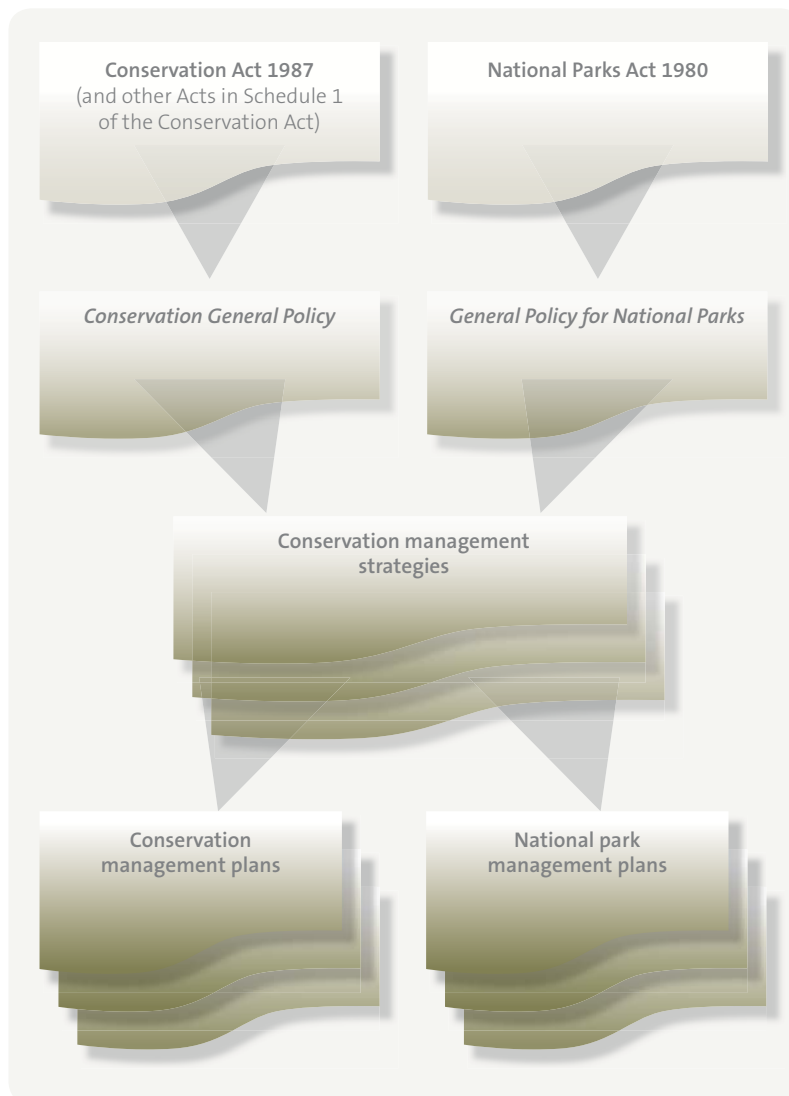
Statutory planning framework for land

- 2.11 The statutory planning framework directs how the Department manages land. There is a hierarchy of statutory policies, strategies, and plans. The hierarchy includes statements of general policy, conservation management strategies, conservation management plans, and management plans for national parks (see Figure 2).

Statements of general policy

- 2.12 The Department is responsible for preparing statements of general policy. The purpose of statements of general policy is to provide the Department with direction and guidance for managing land. Preparing statements of general policy is not compulsory, but is provided for under the Conservation Act 1987 and the National Parks Act 1980.
- 2.13 The Department has a new *Conservation General Policy* (May 2005), and revised *General Policy for National Parks* (April 2005). Although they are separate documents, the 2 statements of general policy are closely related. This is because of common administration by the Department, shared boundaries between

Figure 2
Statutory planning framework for land



national parks and other conservation lands and waters, and movement of species between different places that occurs regardless of land status.

- 2.14 The *Conservation General Policy* outlines policies on the purpose and content of conservation management strategies, and on gaining, disposing of, exchanging, or reviewing the classification of public lands. The *General Policy for National Parks* outlines policies on the purpose and content of national park management plans,

new national parks, additions to national parks, boundaries, and special areas within national parks.

Conservation management strategies

- 2.15 The purpose of conservation management strategies is to carry out statements of general policy, and to set up objectives for the integrated management of natural and historic resources, and for recreation, tourism, or other conservation purposes. The National Parks Act 1980 requires conservation management strategies to set up management objectives for any national parks within the area covered by the strategies. The Department must prepare conservation management strategies, and review them within 10 years of their approval by the New Zealand Conservation Authority.

Conservation management plans

- 2.16 The purpose of conservation management plans is to carry out conservation management strategies, and to set up detailed objectives for the integrated management of natural and historic resources within areas managed by the Department under various Acts, and for recreation, tourism, and other conservation purposes. Preparing conservation management plans is not compulsory, unless a conservation management strategy specifically requires them.

National park management plans

- 2.17 The purpose of national park management plans is to provide for managing a national park in keeping with the National Parks Act 1980. National park management plans must be prepared within 2 years of a national park being constituted, and plans must be reviewed within 10 years of being approved.
- 2.18 The Act does not require specific management objectives to be contained in national park management plans. However, the Act sets out the purpose for which national parks are created, and this provides direction for park management. Under the Act, national park management plans must not be inconsistent with the terms of any relevant conservation management strategy.

The Department of Conservation's land management framework

- 2.19 The Department's land management framework guides how the Department manages the publicly owned land it is responsible for. The land management framework includes processes and procedures supporting the Department's strategic direction, accountability systems, and guidance.

Strategic direction

- 2.20 The *Statement of Intent 2005-2008* (the *Statement of Intent*) outlines the Department's strategic direction, and sets out 2 inter-related high-level outcomes:
- Protection – “New Zealand’s natural and historic heritage is protected and restored.”
 - Appreciation – “People enjoy and benefit from New Zealand’s natural and historic heritage and are connected with conservation.”
- 2.21 The high-level outcomes of the *Statement of Intent* are supported by a series of national strategic plans and operational and technical plans that provide direction and guidance for planning and initiatives within the Department.
- 2.22 The high-level outcomes of the *Statement of Intent* are also supported by the directions and expectations conveyed by the Director-General to line managers. The Director-General's directions and expectations are set out yearly. The 2 General Managers of Operations use these to set their priorities, which in turn are used to prepare business plans for each conservancy. Figure 3 shows how directions and expectations are used, with indicative budgets, to prepare conservancy business plans.
- 2.23 We discuss the link between conservancy business plans and statutory planning documents in paragraphs 4.16-4.21.

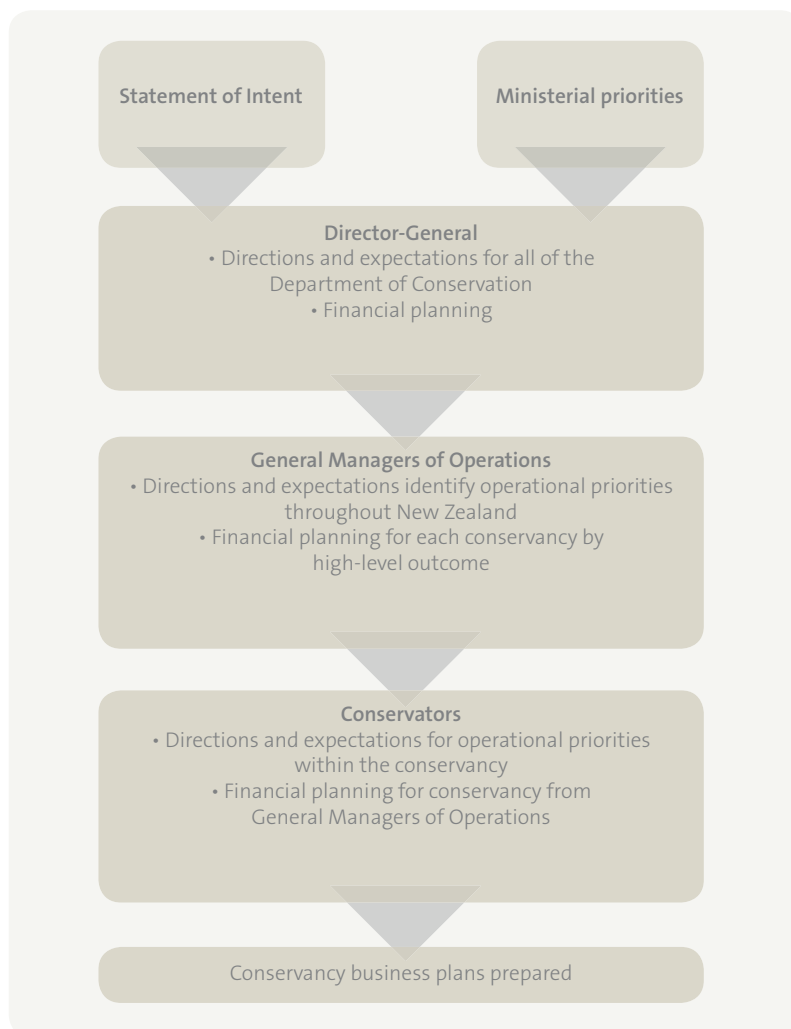
Accountability systems

- 2.24 The Department has several accountability systems to co-ordinate and direct its operations, including:
- a delegations framework;
 - organisational performance reviews against strategic directions;
 - planning and performance reviews on individual performance; and
 - annual financial and non-financial reporting.

Guidance

- 2.25 The Department has a set of guidance material, or standard operating procedures, that staff are expected to follow when they are doing particular types of work, including statutory land management. Standard operating procedures are prepared to achieve consistency, agreed standards, clearly accountable actions, legal compliance, and formally agreed best practice for different types of work. There are standard operating procedures for disposing of, exchanging, gazetting, checking, and revoking land and its status.

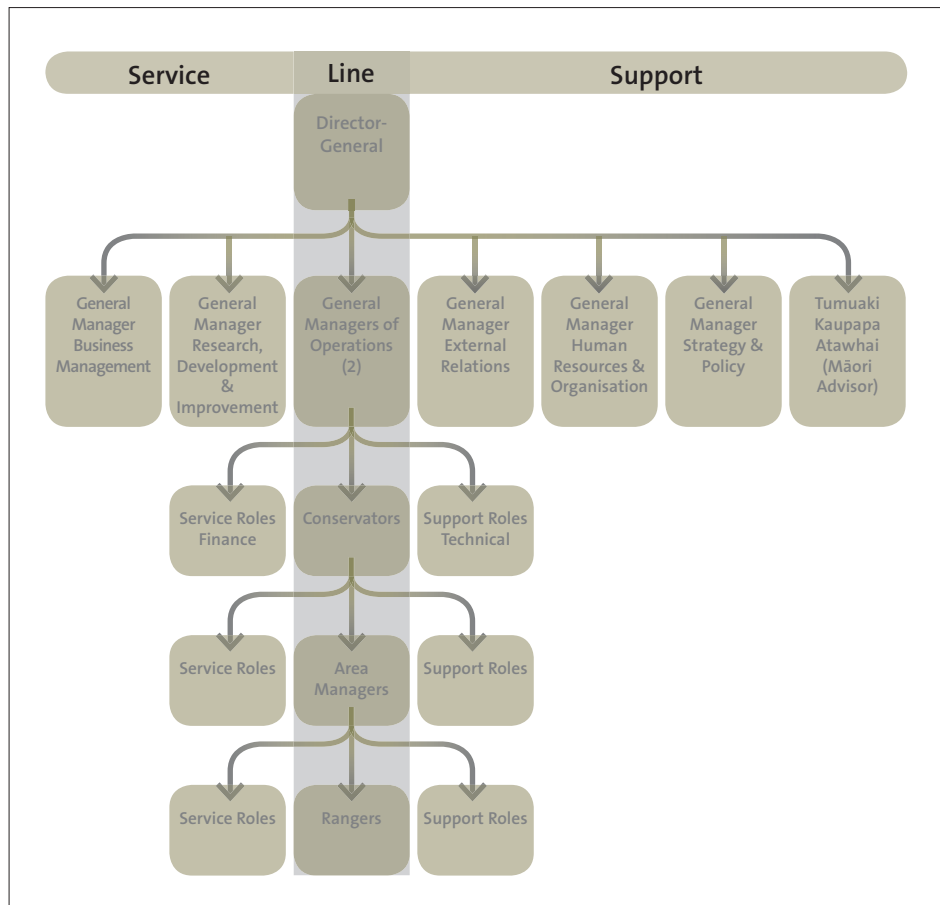
Figure 3
Using directions and expectations to prepare conservancy business plans



How the Department of Conservation is organised to work within these frameworks

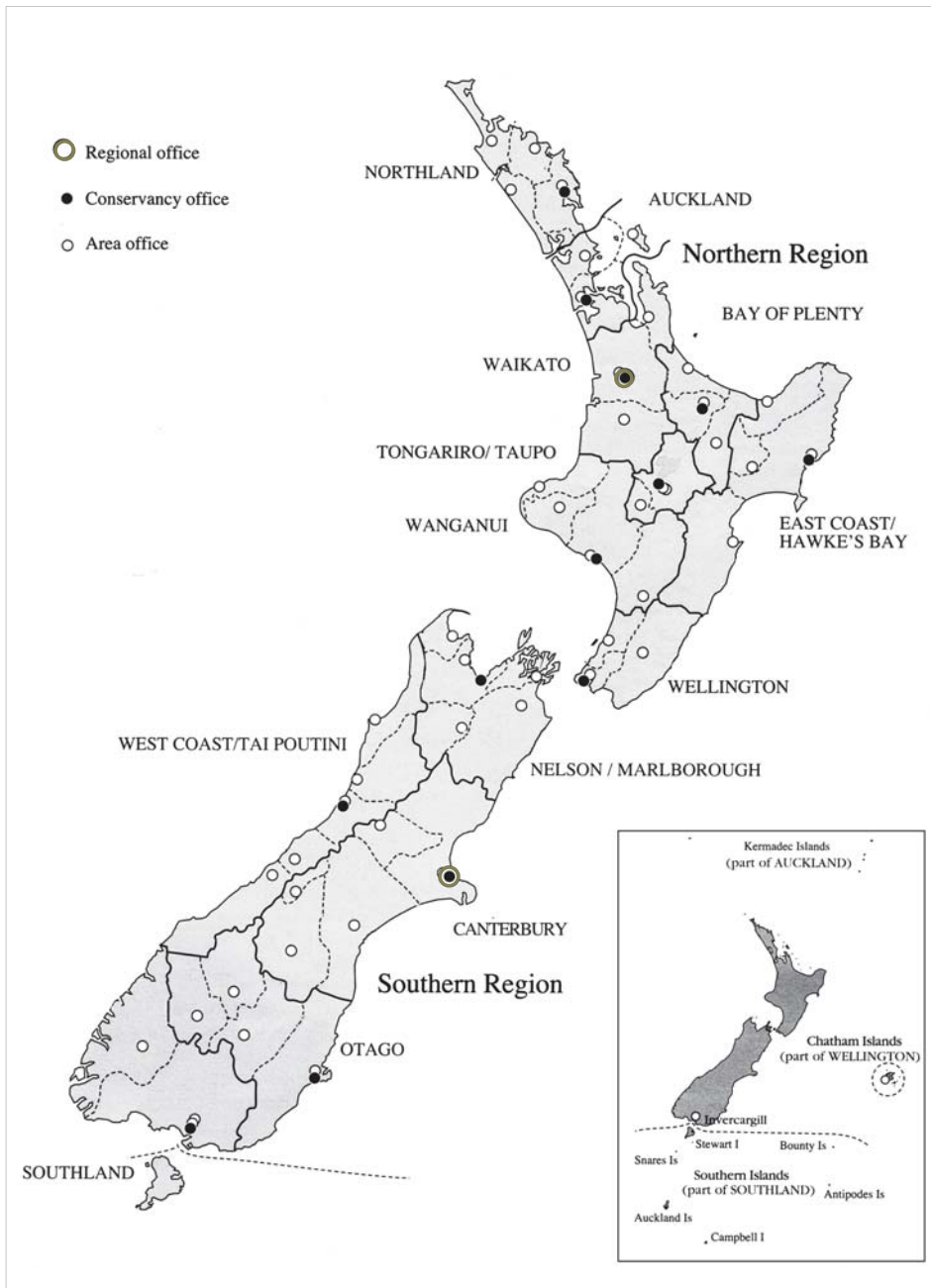
- 2.26 Staff within the Department are organised in 3 role groups – line management, support, and service. Line management roles provide leadership and direction. Support and service roles provide technical, community relations, business support, and service functions to the line management roles. Line management roles include the Director-General, General Managers of Operations, Conservators, Area Managers, and Rangers. Figure 4 shows the Department’s organisational structure.

Figure 4
The Department of Conservation's organisational structure



- 2.27 The Department has a Head Office based in Wellington, 2 Regional Offices in Hamilton and Christchurch, and 13 conservancies throughout the country. The conservancies support a network of local Area Offices within each conservancy. Figure 5 shows conservancy boundaries, and the locations of Conservancy, Regional, and Area Offices.
- 2.28 The Department's organisational structure is decentralised. Fieldwork and operations are delivered from Area Offices, with Conservancy Offices providing technical support and advice, and ensuring accountability.
- 2.29 Regional Offices provide leadership and are accountable for operational work in their regions. The Department's Head Office prepares national policies, provides leadership, and provides national service and support work.

Figure 5
Conservancy boundaries and Office locations



Source: Department of Conservation.

Part 3

The Department of Conservation's strategic planning for land

3.1 In this Part, we describe:

- why strategic planning is important;
- our expectations for strategic planning;
- the Department's statutory policies and objectives for land; and
- the Department's non-statutory strategies and plans for land.

3.2 We then set out our conclusions.

Why is strategic planning important?

3.3 The Department manages a significant portion of the country's total land mass. Clear, comprehensive, and co-ordinated strategic planning for all the land the Department manages would serve several broad purposes. It would:

- identify roles and responsibilities of the Department;
- identify land types of strategic importance;
- identify strategic objectives for land;
- provide for the co-ordinated implementation of relevant national statutory policies and objectives throughout the Department;
- provide for consistency and co-ordination in planning and management processes throughout the Department;
- facilitate a co-ordinated approach to other related national strategies and policies; and
- provide guidance to external stakeholders about the Department's land planning objectives.

3.4 The Department manages a variety of publicly owned land, under different pieces of legislation. The legislation sets out particular roles and responsibilities in planning for and managing the land. These roles and responsibilities may be different for different types of land or different activities. Clearly identifying the Department's roles and responsibilities in national strategic planning for land is important to ensure that statutory obligations are met.

3.5 Although protected under legislation, not all of the land the Department manages is of high conservation value. Conversely, not all land of high conservation value is looked after by the Department. Identifying those land types currently managed by the Department that are of particular strategic importance would ensure that priorities were focused suitably, and that resources were effectively used. Broadly identifying those land types of high conservation value outside the land protected under legislation would help in setting priorities for the Department's

land management, as well as other work (such as advocacy, public awareness, and community engagement).

- 3.6 Legislative requirements dictate how the Department manages the land it is responsible for. Given the variety of land the Department manages, clear and measurable strategic objectives would provide direction for land management priorities.
- 3.7 The Department's statutory policies and objectives direct how it manages the land. Strategic land planning would provide for the co-ordinated implementation of these policies and objectives throughout the Department.
- 3.8 There are some government-wide strategies and plans the Department is involved in preparing and carrying out with other central government agencies, including the New Zealand Biodiversity Strategy. Strategic land planning would help inform and facilitate the Department's approach and contribution to such strategies and plans.
- 3.9 Finally, clear and comprehensive strategic planning for land serves as a tool to involve stakeholders, and make clear to them the Department's strategic objectives and priorities for land.

Our expectations

- 3.10 We prepared expectations about strategic land planning and then assessed the Department's performance against the expectations. We looked at the Department's long-term goals and objectives for land within its:
- statutory policies and objectives; and
 - non-statutory strategies and plans.
- 3.11 We expected the Department to have comprehensive strategic national planning for land. We expected this planning to be coherent, clear, recorded, and accessible.
- 3.12 We reviewed the Department's statements of general policy, conservation management strategies, national park management plans, and national strategic plans.

Statutory policies and objectives for land

- 3.13 The Department's statutory policies and objectives for land are included at a national level within the statements of general policy, and at a conservancy level within conservation management strategies and national park management plans.

The Department of Conservation's statements of general policy

- 3.14 Statements of general policy provide the Department with broad national direction for preparing integrated conservation management objectives for areas, or places identified in conservation management strategies and national park management plans. Statements of general policy also provide direction for undertaking land transactions.
- 3.15 The *Conservation General Policy* and *General Policy for National Parks* contain policies that reflect aspects of integrated conservation management of natural resources, historic and cultural heritage, and recreational opportunities by referring to outcomes planned for places. Those places are identified in conservation management strategies and national park management plans.
- 3.16 The *Conservation General Policy* says that land acquisition or exchange may be undertaken by the Department where the acquisition or exchange will either:
- improve representativeness of public conservation land; or
 - improve the natural functioning or integrity of places; or
 - improve the amenity or utility of places; or
 - prevent significant loss of natural resources or historical and cultural heritage areas; or
 - improve the natural linkages between places; or
 - secure practical walking access to public conservation lands and waters, rivers, lakes, or the coast; or
 - achieve any other purpose allowed for under the relevant Acts.
- 3.17 The policy says that the Department may consider disposing of land where the legislation allows for disposal and the land has no, or low, conservation values.
- 3.18 The *General Policy for National Parks* says that land recommended for national park status will contain, for its intrinsic worth and for the benefit, use, and enjoyment of the public, the following:
- scenery of such distinctive quality that its preservation is in the national interest; or
 - ecosystems or natural features so beautiful, unique, or scientifically important that their preservation is in the national interest.
- 3.19 The statements of general policy meet some aspects of our expectations for national strategic planning for land. While the statements do not set long-term goals and objectives for land, they provide national guidance for setting up such objectives in conservation management strategies. By their nature, the statements of general policy provide for consistency in approaches to dealing with

particular land planning and management issues, and convey this to stakeholders.

Preparing and reviewing conservation management strategies and national park management plans

- 3.20 Under the Conservation Act 1987 and National Parks Act 1980, the Department must prepare and review conservation management strategies and national park management plans. The strategies and plans must be reviewed within 10 years of being approved by the New Zealand Conservation Authority.
- 3.21 The Department has not prepared all conservation management strategies and national park management plans within statutory timeframes.
- 3.22 The Department has not completed the West Coast Conservation Management Strategy, which should have been completed by 1995. The Department has identified the Cave Creek tragedy, and extra responsibilities for the conservancy arising from the transfer of indigenous forest from Timberlands West Coast Limited in 2001 and 2002, as part of the reason for the delay.
- 3.23 The Department has not reviewed the Auckland or Hawke's Bay¹ conservation management strategies within 10 years of them first being approved. The Department has received approval from the Minister of Conservation to extend the review period for both conservation management strategies.
- 3.24 The Department has not completed the Rakiura National Park Management Plan. The Rakiura National Park was gazetted in February 2002, and the Department should have prepared a management plan by February 2004.
- 3.25 Seven of 14 national park management plans have yet to be reviewed, even though more than 10 years have passed since the management plans were first approved. Six of the 7 are reported by the Department as being under review. In March 2006, the most overdue plan was the Abel Tasman National Park Management Plan, which the Department should have reviewed by July 1996. The least overdue were the management plans for Mount Aspiring and Arthur's Pass National Parks, which the Department should have reviewed by October 2004.
- 3.26 Conservation management strategies and national park management plans are required by legislation. The New Zealand Conservation Authority has expressed concern to the Department that conservation management strategies are not always given the priority they deserve. As these strategies and plans provide for integrated conservation management, and the strategies must contain objectives

1 The East Coast Hawke's Bay Conservancy has 2 conservation management strategies – the East Coast Conservation Management Strategy and the Hawke's Bay Conservation Management Strategy – resulting from the former East Coast Conservancy and Hawke's Bay Conservancy having been integrated in 1997. The Department proposes to review both strategies at the same time and combine them into a single conservation management strategy.

for land, we consider that the Department should give priority to finalising conservation management strategies and national park management plans that were not prepared or reviewed within statutory timeframes.

Recommendation 1

We recommend that the Department of Conservation give priority to finishing conservation management strategies and national park management plans that it has not prepared or reviewed within statutory timeframes.

Objectives within conservation management strategies

- 3.27 The Conservation Act 1987 requires that conservation management strategies contain objectives for the integrated management of natural and historic resources, and for recreation, tourism, and other conservation purposes for all areas covered in the strategies. In addition, the National Parks Act 1980 requires that conservation management strategies set up management objectives for any national parks within the area covered by the strategies.
- 3.28 The conservation management strategies we reviewed contained management objectives broadly consistent with the Conservation Act 1987.
- 3.29 Conservancies took different approaches to the amount of detail in the objectives within conservation management strategies, and how they were set out. All of the strategies contained general objectives for the whole conservancy. The Hawke's Bay Conservation Management Strategy and the draft West Coast Conservation Management Strategy also contained objectives for each of the Areas within the respective conservancies.
- 3.30 It was not always clear how general objectives for the whole conservancy would be applied to particular parts of, or places in, each conservancy.
- 3.31 Te Urewera National Park is within the East Coast Hawke's Bay Conservancy. The West Coast Tai Poutini Conservancy includes the Paparoa and Westland Tai Poutini National Parks, and parts of the Arthur's Pass, Mount Aspiring, and Kahurangi National Parks. Objectives for each national park within the East Coast and West Coast Conservation Management Strategies were limited. While cross-references in the East Coast Conservation Management Strategy identify the general objectives that apply to Te Urewera National Park, it was not always clear how the general objectives for the West Coast Tai Poutini Conservancy applied to the national parks in that conservancy.
- 3.32 After an internal review of conservation management strategies in 2001, the

Department prepared guidance to address issues of consistency and clarity in preparing conservation management strategies. The Department is preparing further guidance to help conservancies prepare conservation management strategies consistent with the statements of general policy adopted in 2005.

Objectives within national park management plans

- 3.33 The National Parks Act 1980 sets out the purpose for which national parks are created, and this provides direction for park management. In addition, this Act requires that national park management plans shall not be inconsistent with the provisions of any relevant conservation management strategy. The Act does not require specific management objectives to be contained in national park management plans.
- 3.34 The national park management plans we reviewed for Te Urewera and Westland Tai Poutini National Parks contained clear management objectives. The management plans contained management objectives consistent with the direction for park management from the National Parks Act, and both plans took broadly similar approaches to the scope and application of the objectives.
- 3.35 The Te Urewera National Park Management Plan notes the legislative requirement for consistency with conservation management strategy provisions, and contains cross-references to the East Coast Conservation Management Strategy. The Westland Tai Poutini National Park Management Plan notes that the plan must be in keeping with policies contained in the West Coast Conservation Management Strategy, once the strategy is approved.

Non-statutory strategies and plans for land

- 3.36 The Department has several non-statutory national strategies and plans that support legislative requirements and high-level outcomes in the *Statement of Intent*, and provide direction and guidance for planning, programmes, and initiatives throughout the Department. However, there is no specific national strategy or plan for land to effectively implement relevant policies in the statements of general policy.
- 3.37 In June 1998, the Department wrote a draft *Land Holding Strategy for the Acquisition, Disposal and Administration of Legal Interests in Land*. The purpose of the draft strategy was to provide direction on how the Department would contribute to achieving the Crown's goals for natural and historic heritage, open space recreation, and amenity values through the acquisition, disposal, and administration of land, in a cost-effective way. The draft strategy noted there was no other overall formal framework for doing this.

- 3.38 The draft strategy was intended as a guide for Department staff, and outlined the Department's legal interests in land, Crown policy goals, guidelines for decision-making, land acquisition and disposal decision-making, and issues and options for addressing these matters. The Department advised us that it incorporated work from the draft strategy into other documents, including the *Conservation General Policy*, and that the strategy was consequently no longer required.
- 3.39 The statements of general policy provide broad national direction for the Department's integrated land management, including land transaction activity. In our view, the effective implementation of the statements of general policy needs a clear and comprehensive national strategic plan for land. Such a plan would provide for consistency and co-ordination in land planning and management processes throughout the Department.

Recommendation 2

We recommend that the Department of Conservation prepare a national strategic plan for all the land it manages.

Our conclusions

- 3.40 The Department has policies and objectives for land within its statutory planning documents. However, because these policies and objectives are broad, and are often dispersed among several national and conservancy documents, it was difficult to determine what outcomes or objectives for land the Department is seeking at a national level.
- 3.41 The effectiveness of the Department's strategic planning for land would be improved if it finished all the statutory planning documents.
- 3.42 The statements of general policy provide for consistent approaches in addressing land planning and management issues. They should also help to ensure that land management objectives in any future conservation management strategies are clear.
- 3.43 In our view, the effective implementation of the Department's statutory policies and objectives requires a clear and cohesive national strategic plan for land. A national strategic plan would also enable effective co-ordination of the Department's management and information systems, to ensure that long-term goals and objectives for land are achieved.

Part 4

The Department of Conservation's land management systems

- 4.1 In this Part, we describe:
- why land management systems are important;
 - our expectations about land management systems;
 - the Department's priority setting for land management;
 - the Department's accountabilities for land management;
 - the Department's guidance for land management; and
 - 2 case study file reviews.

- 4.2 We then set out our conclusions.

Why are land management systems important?

- 4.3 The Department manages land classified for different purposes under a complex framework of legal and policy requirements. Comprehensive and clear land management systems serve 3 broad purposes. They ensure that:
- capacity and resourcing reflect land management priorities;
 - staff accountabilities for land management processes are clear and well understood; and
 - statutory and policy requirements are complied with.
- 4.4 The appropriate allocation of resources ensures effective implementation of plans, programmes, and initiatives to achieve land management priorities.
- 4.5 The Department has staff throughout the country. Clearly defined and understood organisational roles and responsibilities in land management processes are important to ensure that there are suitable levels of accountability for land management decision-making throughout the Department.
- 4.6 In addition, clear guidance, access to advice and support, and central oversight of compliance is important to provide assurance that all parts of the Department comply with statutory and policy requirements.

Our expectations

- 4.7 We prepared expectations about the Department's land management systems, and then assessed the Department's performance against the expectations. We looked at the Department's processes and procedures in:
- priority setting for land management;
 - accountabilities for land management; and
 - guidance for land management.

- 4.8 We expected that the Department's priorities for carrying out plans to manage land would be clear at a national and conservancy level. We also expected that resource allocation at a national and conservancy level would take account of land management priorities. We reviewed the Department's priorities as outlined in its *Statement of Intent*, the Director-General's annual directions and expectations, and the approaches of the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservancies in setting priorities.
- 4.9 We expected that roles and responsibilities for land management would be clearly defined. We reviewed the Department's standard operating procedures and delegations framework.
- 4.10 We expected that the Department would have guidance in place to ensure that different parts of the organisation follow the same set of procedures when undertaking any work on land management. We expected this guidance to be followed and that there would be mechanisms for such guidance to be reviewed and updated. We reviewed the Department's standard operating procedures, operating review system, and planning and performance review system.
- 4.11 We expected that any acquisition, disposal, transfer, or reclassification of land by the Department would be consistent with the Department's own guidance, and consistent with statutory requirements. We reviewed the land transaction approaches of the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservancies, and undertook 2 land transaction case studies.

Priority-setting for land management

- 4.12 Priorities for the Department are set through its *Statement of Intent*, Ministerial priorities, and a hierarchy of annual directions and expectations, including financial planning, from the Director-General to line managers.

Setting and implementing national priorities, and allocating resources

- 4.13 The Department sets priorities through the high-level outcomes of the *Statement of Intent* and Ministerial priorities, which are supported by the Director-General's directions and expectations to line managers. The Director-General's directions and expectations are set out yearly and are used by the 2 General Managers of Operations to outline operational priorities by high-level outcome.
- 4.14 General Managers of Operations use financial planning and the Director-General's directions and expectations to direct resource allocation among conservancies. Business plans of the General Managers of Operations show how resources have

been allocated to conservancies. Business plans of individual conservancies show how resources have been allocated within the conservancies.

- 4.15 One clear priority specifically for land is identified in the *Statement of Intent*. This is a joint initiative with Land Information New Zealand to set up a network of high-country parks and reserves, planned for the Department in 2005-06. Establishing a comprehensive network of high-country parks and reserves through the land tenure review process was a priority set out in the Director-General's directions and expectations to line managers for 2005-06, and General Managers of Operations' directions and expectations to Southern Region conservators. Resources were allocated for this purpose in the General Managers of Operations' business plans.

Links in conservancy business plans to statutory policies and objectives

- 4.16 Although the Department has a broad draft ecological framework to inform how priorities could be set, conservancies set their own priorities for land through the business planning process. It was not clear to us how priorities for land in the conservancy business plans we reviewed would fulfil statutory policies and objectives for land. This was because priorities in the conservancy business plans we reviewed were not clearly linked to statutory policies and objectives for land.
- 4.17 The Northland Conservancy has a Strategic Directions document that is used in preparing the conservancy's annual business plan. The document sets out strategic directions for the conservancy, and identifies priority sites and initiatives in the conservancy, and opportunities for integrating projects at those sites.
- 4.18 The East Coast Hawke's Bay Conservancy has a series of strategies for specific pest management and species protection. The strategies are used with the Conservator's directions and expectations and historic business plans to set priorities for annual business planning and work programming.
- 4.19 The West Coast Tai Poutini Conservancy has prepared Biodiversity Action Plans for each Area in the conservancy. Priorities in each Area are identified from relevant strategic documents and plans, including the draft conservation management strategy. Each Biodiversity Action Plan sets out priority sites within each Area, and is used in preparing the conservancy's annual business plan.
- 4.20 The business planning process allows for flexibility in the way national priorities are implemented by conservancies. We recognise the need for flexibility in the process, to provide for conditions unique to each conservancy. However, in our view, it should be clear to see how business planning priorities within each

conservancy are linked to statutory policies and objectives, to ensure that the policies and objectives within the statutory documents are being implemented effectively.

- 4.21 For greater consistency between and transparency of conservancies' business planning and statutory policies and objectives for land, priority should be given to providing guidance to conservancies to set priorities that are clearly linked to statutory policies and objectives.

Recommendation 3

We recommend that the Department of Conservation prepare guidance for conservancies in setting priorities within business plans that are clearly linked to statutory policies and objectives for land.

Accountabilities for land management

- 4.22 The Department's standard operating procedures for statutory land management clearly outline relevant legislative delegations and operational accountabilities in processing land transactions.
- 4.23 The Department's delegations framework outlines the Director-General's delegations to specific positions within the Department to spend cash, or incur expenses or liabilities. The General Managers of Operations, Conservators, and Community Relations Managers have been delegated responsibility to acquire land under the Conservation Act 1987 and Wildlife Act 1953, and to acquire, vest, and transfer control and management of land under the Reserves Act 1977. The General Managers of Operations and Conservators have also been delegated responsibility to purchase land under the National Parks Act 1980.

Measuring and reporting performance against management priorities

- 4.24 The Department regularly measures and reports on its performance against management priorities. It does so in several ways. The Operating Review System requires regular meetings between every Department employee and their manager, to provide information and feedback on how the business plan is being achieved. Operating review meetings between Area Managers and Conservators and between Conservators and General Managers are held monthly, between the Director-General and each General Manager of Operations every 2 months, and between the Director-General and other General Managers quarterly.
- 4.25 The separate Planning and Performance Review System requires monthly meetings between every employee and their manager. The focus of this review

system is on individual performance, rather than performance against the business plan. Planning and performance reviews define and measure the results of employees against specific work plans and performance agreements.

- 4.26 The output agreement between the Minister of Conservation and the Director-General details the outputs the Minister has agreed to buy for the financial year, and the indicative costs. The Department reports to the Minister formally every 4 months on performance against output plan priorities and measures. In addition, the Director-General reports yearly to the Minister on the Department's performance against annual forecasts of financial and non-financial performance.
- 4.27 The Department's organisational structure shows clear lines of accountability for geographic areas of responsibility, including business, financial, and non-financial planning.

Guidance for land management

- 4.28 The Department's statutory land management work – for example, land transactions – has complex statutory requirements, and needs particular processes to be followed, sufficient information, and careful attention to detail. It is important for the Department to provide staff having statutory land management roles with guidance to undertake this work, so that statutory requirements are met. Clear guidance also supports the peer review of statutory land management work, because it provides a reference for checking that steps have been followed.
- 4.29 All staff have access to standard operating procedures and guidance material relating to statutory land management through the Department's intranet, and advice from standard operating procedure co-ordinators. In addition, the Department has a statutory land management self-driven training programme for new staff. The aim of the programme is to provide new staff with an introduction to the key statutory provisions affecting the administration of land that the Department is responsible for.

Compliance with the guidance material

- 4.30 The Department has standard operating procedures for disposing of, exchanging, gazetting, checking, and revoking land and its status. There are processes in place for standard operating procedures to be reviewed and updated regularly to incorporate corrections, best practice experience and improvements, and new developments. Staff can use electronic copies of the procedures through the Department's intranet. Any changes or amendments to procedures are notified through e-mail and the date of change, nature, and location of changes are recorded directly in the procedure.

- 4.31 Guidance material for statutory land management allows conservancies to set their own requirements for reviewing their compliance with standard operating procedures. The operating review system provides an opportunity for oversight of compliance. However, there are no formal mechanisms in place within the Department to monitor compliance with standard operating procedures for land transactions. In the 2 land transactions we consider as case studies later in this Part, non-compliance with standard operating procedures may otherwise have been identified and addressed if the transactions were subject to a formal review.
- 4.32 We recognise the need for conservancy decision-making based on local information, expertise, and advice. However, in our view, the Department needs to formally monitor compliance with standard operating procedures when staff undertake land transactions.

Recommendation 4

We recommend that the Department of Conservation formally monitor compliance with relevant standard operating procedures of all land transactions undertaken by conservancies.

Land transaction activity in conservancies

- 4.33 We reviewed the approaches to land transactions undertaken by the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservancies. We found that, although the number of land transactions were few, the conservancies took different approaches to undertaking land transactions.
- 4.34 We were told that the Northland Conservancy has not acquired or disposed of land since 2000. Conservancy staff advised us that the conservancy was mindful of potentially prejudicing unsettled Treaty of Waitangi claims in undertaking land transactions.
- 4.35 Since 2000, the East Coast Hawke's Bay Conservancy has acquired land through:
- the Nature Heritage Fund;
 - the Land Acquisition Fund;
 - biodiversity strategy funds for purchases for kiwi; and
 - money gifted to the conservancy to buy land.
- 4.36 Conservancy staff advised us of exchanges of small amounts of land for highway alignment purposes under the Public Works Act 1981, and a surplus property disposal. Like Northland, the East Coast Hawke's Bay Conservancy was mindful of potentially prejudicing unsettled Treaty of Waitangi claims in undertaking land transactions.

- 4.37 Since 2001, the West Coast Tai Poutini Conservancy has acquired land through:
- the transfer of indigenous forest from Timberlands West Coast Limited;
 - the Nature Heritage Fund;
 - the Land Acquisition Fund; and
 - conservancy funds.
- 4.38 From 2001 to 2004, the conservancy made 8 disposals of land to private individuals. During our audit, the conservancy was considering 74 land disposals and 18 land exchanges, mostly in response to requests from private entities and individuals.

Land transaction case studies

- 4.39 To check compliance with the Department's standard operating procedures, we conducted, as case studies, a file review of 2 land transactions undertaken by the Department. The first case study was an acquisition by the Department of some land at Waikawau Bay in the Coromandel (part of the Waikato Conservancy). The second case study was a disposal of land from the Victoria Conservation Park near Reefton on the West Coast by the West Coast Tai Poutini Conservancy.
- 4.40 The Department's documentation for the 2 land transactions was not complete or clear in terms of the decisions that were made for either transaction, and the documentation highlighted significant non-compliance with the Department's standard operating procedures.

Case study 1 – Acquisition at Waikawau Bay

In 2003, the Department bought 150 hectares of remnant coastal forest at Waikawau Bay in the Coromandel. The cost of this purchase was \$3.54 million.* At the request of the Minister of Conservation, an application was made to the Land Acquisition Fund to help with the purchase of the land. The Land Acquisition Fund contributed \$1 million, and the Nature Heritage Fund and the Government's discretionary fund contributed \$2.54 million to the purchase. We have considered only the Department's contribution from the Land Acquisition Fund, as the Nature Heritage Fund and the Government's discretionary fund are outside the scope of our audit. We note that the circumstances of the acquisition were not typical, involving both an application to the Land Acquisition Fund made at the request of the Minister of Conservation and the use of other sources of funding.

The standard operating procedure for the Department's Land Acquisition Fund sets standards for accepting applications and for urgency in processing an application outside Land Acquisition Fund Committee meeting schedules, and includes 8 evaluation criteria for assessing a fund application. Once the application has been accepted, the procedure requires the relevant conservancy to arrange payments and receipts, and to record them against the financial authority given for spending from the fund. The procedure also requires formal reports to be provided every 4 months by the conservancy responsible for the land to the fund manager on progress in spending allocated funds.

It was not clear from the file documentation provided by the Department's Head Office whether the Land Acquisition Fund Committee assessed the application against criteria in

the procedure, because the recommendation to the Resource Allocation Committee to fund the application refers to only 2 of the 8 criteria. Also, the file did not show:

- why the Land Acquisition Fund Committee's recommendation for funding was increased from \$500,000 to \$1 million by the Resource Allocation Committee;
- the date the purchase of land was completed;
- a record of expenditure of funds;
- a copy of the post-acquisition property title;
- any reports from the relevant conservancy to the fund manager; or
- any decision by either committee to depart from the standard operating procedure in processing the application.

* Source: Press release by the Minister of Conservation, 27 February 2003.

Case study 2 – Disposal from Victoria Conservation Park

In 2004, the West Coast Tai Poutini Conservancy disposed of 25.6 hectares of land from the Victoria Conservation Park near Reefton on the West Coast for \$41,000. The land had been grazed by concession since the 1920s, and the existing concession holder approached the Department in 1999 to buy the land.

To dispose of the land, the Department needed to first revoke its conservation area status, and dispose of it as a stewardship area. The Department's standard operating procedures require revocation to be considered separately from any proposal to dispose of land. In addition, the disposal needed to comply with various requirements under the Conservation Act 1987 and Ngai Tahu Claims Settlement Act 1998.

In considering the file documentation provided by the conservancy, we found that the Department did not follow processes set out in its own standard operating procedures. The Department:

- mistakenly tried to dispose of the land as a stewardship area without first revoking its status; and
- while originally giving Ngai Tahu first right of refusal on the land, disposed of the land outside the statutory timeframes allowed in the Ngai Tahu Claims Settlement Act 1998.

- 4.41 In relation to the first case study, the Department told us that it departed from the standard operating procedure because the acquisition was not a typical Land Acquisition Fund purchase. The Department has amended procedures to ensure that it will be clear how Land Acquisition Fund applications are to be assessed against evaluation criteria.
- 4.42 In relation to the second case study, the West Coast Tai Poutini Conservancy has revised its procedures to ensure that it meets Conservation Act and Ngai Tahu Claims Settlement Act requirements when it disposes of land.
- 4.43 The case studies represent only 2 transactions undertaken by the Department. However, in our view, given the extent of non-compliance highlighted by the case studies, the Department needs to review the files of recent land transactions undertaken through the Land Acquisition Fund and by all conservancies. This

should identify any common deficiencies in the way these transactions are carried out, and enable the Department to improve the tools it provides to ensure that the standard operating procedures are followed.

Recommendation 5

We recommend that the Department of Conservation review recent land transactions undertaken through the Land Acquisition Fund, and by all conservancies, to identify any common deficiencies and to ensure that the standard operating procedures are followed.

Our conclusions

- 4.44 The Department has comprehensive land management systems, which include much of the priority setting, accountabilities, and processes and procedures we expected. However, in our view, these systems need to include guidance for conservancies in setting priorities that are linked clearly to statutory policies and objectives for land. There also needs to be stronger and more centralised compliance monitoring, and a review of all land transaction work undertaken by the Department through the Land Acquisition Fund and by conservancies.

Part 5

The Department of Conservation's land information systems

- 5.1 In this Part, we describe:
- why land information systems are important;
 - our expectations of land information systems;
 - how the Department gathers land information;
 - how the Department stores land information; and
 - how the Department uses land information.

- 5.2 We then set out our conclusions.

Why are land information systems important?

- 5.3 The Department needs consistent and accessible land information systems for:
- maintaining effective oversight of the land it manages;
 - informing strategic planning and operational decision-making; and
 - measuring progress to implement strategic goals and objectives for land.
- 5.4 The Department manages more than 12,300 properties throughout the country. Well-organised information, and data on the nature and extent of each property, would enable the Department to have effective oversight of the land it manages.
- 5.5 The Department prepares national strategies and plans that provide direction and guidance for planning, programmes, and initiatives throughout the Department. Operational management decisions are made by Conservancy or Area Offices. The effectiveness of strategic land planning, and operational decision-making, relies on good information systems.
- 5.6 Nationally, the Department needs information on land to measure progress against particular goals and objectives it has set for land.

Our expectations

- 5.7 We prepared expectations about land information systems, and then assessed the Department's performance against the expectations. We looked at how the Department manages and processes land information through its:
- land information gathering;
 - land information storage; and
 - use of land information.
- 5.8 We expected the Department would gather information on land it manages. For each property, we expected a legal description, land classification, information on location, a list of assets on the land, concessions granted, the date the land

was acquired and how it was acquired, current valuation, conservation values associated with the land, any known Māori interest in the land, and links to information on relevant reports about the land. We reviewed property information in the Department's Land Register, Valuation Register, and other land information databases.

- 5.9 We expected that the Department would have comprehensive land information systems that would store detailed records for each property that it manages. We expected that these records would be stored consistently and be accessible to staff who needed them for their work. We reviewed the Department's Land Register, procedures for its maintenance and use, and property documentation for 28 properties in the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservancies.
- 5.10 We also expected that this land information would be used for making decisions and monitoring progress against relevant land planning objectives and priorities. We reviewed the Department's use of land information within its reporting systems and processes.

Gathering land information

- 5.11 For each property it manages, the Department actively gathers information on the legal description, land classification, location, visitor and recreational assets, concessions granted, current valuation, and conservation values associated with the land.
- 5.12 The Department gathers information on Māori interests in particular areas of land recognised in Treaty settlement legislation. Also, the Department's staff have access to archaeological databases for information on historical sites. However, because of the sensitivities involved in the nature and location of many Māori interests on land, Department staff we spoke with prefer to consult or engage directly with tāngata whenua regarding sites of significance when new Department activities are proposed for the land (for example, building a new track) rather than relying on only formally documented information.
- 5.13 Since 2002, the Department has included Crown land as an asset in its annual financial reports. The Department holds a Valuation Register, which includes the rateable values for each of the properties it administers, from which a total value of the land is calculated. The Department employs an independent valuer to gather and check that this information is suitable for including in its financial reports.

Information on the origin of properties

- 5.14 The Department does not actively gather information on the origin of the properties that it inherited from former organisations. When the Department was formed in 1987, most of the land that came under its administration was derived from reserves, national parks, and other Crown land allocated from former organisations such as the Department of Lands and Survey and New Zealand Forest Service. The Department has a standard operating procedure that identifies external sources of data that can be used to determine the origin of this land.
- 5.15 In processing applications to exchange, dispose of, or change the classification of land it manages, the Department must gather information about how the land came under its administration. This information will affect whether the land can be exchanged, disposed of, or have its classification changed, and the uses to which the land may be put.
- 5.16 In the strategic planning documents we looked at, the extent to which the Department intends to engage in these activities was not clear. In our view, if the Department plans to engage in land transactions or review classification status, it should proactively document when properties were acquired and how they were acquired. Given the number of individual properties managed by the Department, we appreciate it would be a significant undertaking to identify when and how all the land it manages was acquired. However, we recommend the Department consider the usefulness of gathering this information.

Recommendation 6

We recommend that the Department of Conservation consider the usefulness of gathering information on the origin of all the individual properties it manages.

Recording land transactions

- 5.17 Other than the Department's Land Acquisition Fund Register, there is no central record for, or common method of recording, land transactions undertaken by the Department. Information on the Department's land transactions is held in various forms by only those conservancies undertaking land transactions and the manager of the Land Acquisition Fund.
- 5.18 In our view, the Department needs the ability to see the number and type of land transactions it is doing within individual conservancies and throughout the country. This would ensure that changes to land resulting from transactions were recorded in the national Land Register, and other relevant databases. It would also help in checking that individual land transactions comply with standard operating

procedures, and ensure that the Department has a clearer overview of the land it manages.

Recommendation 7

We recommend that the Department of Conservation review its systems to record land transactions, to gain oversight of the number and type of land transactions occurring within individual conservancies and throughout the country.

Storing land information

- 5.19 The national Land Register is the Department's property information database. The Land Register is used to store information collected about the legal description, location, and classification of properties managed by the Department. The Land Register is linked to the Department's geographical information system, providing spatial mapping data. The Land Register is also linked to the Permissions Database that records concessions, leases, and licences on land the Department manages, and to the Visitor Asset Management System that provides details on the location of visitor assets (such as huts, tracks, and bridges).
- 5.20 Standard data fields in the Land Register and standard operating procedures allow property information to be stored and updated consistently. A Land Register operating procedure outlines standards, accountabilities, and processes for recording and maintaining property information. The procedure also provides guidance on determining what land should be recorded, updating the register, and performance measures for data entry and correction.
- 5.21 Property valuations are stored on the Department's Valuation Register. The Valuation Register holds property values for specific parcels of land, and is used only for financial reporting purposes. The Valuation Register is separate from the Land Register, which holds property information for conservation units and is used for managing the land.

Storing information about conservation values for land

- 5.22 The Department has several national ecological databases to identify threatened species and under-represented environments – for example, Pestlink, BioWeb, and LENZ.
- 5.23 Conservancies store information about conservation values associated with land in conservation management strategies and other databases and inventories. We reviewed conservation management strategies and property documentation for 28 properties within the Northland, East Coast Hawke's Bay, and West Coast Tai Poutini Conservancies.

- 5.24 The Northland and East Coast Hawke's Bay conservation management strategies identified conservation values associated with individual properties within their land inventory registers. Further information about values or changes in values was contained in conservancies' inventories or reports. The draft West Coast Conservation Management Strategy did not identify specific values for properties within the land inventory. Values for some properties in the West Coast Tai Poutini Conservancy were found in plant lists, ecological reports, and biodiversity action plans.
- 5.25 Reports, inventories, and surveys relating to properties were held within the Department's electronic filing system, or in Area Offices. However, the Department could not provide us with complete lists of reports, inventories, or surveys. There was no centralised system linking reports or information to individual properties.
- 5.26 Information about conservation values associated with land can be used to inform and prioritise work plans. In our view, to ensure that all relevant information about conservation values associated with land is accessible, references and links to relevant conservation management strategies, databases, inventories, and reports should be accessible through the Department's Land Register.

Recommendation 8

We recommend that the Department of Conservation include on its Land Register (or through links from its Land Register) references to relevant conservation management strategies, reports, inventories, and surveys relating to properties it manages.

Using land information

- 5.27 Land information is used to report on legal protection for different land types through the Department's Annual Report. LENZ is used to report on trends in the percentage of the most at-risk environment types under legal protection. Existing databases support staff when they are identifying priorities, and land information is used to inform business plans and programmes.

Reviewing land classifications

- 5.28 The existing classification status for some land managed by the Department may not accurately reflect the state of the conservation values present, or future conservation outcomes sought for specific places. Because of this, in some cases land would be better protected by a change to another classification – for example, upgrading conservation areas to national parks or wilderness

areas. Conversely, some conservation areas may have classifications that are not warranted. For example, the East Coast Conservation Management Strategy notes –

... some historic places are afforded protection in this network of protected areas, more by accident than design. These places are not particularly representative of either the range of historic activity, or the best examples of historic values in the Conservancy.

- 5.29 There is provision for changing classification in the legislation governing land managed by the Department. Also, under the Reserves Act 1977 there is a requirement to formally classify all land under the Act for its appropriate purpose.
- 5.30 The Department advised us that the process to change land classifications is often complex and costly. When changes to land classifications are proposed, the Department requires an assessment of the outcomes and implications of the changes. The Department has prepared criteria to determine whether proposed classification changes should occur, and, if so, whether they are a high, medium, or low priority.
- 5.31 Statutory land classifications set the purpose (and therefore the level of protection) for which land is to be managed. The conservation values present (or aspired to) on a piece of land should match the land's classification. The Department does not systematically check that this match exists for each piece of land it manages. In our view, it should.

Recommendation 9

We recommend that the Department of Conservation use land conservation value information as part of a programme to ensure that land classifications appropriately protect the land they apply to.

Using land conservation values to measure, evaluate, and review performance

- 5.32 The Department is setting up systems to use land information for measuring, evaluating, and reviewing the Department's performance in protecting natural and historic heritage areas. The Department is designing a Natural Heritage Management System intended to record inventory information about ecological and heritage values. The purpose of the system is to provide objective information to enable the Department and the community to select best outcomes for natural heritage areas, and report on achieving those outcomes.
- 5.33 The Natural Heritage Management System project began in 2002 and has recently reached the implementation phase. While we have not audited the project,

we encourage the Department to create a system that will enable it to use conservation value information and data for measuring, evaluating, and reviewing the achievement of its objectives.

Our conclusions

- 5.34 The Department has detailed land information systems, which include much of the information we expected. These systems allow information and data to be stored consistently, and they are accessible to staff.
- 5.35 In our view, the Department's information systems could be improved by storing information about land transactions and conservation values on land, consistently.
- 5.36 The Department uses land information to inform business plans and programmes, and to report on the legal protection of different land types. It is also setting up systems to use land information to review its performance in protecting natural and historic heritage areas. In our view, the Department should also use land information to systematically check whether land classifications appropriately protect the land they apply to.

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