A background on

QEII National Trust

October 2017
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In brief

- QEII National Trust (National Trust) is an **independent statutory entity** and registered charity that operates under the Queen Elizabeth the Second National Trust Act 1977.

- **We partner with private landowners to protect natural and cultural heritage sites on their land** with covenants. A covenant is a perpetual contract between the National Trust and the landowner, binding the current owner and all subsequent owners. The landowner continues to own and manage the covenanted land.

- **Landowners (60% of whom are farmers) and the National Trust have partnered to register approx 4,400 covenants.** These covenants protect more than 180,000ha of private land - and play a hugely critical role as a refuge for some of New Zealand’s rarest and most endangered biodiversity and ecosystems.

- This **protection is taking place across the 70% of New Zealand’s land area that is privately owned and highly modified.** This is where our natural and cultural heritage is most at risk, least protected, and where there has been the **greatest loss** of native habitat and biodiversity. **One percent of all private land in New Zealand is currently protected** by National Trust covenants.

- QEII’s covenancing process is a **cost-effective, enduring, and efficient way to protect New Zealand’s natural and cultural heritage on private land without the need for heavy-handed regulation or expensive Crown purchases.** The National Trust has been recognised as having the **most comprehensive and transparent covenant management scheme in the country**, with its systems and process found to be ‘exemplary’ by an independent review.

- **Government investment in covenants through the QEII trust is driving major investment by private landowners.** Research has found that covenantors are together spending an **estimated $25 million of their own money annually** to protect native species, forests, wetlands, and other special areas in their covenants.

- **This huge private investment** to support New Zealand’s unique biodiversity has been secured by a very modest annual Government grant to support the National Trust’s work. Covenantors have made an estimated overall **financial commitment** of between $1.1 to $1.3 billion to protect these special areas since the National Trust was set up forty years ago. **For every $1 of Government funding** covenantors have made a **private financial commitment of $14** including **direct private expenditure of $7 on covenant establishment and management**.

- **Demand by land owners wanting to covenant with the National Trust is growing** due to greater environmental awareness amongst farmers and other land owners, and increased promotion by local government of the importance of protecting significant natural areas and habitats on private land. We are struggling to keep up with demand.

- While landowners have contributed hundreds of millions of dollars over the years to manage and enhance their covenants, they face **mounting management costs from the effects of climate change, increasing predators, ecological weeds and new biosecurity threats.** These management challenges are costly and, for some covenantors, overwhelming. Recently the National Trust launched the (self-funded) **Stephenson fund for covenant enhancement** to provide support for covenantors with these challenges, **but much more help is needed.**
“Covenants benefit all New Zealanders. They are an investment in our natural capital and are a gift to future generations. They support healthy environments and sustainable agriculture; and help to build New Zealand’s reputation as an environmentally responsible producer of agricultural products”

Peter Turnbull installing a marker post in front of his 404 ha Mount Terako Queens’ Commonwealth Canopy covenant near Mount Lyford village, in the Kaikoura district.
Key facts and figures

- Around **4,400 covenants registered to date**
- **Approx. 110 to 130 new covenants approved annually** (funding dependent)
- **Two covenants a week** have been registered on average every week for forty years
- **Average covenant is 38ha** - ranging in size ranges from less than 1ha to over 21,900ha
- More than **180,000ha of private land protected** by covenants
- We currently **monitor over 1,900 covenants** every year to provide advice to landowners.
- **One percent of all private land in New Zealand is protected** by National Trust covenants
- Around 98% of all new covenants protect ecosystems and habitats identified as national priorities by the New Zealand Government’s Biodiversity Strategy
- 56,000 native bird observations have been recorded in covenants
- 163 bird species are found in QEII covenants including: 6 nationally critical species; 7 nationally endangered species; 21 nationally vulnerable species; and 13 species classified as in decline
- National Trust also owns **27 properties** protected as open space
- A study by the University of Waikato Institute for Business Research has found that National Trust covenanting landowners are together spending an estimated $25 million of their own money every year to protect native species, forests, wetlands, and other special areas in their QEII covenants.
- Over the last 40 years these landowners have made an estimated overall financial commitment of around $1.1 to $1.3 billion to protect these special areas forever.
- For every $1 of Government funding to support QEII covenants, covenantors have made a private financial commitment of $14 including direct private expenditure of $7 on covenant establishment and management.

### Main covenant type (percentage of land area protected)

- Grassland/tussockland (~11,817 ha) **12%**
- Other (~4,091 ha) **4%**
- Wetland (~4,700 ha) **5%**
- Other vegetation types (~9,200 ha) **9%**
- Forest and shrublands (~70,000 ha) **70%**

- Includes shrubland, treeland, fernland, and treefernland
- Includes flaxland, open water, reedland, rushland, sedgefield, and water
- Includes boulderfield, gravelfield, herbfield, lichenfield, mossfield, peatfield, rockland, sandfield, and other sites eg, cultural or archaeological
Who we are and what we do

The National Trust was set up by farmers for farmers and other landowners at a time when Government subsidies and policies encouraged bush and wetland clearance and major hydro development of rivers and lakes. These farmers wanted a way to legally protect forever the remaining patches of bush and wetlands they loved on their properties. These visionaries wanted assurance that future landowners would not be able to clear the places they had protected on their land, and they wanted to work with a ‘farmer-friendly’ organisation to achieve this.

In the words of one of QEII National Trust’s key founders - the late Gordon Stephenson:

One strength of the covenanting process is that covenants are entered without the inducement of grants or compensation, with no pressure to sign, but simply because of a conviction that it is the right thing to do. The other strength is that we end up with every one of these treasured plots having its own guardian or ranger. This is true kaitiakitanga in action.

Gordon Stephenson - 24 July 2014

The body of covenantors has grown from a handful in the late 1970s to around 4,400 today, located across New Zealand from Rakiura/Stewart Island in the south to the tip of the North Island. National Trust covenantors are together protecting approximately 180,000ha. 2017 marks the 40th anniversary of the National Trust.

Today one percent of all privately-owned land in New Zealand is protected by National Trust covenants. These protected places play a hugely critical role as a refuge for some of New Zealand’s rarest and most endangered biodiversity.

The National Trust is an independent statutory organisation and registered charity that operates under its own legislation, the Queen Elizabeth the Second National Trust Act 1977.

For the last forty years we have partnered with private landowners to protect special natural and cultural heritage features on their land with covenants. As the perpetual trustee in the partnership, the National Trust works with all owners of covenants to secure the long-term protection and management of covenants and the features they protect.

The National Trust:

- arranges surveying and manages the legal documentation required to establish a covenant on the title to the land
- matches the landowner’s fencing costs dollar-for-dollar when a covenant is set up
- works with other parties where appropriate to try and secure additional funding (mainly for pest and weed control) to help landowners manage their covenant and has recently established the Stephenson fund for covenant enhancement to provide some support for registered covenants
- works in partnership with landowners (current and future) to make sure their covenants retain the values they were set up to protect and the terms and conditions of their covenant agreements are fulfilled. As part of this last function, the National Trust monitors covenants on a regular basis.
While the National Trust provides management advice to covenantors, **we are not funded by the Government to contribute to the cost of ongoing management** (e.g. pest and weed control, revegetation work, biosecurity activity and fence maintenance). The very modest funding we provide for this purpose via the Stephenson Fund is generated from other sources.

Being politically neutral, the National Trust does not take a position on Government policy.

A peat bog protected in a Southland covenant

**A partnership approach**

**With landowners**

Since its inception in 1977, the National Trust has partnered with landowners to help them protect native forests, bush remnants, landscapes, coastal areas, lakes and wetlands, and many other special places and habitats on their land with covenants.

A covenant is a perpetual contract between the National Trust and the landowner. It binds the current owner and all subsequent owners. The landowner continues to own and manage the covenanted land.

We operate as a perpetual trustee to make sure the terms and conditions of the covenant agreement are respected forever. As part of this function our regional representatives monitor covenants (usually every 2 years). The monitoring visits are an opportunity to celebrate the covenants’ values and condition and/or talk about and provide advice on any management challenges.

**Working with others**

The National Trust works closely with some regional and district councils, the Department of Conservation, Heritage New Zealand, New Zealand Walking Access Commission, and many other organisations, trusts, community groups, and individuals committed to protecting and enhancing New Zealand’s natural and cultural heritage.
Local Government Support

Most district councils and around half of regional councils recognise covenantors by offering rates remission/relief. However, a survey of current council practise recently commissioned by the National Trust found that council practise varies to the extent that many councils do not appropriately recognise the landowner decision to covenant.

A few councils also offer other policy and/or financial support for covenant establishment and some may contribute to management costs such as fence maintenance, restoration projects, and pest and weed control for a small number of covenants. Again, practise here is very variable.

Covenant support and rates remission practise are areas that would benefit from national guidance given that all councils have a statutory obligation to maintain indigenous biodiversity. This would recognise that covenants are an excellent way to support this outcome.

With others

We also work with universities and research organisations to promote ecological science and conservation that will benefit protection on private land. We currently fund an undergraduate bursary and a PhD scholarship.

The National Trust is committed to supporting community and landscape wide conservation initiatives. We look for opportunities to work with stakeholders, groups, individuals, and businesses to rally greater support for covenantors and our work.

The National Trust also looks forward to working with the newly established Board of Predator Free 2050 to coordinate a step-up in funding support for predator control on covenanted land.

Regional representatives monitor covenants to check their condition
Ordinary people doing extraordinary work

Covenantors are ordinary people doing extraordinary conservation work. They make a huge philanthropic contribution towards protecting our heritage and they make a considerable personal investment in caring for their covenants.

With the National Trust’s help, landowners are protecting a rich mosaic of our unique natural and cultural heritage, including landscapes, forest remnants, wetlands, tussock lands, dune lands, threatened species habitat, and archaeological and geological sites — special places across our rural landscape that we identify with and cherish as a nation.

A study by the University of Waikato Institute for Business Research has found that National Trust covenanting landowners are together spending an estimated $25 million of their own money every year to protect native species, forests, wetlands, and other special areas in their QEII covenants. These landowners have made an estimated overall financial commitment of around $1.1 to $1.3 million to protect these special areas forever.
Protecting biodiversity on private land

The National Trust is uniquely placed to advance the objectives of the New Zealand Biodiversity Strategy, and support council responsibilities to protect significant indigenous vegetation and significant habitats of indigenous fauna. This is because much of New Zealand’s rare and/or critically endangered native biodiversity is found on private land and the National Trust provides the most cost-effective and enduring mechanism for protecting these areas.

The ‘Statement of National Priorities’ from the New Zealand Government’s Biodiversity Strategy guides decision making for biodiversity protection on private land. Well over ninety percent of all new covenants protect ecosystems and habitats identified as national priorities for protection under this strategy. The balance protects important landscapes, cultural, historic, and geological features.

Covenants protect many different landscapes and ecosystems on private land, such as forests and forest remnants, wetlands, tussock lands, waterways, coastlines, and dune lands. In her recent report ‘Taonga of an island nation – saving New Zealand’s birds’, the Parliamentary Commissioner for the Environment recognised the important role that covenants play in helping secure the future of our taonga bird species. The plants and animals protected within these places are some of New Zealand’s most rare and/or threatened species, for example:

**Native animals** Kiwi, kōkako, black stilt, kākāriki, takahe, New Zealand falcon/kārearea, kererū, bellbird/korimako, jewelled gecko, fernbird/matatā, bats/pekapeka, Hochstetter’s frog/pepeke, Hutton’s shearwater/titi, bittern/matuku, Grey Duck, fairy tern, New Zealand dotterel/tuturiwhatu, pateke, blue duck, yellow-eyed penguin/hōiho, long-finned eel/tuna, mudfish/waikaka and hauhau, kōura, freshwater mussels/kākahi, New Zealand walking worm/Peripatus/ngaokeoke, giant wētā/wētāpunga, kauri snail/pūpūrangi.

**Native plants:** Mistletoes, orchids, kauri (Agathis australis), weeping tree broom (Carmichaelia stevensonii), Olearia hectorii and Olearia gardneri, wood rose (Dactylanthus taylori), shovel mint (Scutellaria novae-zelandiae), Pimelea villosa, Fuchsia procumbens, Marsh arrow grass (Triglochin palustris), Coprosma wallii, Mawhai (Sicyos australis), Lyttelton forget-me-not (Myosotis lytteltonensis), limestone cress (Pachycladon exile), Pareora gentian (Gentianella calcis subsp. taiko), Olearia adenocarpa, Awahokomo gentian (Gentianella calcis subsp. calcis) and Simplicia (Simplicia laxa).
Supporting sustainable agriculture

The importance of promoting and supporting the work of National Trust covenantors is growing as New Zealand’s farming practices come under increasing scrutiny by overseas and domestic markets seeking evidence of sustainable and ethical farming.

Farmers in other countries are often paid environmental subsidies or receive significant tax breaks to retire land and protect biodiversity. Our farmers are foregoing future development rights by covenying land and they continue to shoulder the cost of managing these areas. Our financial support is limited to sharing the cost with landowners to fence covenanted areas at establishment and by meeting the legal, survey and assessment costs of establishing and monitoring covenants.

The generosity of New Zealand farmers in protecting these special places on their land deserves to be part of the New Zealand story. The extent of this generosity has been quantified in the University of Waikato study – ‘Investment in Covenanted Land Conservation’.

Robust legal protection

The Queen Elizabeth the Second National Trust Act 1977 includes provisions to enforce covenant agreements established under it. This ability has been put to the test in recent years.

In 2014, the National Trust asked the High Court to interpret a covenant agreement after a land speculator wanted to develop 400ha of protected forest on the Coromandel into 20 lifestyle blocks. He argued that the covenant on the land he had purchased was void and should be removed from the title. The judge ruled that the covenant had the protection of ‘indefeasibility’, and was therefore unable to be challenged. This means the intentions of the original landowner to protect the forest have been respected and the forest’s values are secured. This finding was challenged in the Court of Appeal and the original ruling upheld in 2016. A further appeal is pending in the Supreme Court.

Again in 2014, the National Trust took a Canterbury landowner to the High Court for deliberately causing extensive damage by clearing rare woodland covenants on his property. In October of the same year, the National Trust reached a mediated settlement with the landowner. The settlement is a substantial sum, to be paid out over 5 years. It is being used to restore the woodland. The settlement is significant, being more than double the highest fines and other costs reported in similar cases of ecological damage pursued under the Resource Management Act or Conservation Act by central and local government.

The outcome of both cases demonstrates that our covenants offer excellent legal protection and our legislation includes appropriate safeguards and enforcement provisions.

The robustness of our systems and processes for compliance, monitoring and enforcement was reviewed in the report “Last Line of Defence” as part of a wider study of enforcement of New Zealand’s environmental law by the Environmental Defence Society in 2016 on behalf of the Ministry for the Environment and the New Zealand Law Foundation. The findings of this review were that the National Trust was administering the most comprehensive and transparent covenant management scheme in the country with its systems and process found to be ‘exemplary’.
Iwi interests and values

The National Trust is not a subsidiary of the Department of Conservation or the Crown. It is an independent statutory entity and charitable trust with its own legislation (Queen Elizabeth the Second National Trust Act 1977).

It has specific statutory obligations to Māori provided for in its Act. These relate to the appointment of Board members and matters relating to the covenanting of Māori land held under Te Ture Whenua Māori Act 1993.

The National Trust recognises that it has an obligation to the principles of the Treaty of Waitangi and has a duty to act in good faith, fairly, reasonably, and honourably in relation to iwi interests and values. If applicable we work with landowners to:

- make sure they are aware of iwi interests and values
- encourage landowners to adopt relevant protection clauses
- tailor covenant conditions to the specific circumstances and values present on the land being considered for protection.

We work in partnership with landowners and often with other interested parties, including Ngā Whenua Rāhui and iwi, to negotiate practical and sustainable protection covenants over private and leasehold land. The covenants are tailored to the values being protected and the objectives of the landowners.

The National Trust has a specific type of covenant (kawenata) designed for Māori land in multiple ownership. These kawenata run for a generation and can then be reviewed. The National Trust can also tailor the special conditions of covenants in discussion with owners to provide for practices such as traditional use of plants and animals for cultural purposes.

Our challenges

Funding the growing network of covenants

We receive an annual grant to support our work from Vote Conservation under a MOU with the Minister of Conservation. This grant represents less than 1% of the Vote. With this Crown funding and our own funding, we leverage a huge investment from covenantors through income forgone, commitment to fencing establishment and maintenance, and weed and pest control.

With our base funding, we can afford to secure around 110 new covenants a year and meet our ongoing responsibilities as the perpetual trustee for the approx 4400 covenants already registered.

Demand by landowners wanting to covenant land continues to grow due to greater environmental awareness amongst farmers and other landowners, and increased promotion by central and local government of the importance of protecting significant natural areas and habitats on private land.
Landowners want to partner with us to establish in the order of 150 to 200 covenants annually. Demand is particularly high in regions where councils are promoting voluntary protection.

The Queen’s Commonwealth Canopy initiative (QCC) (announced in November 2015) provided the National Trust with a one-off funding boost of $1 million spread over 3 years. With the QCC funds we have been able to progress an additional 15 to 20 covenants a year over the 3-year funding period. This funding boost finishes in June 2018. Our ability to meet demand to covenant will reduce unless new funding is found to replace the QCC funding from 1 July 2018.

It costs us around $22,000 to progress the average covenant (around 38ha in size) to the point of registration. On average, 40% of this cost is the National Trust’s contribution to fencing, which generally matches the landowner dollar-for-dollar, 16% is the cost of survey to define the area to be protected, and the balance includes field work, ecological assessments, and the legal and processing costs required to approve and register the covenant. Once registered the National Trust also has the responsibility as the perpetual trustee to monitor the covenant on an ongoing basis.

The National Trust is trying to secure additional third-party funds to meet the growing demand for covenants but is finding this difficult in the current financial climate. Consequently, some potential covenants may not be progressed as we are having to balance this with the funding we invest in supporting covenant monitoring and management.

**Ongoing management support for covenants is not funded**

For some covenant owners, the cost to maintain their covenant’s natural values can be beyond their financial capacity and physical capability. The costs to control major weed and pest infestations coming from neighbouring properties, for example, can be simply overwhelming. Covenant infrastructure can also be significantly impacted by major adverse events (earthquakes, fire, major storm events etc.)

The National Trust does not receive any baseline funding from the government to support weed and pest work, restoration, or maintenance work in registered covenants. The National Trust is finding it increasingly difficult to secure third-party funding to support its covenantors with this work.

While we have established the Stephenson fund for covenant enhancement in 2017 to provide some support we can only afford to set aside a modest amount for this purpose (currently $150,000 annually.)

In comparison Ngā Whenua Rāhui (a specialist covenanting agency operating within the Department of Conservation and focusing exclusively on Māori land) is funded to both secure fixed term (25-year) kawenata (covenants) and to provide management services within covenants once registered. Most of its $8.835 million budget in 2017/18 will be used to fund management services (goat and possum control, fencing and restoration programmes, and so on) on its approximately 220 registered covenants protecting around 170,000ha. We aspire to be able to offer similar support and provide similar services for our covenantors but this is dependent on securing increased funding support.

The funding gap to satisfy the annual landowner demand for covenants and provide some limited support for covenant management is estimated to be between $3m and $4m per annum.
Accessing contestable funds

In the past, the National Trust had relied heavily on the Biodiversity Condition and Advice Funds (Biofunds) to secure additional funding to support its covenantors. This fund was established specifically to support biodiversity protection on private land.

In 2014, Biofunds was replaced with the Community Conservation and Partnership Fund (CCPF). CCPF has wider criteria to include both private and public land (including public conservation land). It also has a broader focus to support community recreational and historic heritage projects in addition to biodiversity projects. This has resulted in much greater competition for the funds. Requirements for significant community participation has also disadvantaged our covenantors as the CCPF criteria do not recognise the huge contribution landowners have made to the public good and future generations.

The changes to these funds has seen a major reduction in our ability to secure third party support for covenantors with significant management challenges (such as pests and weeds) in high-value sites.

National Trust’s community weed busting programme funding ends in 2017

Weeds are impacting heavily on the health of ecosystems and species and the appearance of landscapes and open spaces. A long-term, large-scale, concerted effort involving all stakeholders and the community is needed to safeguard the natural and visual features that make New Zealand so unique. As a one-off programme CCPF granted $500k over a 3-year period starting in 2016 to support a weedbusting programme run by the National Trust in partnership with Weedbusters NZ.

The funding is available to support the weedbusting efforts of a select number of voluntary community groups and covenantors in some priority regions. This funding was able to support a number of pilots to demonstrate and small scale weedbusting activity on both private and public land (including conservation land) and is not exclusively targeted at covenanted land. The continuation of this weedbusting programme beyond 2018 will require new funding.
Fundraising from other sources
We understand that we cannot depend solely on Government funding to protect, monitor, manage, and enhance the places needing protection on privately owned land. We do not want to reject quality covenant proposals because of funding constraints - and we want to be able to offer greater management support once a covenant is registered - so we are always looking for partners and sponsors to support our work.

Other incentives to covenant – rates remission
Under the Local Government Rating Act 2002 QEII covenants should be exempt from rates. A recent study commissioned by QEII into Council practise has found huge inconsistency across the local government sector with some councils providing full rates remission for covenants, some partial remission and some not providing any meaningful or no rates remission. As part of a current review of their rates rebate schemes, one council is considering withdrawing rates relief as a cost-saving measure. Some councils make it administratively difficult for land owners to receive any rates remission.

The National Trust is concerned that the removal of the rates rebate or lack of rates relief in the first place sends a negative message to landowners and will discourage them from retiring and legally protecting significant natural features on their land with covenants. This is an area of policy that would benefit from national guidance given that all councils have a statutory obligation to maintain indigenous biodiversity

Managing changes of covenant ownership
QEII covenants are protected forever. As the number of covenants grows the challenge of identifying and educating new covenant owners increases. Currently over 300 covenants change ownership each year. Ensuring new owners are aware of their responsibilities and understand the importance of the values protected by their newly acquired covenant is becoming increasingly important. The National Trust has invested recently in systems and processes to quickly identify any changes of ownership so we can work to establish an effective and supportive partnership with the new covenant owners.

“The National Trust is growing the network of protected places across New Zealand’s farming landscapes. The more support we get, the more we can do in partnership with landowners”
The QEII National Trust (the National Trust) is governed by a Board of Directors and is supported by 16 staff based in Wellington. Twenty-eight full- and part-time National Trust regional representatives are based around New Zealand and work with landowners across 28 geographical regions.

Our Board of Directors

Chairman James Guild (MNZM). Directors: Donna Field, Michael Legge, Gina Solomon, Bruce Wills, Sue Yerex

Our Chief Executive

Mike Jebson

Our Patron

Her Excellency the Right Honourable Dame Patsy Reddy, GNZM, QSO, Governor-General of New Zealand
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