

Baseline Alignment Proposal

03 March 2010

Submitted by:

**Hon Kate Wilkinson
Minister of Conservation**

SECTION 1: ALIGNMENT TO GOVERNMENT PRIORITIES

1. The Budget alignment is a process to demonstrate alignment of the conservation portfolio with the Government's priorities in 2010-2011, and over the next two financial years. There are two aspects to this.
2. Firstly, the Department of Conservation maintains a close alignment with the Government's priorities. As outlined in its draft Statement of Intent for 2010-2013, the Department aims to create more business opportunities and have more people using public conservation land (which leads to increased spending in local economies). These initiatives focus on increasing tourism and recreation opportunities, increasing the Department's revenue while reducing costs and improving services, and increasing business opportunities on public conservation land. These areas are inter-linked – work in one will benefit others. In all of this work, care will be taken to balance the Government's conservation goals and economic goals.
3. The Department's management of public conservation lands and waters contributes substantially to the provision of ecosystem services (e.g. freshwater yield, storage and regulation of flow; freshwater quality; and soil fertility and stability) which underpin New Zealand's primary production economy. To that extent, no adjustments to current priorities are necessary.
4. Secondly, I have singled out initiatives for particular attention. Each is relevant to at least one of the six drivers for economic growth identified in the Budget Policy Statement 2010. They may be existing projects that will be sped up, or form part of existing Government processes (e.g. regulatory reform), or form part of projects involving other agencies (e.g. the review of Schedule 4 of the Crown Minerals Act). There will be no need to reprioritise expenditure across the Department's outputs in 2010-2011 (refer to Section 3 of this paper), however, there may be in the following two financial years.
5. *[Information deleted in order to maintain the effective conduct of public affairs through the free and frank expressions of opinions].*

6. Many of the following projects will require public announcement.

SECTION 2: REPRIORITISATION

7. I have grouped the following initiatives by driver for economic growth.

Investments in productive infrastructure

Destination management framework

8. The Department is working to better match the supply of visitor opportunities to match demand. In meeting this demand, it also aims to increase the level of use by New Zealanders and international visitors of recreation opportunities on public conservation land, by providing appealing experiences and meeting visitor expectations. In turn, business opportunities on public conservation land will be enhanced, and spending in local economies will increase.

25 new campsites

9. The Department is working with the tourism industry to identify up to 25 areas with demand, or potential demand, to be developed as affordable camping sites.

4 new cycleways

10. As part of the Cycleway projects, the Department is developing the following:

- *Central North Island Rail Trail (Pureora Forest Park)*: Construction work will be tendered. Due for completion by mid-2011;
- *Mangapurua-Kaiwhakauka (Whanganui National Park)*: A contractor is due to be selected shortly. Due for completion by mid-2011;
- *Ohakune Old Coach Road (Tongariro National Park)*: Part of the Mountain To Sea cycleway, and follows an historic coach road. To be constructed by DOC staff, volunteers and young people employed in work schemes. Due for completion by June 2010;
- *St James (North Canterbury)*: Construction work has been tendered. Due for completion by June 2010.

Other recreational experiences

11. The Department has begun work on the following projects:

- *Cape Reinga Great Walk*: multi-day walk along the New Zealand mainland's northern tip, building on the recently completed redevelopment of the Cape Reinga area;
- *Big Trees Experience*: a walk to experience Waipoua Forest, Northland, one of the largest areas of kauri forest remaining in New Zealand, while safeguarding the trees from visitor impacts. (The national park proposal for this area is reported on separately);
- *Kauri to Coast*: multi-day walk on Aotea/Great Barrier Island;
- *Tarawera Trail*: multi-day walk around Lake Tarawera, near Rotorua, in an area of New Zealand popular with international and domestic visitors.

Kauri National Park

12. The proposal for a Kauri National Park centred around Northland's Waipoua Forest, north of Dargaville, is being advanced towards a 2011 opening. The national park will contain Tane Mahuta, New Zealand's largest known living kauri tree, and Trounson Kauri Park, which contains a dense stand of kauri. The new national park will add to the recreation and tourism opportunities available on public conservation land closer to the most populous part of the country.

Iwi afforestation for carbon credits

13. The Government has provided for five iwi to use 35,000 ha of public conservation land for activities to generate and retain "carbon credits" on post-1989 forest land. The Department is working on this project with the Ministry for the Environment, and the Ministry of Agriculture and Forestry. Preliminary discussions have been held by these agencies with a first tranche of iwi: Ngai Tahu, Waikato-Tainui, Te Uri o Hau, Ngati Awa, and Ngati Tuwharetoa (Bay of Plenty). Discussions with other iwi are likely to follow.

Public/private carbon farming agreements

14. The Department continues to identify suitable sites for planting or restoration to earn carbon credits, and implementing public-private carbon farming agreements. In one initiative, Solid Energy New Zealand has funded a herbivore pest control project over 20,000 ha of public conservation land in the North Mokihiui catchment, West Coast. The chief aim is to investigate whether pest control can increase carbon stocks in pre-1990 native forests at this site.

Removing red tape and improving regulation

Mineral prospects

15. The Department is working with the Ministry of Economic Development to identify mineral values on public conservation lands, and conservation values on those lands. Agencies are finalising a discussion document for public consultation on the Government's announcement to review areas currently listed on Schedule 4 of the Crown Minerals Act (where, currently, exploration and mining are prohibited) to enable mining. Final decisions by Cabinet are expected in mid-2010.
16. The Department is working with the minerals industry on a new Standard Operating Procedure to streamline the processing of applications for access to public conservation land for exploration and mining.

Regulatory review

17. The Department is reviewing all of its regulatory processes, including marine mammal watching permits, access to whale bone, and the whitebait regulations, to streamline these. The concessions review is reported on separately, as is the interface between the concessions system and resource consent processes under the Resource Management Act.

Concessions review

18. The Department has reviewed the concessions processing system to improve effectiveness and efficiency, in particular, the speed of processing, transparency and certainty, and reducing compliance costs to business. Implementation is expected to start in July 2010.

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Improving education and lifting skills

National education strategy

20. The Department is helping build a culture of active support for New Zealand's 100% Pure brand by creating an education strategy to develop a conservation disposition and capability in the large majority of New Zealanders. People aged 5-20 are the primary focus, as future

recreationalists, future businesspeople, and the pool from which New Zealand's future leaders will be drawn. Consultation on a draft strategy is underway.

Lifting productivity, improving services in the public sector

Prioritising For The Future

21. The Prioritising For The Future programme underpins the achievement of results across the Department – it aims to increase the Department's revenue and reduce its costs, while improving services. Workstreams that have been developed include:

- *Streamlined services*: reducing operational costs of, e.g. fleet, telecommunications, travel; recreational bookings; human resource processes; and financial and other systems;
- *Procurement*: improvements to the efficiency of accounts payable and receivable, automation of routine or repetitive tasks, standardisation of procurement, consolidation of procurement to achieve economies of scale (in particular, improved strategic sourcing for large spend areas);
- *Information technology*: improvements to cost-effectiveness of IT services, including data collection, and reviewing methods of IT services provision;
- *Support services*: this is about reducing duplication in support services and building critical mass when required in functional and specialist areas. It is consistent with the whole of government approach to shared services. Success will be measured in improved internal and external service delivery;
- *Planning*: streamlining planning across the Department, including achieving better integration of a range of planning processes currently provided for under both general public sector legislation and conservation-specific legislation.

Commercial Business Unit

22. One workstream of the Prioritising For The Future programme (covered immediately above) is for the Department to establish a Commercial Business Unit:

- *Objectives*: improve the Department's ability to deliver positive commercial outcomes; build productive business partnerships that deliver conservation gains; increase net revenue flows to the Department; enable business opportunities consistent with conservation to raise New Zealand's prosperity;

- *Functions:* strategy; account management; economic evaluation; commercial negotiations; business cases; contracts; visitor centre management; marketing and communications; product and service development; pricing; retail management.

Priority setting – Nature Heritage Management System (NHMS)

24. Development of the Nature Heritage Management System (NHMS) is continuing, and the Department continues to improve its return on investment in biodiversity conservation. NHMS supports decisions on what to work on, how to do it, and on evaluating success. Species and ecosystems are being ranked according to a number of factors including urgency for protection, and the chance of conservation management success. Work using the species list has begun, and integration of this with prioritised ecosystems is due in 2011–2012.

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Hon Kate Wilkinson
Minister

of

Date: ____/____/2010
Conservation

Section 3

Baseline Alignment Proposal - Financial Summary Report

Vote: Conservation	2009/10	2010/11	2011/12	2012/13	2013/14
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Baseline (2009/10 FBU)	335,260	354,710	335,869	339,664	341,795
Share Allocation	0	0	0	0	0
Centralised Saving	0	0	0	0	0
Reprioritisation					
Total Reprioritisation	0	0	0	0	0
Transfers Outside Vote					
Total Transfers Outside Vote	0	0	0	0	0
Total Changes	0	0	0	0	0
Total Proposed Baseline	335,260	354,710	335,869	339,664	341,795
