

Whakamana
te Waituna

Charitable Trust

Annual Report FY23/24

December 2024



Summary

FY23/24 was a transitional year for the Trust, as it formally closed off (on behalf of Environment Southland) its remaining obligations under the Freshwater Improvement Fund (FIF) Deed of Funding and started negotiations with Environment Southland for the remaining FIF funding to be moved across to the Trust in FY24/25.

The following key pieces of work contributed towards the Trust's charitable objectives in FY23/24:

- Southland District Council completed the upgrade of the Waghorn Road bridge in March 2024.
- Resource consent was obtained to build the 3ha Carran Creek constructed wetland on the Webster Block, however the Trust made the difficult decision not to progress with construction due to escalating costs. Despite construction not moving forward, several learnings were gained from the first two stages of the project.
- The Trust commenced work with EnviroStrat Limited on a voluntary carbon/biodiversity credit pilot to create an enduring income source from native forest and wetland restoration. This was combined with a new reforestation concept on the Webster Block to support the carbon/biodiversity credit pilot.
- Planning for the re-fencing of the Lower Waituna Creek Esplanade Reserve was completed and materials ordered. Fencing will commence in early FY24/25.
- Monitoring of the Jordan Creek sediment trap showed it had captured significant amounts of sediment in its first 12 months of operation, up to 1m in places.

Financially the Trust continued to be well supported by its partner organisations with funding of \$675,000 received, including a \$500,000 donation from Fonterra. In addition to this, approximately \$1.5million (including the Southland District Council in-kind funding of the Waghorn Road Bridge) was carried over into FY23/24 by Environment Southland on behalf of the Whakamana te Waituna Project.

Outgoings recorded in the Trust's accounts totalled \$58,705, with an additional \$437,696 in expenditure by the Trust through Environment Southland (FIF Funding). This included \$328,906 of in-kind funding from Southland District Council relating to the upgrade of the Waghorn Road Bridge.

At the end of FY23/24 the Trust had current assets (cash, bank and term deposits) of \$620,726 and a further \$1,221,972 held by Environment Southland in FIF funding.

Financial Statements and Assets

The Whakamana te Waituna Charitable Trust had revenue in the form of donations and other similar revenue of \$675,000, including a \$500,000 donation from Fonterra. In addition to donations from funders the Trust also earned \$4,422 in interest, taking overall revenue to \$679,422. Expenses for the Trust totalled \$58,706 resulting in a surplus for the year of \$620,716.

The finances relating to the FIF Deed of Funding continued to be managed through Environment Southland, who were the signatories to the FIF Deed of Funding with the Ministry for the Environment. The fund held by Environment Southland received contributions in the form of donations of \$999,420 from Living Water (DOC-Fonterra partnership) and an additional in-kind contribution from Southland District Council of \$328,906, taking overall revenue to \$1,328,326. Expenses for the FIF fund totalled \$437,696 resulting in a surplus for the year of \$890,630.

At the end of FY23/24 the Trust has current assets (cash, bank and term deposits) of \$620,726 and a further \$1,221,972 held by Environment Southland in FIF funding.

Governance and Operational Structure of the Trust

At the end of the FY22/23 the Trust and its Appointers approved changes to reduce the number of Trustees from 10 to 6 (and one advisor position for the Department of Conservation) to reflect the Trust was moving into a new period of activity outside of the FIF Deed of Funding. It was anticipated the Trust would operate under a smaller operating budget and associated work programme moving forward, that would require a smaller, nimbler governance and operational structure. A new Independent Trustee was appointed in March 2024, bringing expertise in the fields of farming and business to the Trust as well as valuable connections into the local Waituna community.

Updates were made to the Trust Deed (August 2023) and Terms of Reference (August 2023) to reduce the number of Trustees and make other consequential changes, as well as disestablish the Executive Director role and project management office. The number of workstreams was also reduced and a more simplified financial reporting template implemented. The Executive Director role was replaced with a Project Steering Group (PSG) Chairperson role to operate as the key contact point between Trustees and the operational work programme. Unlike the Executive Director, the PSG Chairperson is not an independent role, it functions as part of the PSG and requires PSG support to enact decisions.

The Trust started transitioning to independent financial management (separate from the FIF ‘banker’ role of Environment Southland), with partner funding being deposited directly into the Trust’s bank account and funding associated with the FIF Deed of Funding remaining with Environment Southland. To support this change and to enable greater flexibility and transparency moving forward, the Trust applied for and was successful in, gaining charitable status. This resulted in the Trust being exempt from taxation on its income, and organisations and individuals donating money to the Trust being able to claim a tax refund on their donation. Charitable status also provides the public with greater visibility over the Trusts finances and programme of work, with annual financial results and achievements published on the Charities Services website.

The Trust subsequently aligned its FY23/24 work programme to its charitable objectives, which are shown below:

Charitable Objective (Short Title)	Description
Rūnanga Reconnection	Assist Te Runanga o Awarua in re-connecting back to the Waituna whenua and fulfilling their role as Kaitiaki by enhancing the habitats of key taonga species; by utilising traditional Maori knowledge and cultural health indicators and improving access to land for Mahinga Kai gathering and Runanga development.
Land Transition	Enhancement of biodiversity and carbon sequestration via land re-purposing, afforestation & wetland creation (also benefits water quality).
Waterway Re-design	Flood Mitigation, freshwater habitat improvement and sediment reduction through waterway re-design. Includes riparian planting, bank reshaping, two stage channel's, in-stream habitat enhancement.
Improving Freshwater	Protecting and improving fresh water quality and the health of Waituna Lagoon by reducing contaminant (nitrogen, phosphorus, sediment) losses from farming by implementing farm system interventions and creating catchment scale wetlands.
Local Community	Supporting a thriving local community by undertaking environmental projects and activities that promote the sustainable future of farming in the catchment.
Administration	Administration and operation of the Whakamana te Waituna Trust and Project, including operation of the Project Management Office, Finance and Auditing, and Reporting.

Delivery of Charitable Objectives

Rūnanga Reconnection

Awarua Rūnanga and Ngāi Tahu continued to be actively involved in the Trust, both as a Co-Chair and within the Project Steering Group.

Access to the Mahinga Kai Pa (408ha block of land owned by Te Wai Parera Trust / Awarua Rūnanga) was improved with the completion of upgrades to the Waghorn Road bridge. In addition to this, the Trust continued to support projects across the Pa site, including pest control, which is increasingly important as the wetlands developed in the previous financial year mature and native plants and animals return.



Third wetland, completed on the western side of the Mahinga Kai Pa.

A third wetland was created on the western side of the Mahinga Kai Pa site with steady progress being made by Te Wai Parera Trust towards achieving their 40ha wetland target. In addition to this, 27,000 native plants were planted by Te Tapu o Tane through funding from Rio Tinto.



Completed Cultural Centre ready to be moved onto the Mahinga Kai Pa site in FY24/25.

FY23/24 saw the completion of the cultural centre (portable building) by the Southern Institute of Technology (SIT) with plans being made to have this relocated to the Mahinga Kai Pa site in FY24/25. Assistance in the form of project management and consenting support will be provided to Te Wai Parera Trust through Whakamana te Waituna.

Waterway Re-Design

FY23/24 saw the Trust and Southland District Council undertake an ambitious project to re-fence approximately 1.5km of Esplanade Reserve and boundary fencing along Waituna Creek. The previous fence had been erected on the edge of Waituna Creek, well off the legal boundary of the Esplanade Reserve. The area has had ongoing issues with unauthorised stock access to the Reserve and Waituna Creek due to the condition of the current fence. Negotiations were carried out with landowners and a fencing agreement signed clarifying responsibilities for erecting the fencing and ongoing maintenance. The agreement will result in approximately 2ha of land that was previously being grazed returning to public reserve, and the legal boundary of the Esplanade Reserve being clearly defined. Fencing requirements had to be carefully considered to account for flooding and a lack of power to operate electric fences. At the end of FY23/24 materials had been ordered and a contract signed with JDS Fencing Limited.

The habitat improvement trial in sections of the lower Waituna Creek concluded in FY23/24, with logs that had been temporarily secured to the stream bed removed along with waratahs that held in place manuka bundles. The trial had proven successful with 9 years of monitoring showing greater populations of native fish around the instream habitat structures than in areas where they didn't exist.

Improving Freshwater

One of the final deliverables under the FIF Deed of Funding was the completion of the Carran Creek constructed wetland on the Webster Block (owned by Environment Southland on behalf of the Whakamana te Waituna Project). The Trust completed the high-level designs and planting plan for the wetland and were successful in obtaining resource consent for its construction. The costs associated with completing the detailed design and constructing the wetland continued to increase with the estimated costs of completing the project being \$1.8-2.0m. The budget for the project was \$1.4m, following additional funding being added to the project by Fonterra in February 2024.

In March 2024, Trustees made the difficult decision not to proceed with the construction of the wetland (pending Ministry for the Environment approval, which was subsequently received) and reallocate the funding to the Land Transition and Improving Fresh Water workstreams.

Despite construction not progressing, several of the original project outcomes were achieved including:

- Several learnings realised around the design and ability to construct wetlands in lowland, deeply incised environments, including the use of weirs, removal and spreading of excavated materials, flood risks and wetland performance.
- Updated costings for wetland construction based around an excavation methodology developed. This methodology has been ruled out for future large scale wetland projects due to the cost. Future wetland development will focus on raising water levels into a wetland with additional land purchase being a more cost effective option than large scale excavations.
- Pathway for consenting large scale wetlands established, albeit with concerns from DOC remaining unresolved.
- Realisation that minimal biodiversity or recreation opportunities exist within the wetland itself, but opportunities exist in areas around it.
- Key plant species for wetlands focused primarily on nitrogen removal are not readily available in Southland and are difficult to propagate. Supply lines for these types of plants need to be established if large scale wetland development is to occur in Southland.

In FY22/23 the Trust constructed a large-scale sediment trap on the Jordan Creek (main tributary of Waituna Creek). There were some concerns expressed by the community and Environment Southland catchment staff as to the effectiveness of the trap and its susceptibility to bank erosion. It was pleasing that despite significant flood events in October 2023, no bank or inlet erosion occurred with only minor maintenance required to part of the weir structure.



Establishment of sediment trap monitoring points and initial measurements – April 2024.

The first round of sediment monitoring took place in April 2024 with significant quantities of sediment captured in the trap, including large quantities of fine silt. The following plan shows the millimetres of silt accumulation by location relative to the sediment trap inlet and outlet.

Outlet Corner	135	375	445
	215	475	925

Sediment trap silt/sand accumulation (mm) by location relative to the sediment trap inlet and outlet

Land Transition

The Trust commenced a substantial piece of work to develop a customised voluntary carbon/biodiversity credit investment proposition. The aim is to have the scheme, including the biodiversity uplift it will achieve, verified under a nationally or internationally recognised standard (i.e. Verra, Ekos or Terrasos) enabling long term revenue generation from the Trust's restoration activities on land owned as part of the Waituna Project (including future land purchases). This will be a New Zealand first, although similar concepts have been successfully implemented in New Zealand, such as the Sanctuary Mountain Maungatautari Habitat for Hectares scheme (developed by Ekos).

The Trust has developed a scope of works and subsequent contract with EnviroStrat to progress a bespoke carbon/biodiversity credit scheme from concept development and investor engagement through to draft documentation being developed to submit to our preferred nature credit standard organisation. An advisory group comprised of experts in sustainable finance, biodiversity and carbon trading has also been established. Draft documentation for submission to the Trust's preferred standards organisation is expected to be ready in early 2025, with regular check-ins with the Trust occurring along the way.



Webster Block – Artistic representation of current state - February 2024



Webster Block – Reforestation and biodiversity project – 100-year vision.

In conjunction with the voluntary carbon/biodiversity credit pilot, the Trust established a restoration project on the Webster Block (48ha landholding owned by Environment Southland on behalf of the Whakamana te Waituna Project). The project seeks to deliver a lower cost restoration model that is transferable to other pieces of land coming into the Trust’s ownership (over the next five years and beyond) and other landowners in the catchment. The model is based off the Timata method of planting that was developed through the National Science Challenges but has been adapted to suit coastal Southland conditions. Project planning and delivery will commence in FY24/25.

Local Community

On Friday 22nd March 2024 the Waghorn Road bridge was re-opened to the public following a significant upgrade. The tender for the work was awarded to Downer New Zealand Limited (June 2023) with work commencing on the 12 February 2024, once Lagoon water levels had subsided. The project was one of the final deliverables under the FIF Deed of Funding and brought the bridge up to 100% of Class 1.



**New bridge base
being installed –
February 2024**



**New bridge
completed –
March 2024**