

Te Arawa Lakes Trust

Annual Report 2014 - 2015



TE ARAWA LAKES TRUST

Karakia

Unuhia, unuhia
 Ko te pou mua, ko te pou roto
 Ko te pou te wharaua
 He aturangi mamao
 Hekeheke iho i runga i ō ara
 Tākikiwhara te ara ō Ngātoro
 He ara whano ki te pō
 Ko te pō nui, ko te pō roa
 Ko te pō matirerau, ko te pō whaiariki
 E ko taku waka ko Te Arawa
 Ngahue i te Parata
 Eke, eke, eke Tangaroa
 Eke panuku
 Hui ē! Taiki ē!



Mihi

Te Arawa waka, Te Arawa tangata
 Mai i Maketu ki Tongariro
 Ko tātau tēnei ngā uri e mihi nei ki a tātau te
 hunga ora
 Me te tangi ki a rātau kua wheturangitia
 Tukua mai ki a piri, tukua mai ki a tata
 Tihei Mauri Ora!

Heoi anō, tuatahi ko te wehi ki te Atua
 Te fīmatanga ō te whakaaro nui, nō reira
 He hōnore, he korōria ki a ia
 He maunga rongo ki runga ki te mata o te
 whenua
 He whakaaro pai ki nga tangata katoa
 Tena tātau katoa



Our Vision & Strategic Direction



TE ARAWA LAKES TRUST

Our Vision

Kia eke ki ngā taumata o Matariki
Ascend the high points of Pleiades

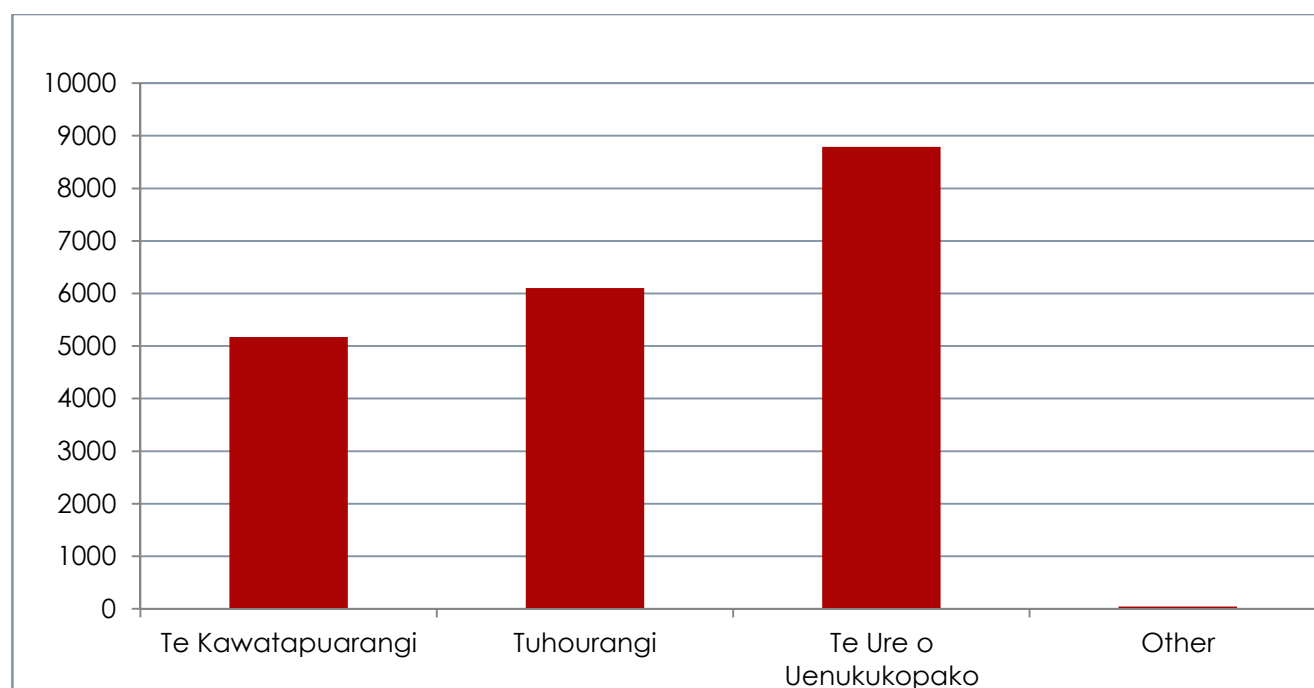
Our Strategic Goals

Ka rongo te ao i te mana o Te Arawa
The authority of Te Arawa is readily
recognised by all

Te mā o te wai e rite ana kia kite i ngā
tapuwae a te koura
The quality of the water is such that you
can see the footsteps of the koura

Whakapakari ake i te waka kia pae ki
uta
Te Arawa Lakes Trust is well equipped for
the journey ahead

Te Arawa Lakes Trust Registered Tribal Members



Tūpuna Rohe	Under 18	18 and over	Total
Te Kawatapuārangī	733	4407	5173
Tuhourangi	851	5254	6105
Te Ure o Uenukukopako	1474	7314	8788
Other	3	38	41
Total	3094	17013	20107



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Agenda



TE ARAWA LAKES TRUST

Te Arawa e! E! Te Arawa e! E!

NOTICE OF ANNUAL GENERAL MEETING

VENUE: Whakaue Marae, Maketu

DATE: Sunday 29 November 2015

TIME: 9.00am to 12.30pm

1. Mihimihi
2. Karakia
3. Apologies
4. Chairman's Report
5. Chief Executive Officer's Report
 - a. Te Tūāpapa o ngā wai o Te Arawa - Te Arawa Cultural Values Framework
6. Te Arawa Management Limited Chairman's Report
7. Te Komiti Whakahaere Chairman's Report
8. Financial Report
9. TALT Organisational Review Update
10. Resolution – Approve Appointment of Auditor
11. Resolution – Discuss and Approve Trustee Remuneration
12. General Business:
 - a. Trustee term of office
13. Introduction of new trustees
14. Introduction of new staff

Sir Toby Curtis

Chairman

Te Arawa Lakes Trust

Minutes of Previous Annual General Meeting

Minutes of Te Arawa Lakes Trust Annual General Meeting Held Sunday 23 November 2014 at Te Pakira Marae, 4 Wahiao Drive, Whakarewarewa, Rotorua

TRUSTEES IN ATTENDANCE: Sir Toby Curtis (Chairman), Willie Emery (Deputy Chair), Tipene Marr, Huru Maika, Taria Tahana, Terry Tapsell, Lana Ngawhika, Colin Bennett, Kingi Biddle

DIRECTORS IN ATTENDANCE: Taria Tahana, Claire McGowan, Hemi Rolleston

STAFF IN ATTENDANCE: Roku Mihinui (CEO), Heddell Raerino, Tamara Epapara, Leilani Ngawhika, Tania Kiel

1. MIHIMIHI

The meeting began with a mihi from Anaru Rangiheuea.

2. KARAKIA

The meeting was opened with a karakia from Tawhiri Morehu.

Sir Toby acknowledged those who have passed on, in particular Te Orohi Paul who was lying in state in Te Teko. In addition, Sir Toby acknowledged and thanked all those who could attend the AGM. Any additional agenda items could be presented in General Business.

3. APOLOGIES

Sir Toby noted that apologies notified prior to this meeting were recorded in the Trust's apologies register. There were no additional apologies from the floor.

Resolution:

That the apologies are received and accepted.

Tawhiri Morehu / Tipene Marr

4. PREVIOUS MINUTES OF MEETING

Sir Toby called for any amendments to the minutes of the previous meeting held on 20 October 2013 at Ngāpumanawa Ruato Marae. No amendments were received.

Resolution:

That the meeting minutes of the Te Arawa Lakes Trust's Annual General Meeting held on Sunday 20 October 2013 at Ngāpumanawa Ruato Marae be received as a true and accurate record.

Watu Mihinui / Willie Emery

5. CHAIRMAN'S REPORT – TOBY CURTIS

- Sir Toby touched on Toitū Te Waonui – Whanau who have unused economic land should consider being part of the consortium. In 10 – 15 years' time, it has the ability to create tens of thousands of jobs for Maori as forestry is fast becoming the number one income earner in New Zealand.
- Te Kōhanga Reo National Committee made up of specially selected people has completed a special report to be presented to King Tūheitia at Tūrangawaewae on 11 December 2014. The aim is for the Kōhanga Reo Movement to return to the way it was when first established - the biggest early childhood center in New Zealand. Anaru Rangiheuea noted that a lot of Kōhanga have moved into early childhood as there are a lot more

resources available.

Resolution:

That the Chairman's Report be received and accepted.

Sir Toby Curtis / Anaru Rangiheuea

6. CHIEF EXECUTIVE'S REPORT -

ROKU MIHINUI

Roku acknowledged all those in attendance and highlighted the following key points in his power point presentation:

- The Te Arawa Lakes Trust is currently under an organisational review and the outcome of the review should be known by February/March 2015.
- The Iwi Leaders Group (ILG) has been focused on the proposed freshwater reforms. ILG and their advisors have been promised by Ministers to have input into RMA reforms and currently this is a parallel process with the National Policy Statement and National Objectives Framework for freshwater. There is greater significance of ensuring that the quality of our lakes and waterways is pristine and pure for the survival of our taonga species including the koaro, tuna, kakahi, koura and inanga.
- The Te Arawa Freshwater Forum (TAFFF) comprises of representatives from Te Arawa who have an interest in freshwater. Roku noted that he has provided Freshwater update presentations to Tapuika, Ngati Rangiwewehi and others.
- The Land & Water Forum comprises of 64 representatives from a range of primary industry groups. These representatives have been tasked with providing advice to government on how to better use and manage freshwater. There were 8 recommendations from iwi and LAWF will review how those recommendations will be adopted in relation to the freshwater and RMA reforms.
- Sir Toby Curtis is the current Chair of the Rotorua Te Arawa Lakes Strategy Group which includes representatives from RDC, BOPRC and TALT. Actions groups have been set up to address the water quality of our lakes.
- StAG or the Stakeholders Advisory Group was setup to specifically look at how, through their land use practices, they can assist to improve the water quality in the Lake Rotorua catchment. Roku acknowledged the work of Tanira Kingi (Ngati Whakaue) as Chair and others such as Arapeta Tahana and Te Taru White.
- RWAP is a regional group of the Land and Water Forum and membership includes Roku Mihinui (TALT), Leilani Ngawhika (TALT), Beverly Hughes (Tuwharetoa) and Anthony Olsen (Ngati Rangitahi). The advice provided from this group to BOPRC is greatly influenced by mātauranga and a mix of western science.
- TALT on behalf of Te Arawa lodged a claim with the Waitangi Tribunal in 1998 because Te Arawa was not happy with the outcome of the settlement, in particular the return of the lake beds but not the water. Te Arawa needs to look at whether to advance this claim.
- Students enrolled at TALT's Employment & Training Unit have been achieving in the top quartile in the country. A number of the students enrolled have been disadvantaged in mainstream education. This course promotes self-confidence and prepares students for further studies or the work force.

- Matariki Koeke Ball – Roku acknowledged Kingi Biddle as MC and TPK for funding.
- The Anti-Violence project, E Tū Whanau is funded by MSD. This project is set up for Māori whanau interested in supporting this project and the current committee members are Mala Grant, Lauren James, and Aroha Morgan. Through this project, TALT provided resources to promote E Tū Whanau at the NZ Touch Tournament.
- The Hamurana Kōaro restoration project to date has been a success and continues to be supported by regional council, DOC, NIWA, TALT and others.
- The Tau Koura project is an education tool for rangatahi and there will be some progress in the New Year.
- Maara kai projects: Acknowledgements must go to TPK for funding. Roku advised that those Trusts have outstanding maara kai reports need to contact the TALT Contracts Manager, Dell Raerino immediately so that we can continue applying for funds.
- Te Arawa Coalition was formed out concern for mineral exploration, mainly for gold. An application has been submitted and granted to explore about 33 hectares around below Mount Tarawera and Kawerau. The coalition has met with Ministers and there was agreement to keep Te Arawa informed.
- Te Arawa Freshwater Fisheries (TAFFF) is a real exciting new group with some positive outcomes. A Terms of Reference has been drafted to include the individual needs of each hapu and iwi into a collective document. TAFFF are drafting an engagement strategy with Ministry for Primary Industries to help assist Te Arawa to achieve the outcomes.
- Roku noted the resignation of the TALT Executive Officer, Hera Smith due to whanau commitments and to pursue her Masters Studies.
- Lakes programme Haerenga was funded by BOPRC. The bus trip took whanau out to the lakes to learn about the water quality. Many rangatahi attended which was great to see.
- The sale of fishing licences was very successful and sold out in about 4 weeks due to the high number of whanau getting in to the office early. At times it can be challenging for staff with people challenging the process and distribution but all in all it is a positive benefit to those registered with TALT.

Tarapuhi Waaka asked if we (Te Arawa) have our own wetlands and what work is being undertaken with regards to our taonga species. Roku noted that Laurance Tamati (Chair, Komiti Whakahaere (Fisheries Committee) will elaborate more on the work around the protection of our taonga species. The Government has made funds available to enhance wetlands which are administered by Te Puni Kokiri. Locally, people can apply to BOPRC for funds to restore wetlands.

Anaru Rangiheuea noted that there is a major issue with aquatic weed being spread from lake to lake because people are not washing down their boats properly. In addition if Coy Carp gets in to our lakes it will destroy the fisheries. Roku acknowledged the issue with aquatic weed and pests and reported that there is a lakes monitoring programme between Tuwharetoa and Te Arawa in place. The Te Arawa Rotorua Strategy Group that includes TALT and BOPRC has put in a lot of resourcing to eradicate the pest problem in the

lakes. It was noted that Lake Taupo and some of the Waikato waterways are full of Coy Carp almost have no native species in their lakes.

Resolution:

That the CEO Report be received and accepted.

Roku Mihini / Lana Ngawhika

7. TE ARAWA MANAGEMENT LIMITED REPORT – TARIA TAHANA

Taria Tahana presented the first half of the TAML Report and in opening acknowledged all those in attendance including Tawhiri Morehu and Anaru Rangihueua for opening the meeting with a mihi and karakia. Taria made a special mention to Sir Toby Curtis for his leadership, guardianship and wisdom for Te Arawa and all Maori.

Taria presented the personnel and strategy sections of the TAML presentation and the key notes were:

- Personnel Changes – In September 2013, Hon Te Ururoa Flavell had to resign as Chair of TAML due to his Ministerial commitments and also Tina Ngatai as General Manager resigned in June 2014 due to MBA commitments. Taria replaced Te Ururoa on TAML as the Trustee representative and Tina's role of General Manager has not been replaced as TAML are awaiting the outcome of the Organisational Review.
- The current directors are Richard Jones (Chair), Dr. Claire McGowan, Dr. Tanira Kingi, Hemi Rolleston and Taria Tahana. The Advisors to TAML include Financial, Property, Farm and Investment.
- The portfolios include two farms at Maketu, commercial and residential properties, kiwifruit orchards and cash invested in

equities.

- TAML are awaiting the outcome of the review in terms of what will be the most efficient and effective structure.

Dr Claire McGowan went through the farm operations and the key points were:

- The Dairy Industry has had a good year.
- TAML are looking at putting more investment in the farms - managing the intergenerational opportunity for the future not only for productivity of the farms but also protecting the environment including wetland development and Kiwifruit.
- Improvements to farm infrastructure of \$600k to improve Sharemilkers housing, new race and removable cowshed, ablutions, work bench and chemical storage.
- Operating profit of \$850k
- Looking at how we can work with the smaller land blocks in Maketu
- Possibly enter the farms into the Ahu Whenua awards in 2015
- We have 80 residential and commercial. TAML is exploring what can be done with the Lake Road carpark and considering the seismic ratings and possible development of the Haupapa (TALT Office) and Pukuatua buildings. APL Property supports with the managing of the rental properties and Richard has been instrumental in leading the conversation with the Little Waihi residents. A Terms of Reference has been written and for the future a long term plan will be developed.

Hemi Rolleston reported on the Kiwifruit Orchards and Investments:

- In China they pay \$4.00 for one piece of Kiwifruit which equates to \$2 million per hectare of Kiwifruit orchard that is in full production.

- PSA is still a threat to our orchards
- We will be growing a new gold variety of kiwifruit that you need a licence to grow it. No one else around the world can grow this particular new variety of the gold kiwifruit. We currently have three hectares developed and should it should produce half a crop by 2016. The orchard has actually improved the value of the land as well.
- Craigs Investment Partners has put together a very significant portfolio of strong equities in the energy sectors; we are watching our shares and stocks closely and have good relationship with the BNZ bank.
- The banks are forecasting a sharp decline in dairy pay-outs therefore having a diverse portfolio has meant that we don't have to just rely on one industry.
- TAML is committed to strengthening and diversifying the assets base. There is a lot of work to still do in Little Waihi.

Laurence asked if one of the long term goals is for TAML to take full control of the Dairy Farms. Hemi noted that ultimately that is the goal and are exploring a range of models. The ideal is for Te Arawa, by Te Arawa. Laurence mentioned that there are land owners who now run their own farms and would be happy to offer advice.

Geoff noted that Hukapak represented Maori in the Kiwifruit Industry but is not so sure now. So is there a vision in the industry to bring Maori together to become big players? In addition, Geoff noted that we are at 90 million trays and income is outstanding especially for the green variety and G3. He cautioned that there is likely to be 120 -140 million trays in the future but do we have the investors?

Hemi replied that TAML have signed up with Tuhono whenua (Maori Orchards) which is the first step. Currently there is more demand than supply so we need to put the onus on Zespri to come up with the market. There were record returns on green and gold but there will be soon a red variety as well.

Watu remarked about the sale of 15 View Rd where the Employment and Training Unit (E&T) is located and asked if the E&T Unit will still be continuing. Claire stated that TAML are currently working with Roku to find new accommodation whether it be one of the TALT properties or another. Roku added that he has already been in discussion with other PTE providers to see whether a collaboration of the trade training would work and also RDC who may have vacant properties.

Sir Toby acknowledged TAML Directors who have been working tirelessly to ensure the best commercial future for Te Arawa.

Resolution:

That the Te Arawa Management Limited Report be received and accepted.
Sir Toby Curtis / Geoff Rice

8. TE KOMITI WHAKAHAERE REPORT – LAURENCE TAMATI

Laurence acknowledged all in attendance and provided an overview of the duties of Te Komiti Whakahaere (TKW) over the past 6 to 12 months:

- The work of Te Komiti Whakahaere only covers the Te Arawa lakes
- There is existing science and research on certain lakes including Rotorua, Rotoiti, Tarawera but something the Komiti want to work towards in the future.
- The preparation of the Mahire Whakahaere

(Fisheries Management Plan) is still on-going. The Komiti is still awaiting an answer from Ministry for Primary Industries and the Department of Conservation so that the Mahire Whakahaere can be progressed. The focus of the Mahire Whakahaere is to empower Te Arawa to actively manage the customary and recreational harvest of ngā taonga in our Te Arawa Lakes. In accordance with Te Arawa tikanga and kawa, this Mahire Whakahaere provides the management of resources and provision of cultural practices of Te Arawa as well as the customary food gathering utilising sustainable traditional practices and settling limits, measures and bylaws for the sustainable management of ngā taonga and included species.

- Supervise the issuing of puka whakamana (customary food gathering permits) by Poutiriao who are currently the committee members. So once the Mahire Whakahaere is in place then Poutiriao can proceed with the work. Maintain the rehita whakamana (register of authorisations).
- Report to the Te Arawa Lakes Trust on matters such as management of customary food gathering and the number of puka whakamana issued. The Komiti budget was approved by the Te Arawa Lakes Trust Board which is a positive move forward for the Komiti.
- Laurence acknowledged past and present members for their support, commitment, expertise and time to the Komiti.
- The by-laws are still in draft
- Laurence asked people to go back to whanau/hapu/marae and put forward additional Poutiriao who are keen fishermen.

In addition, the wetland restoration in particular, Tautara Matawhaura and at the Ohau Channel, Kaokaoroa 3B6 are going well and through this work positive relationships are being built between Iwi, BOPRC and RDC.

Tarapuhi noted that since the Ohau Diversion wall has been in place, the inanga movements/direction has changed therefore hard for whānau to access inanga easily. She asked if there is there independent monitoring of the inanga in the Ohau channel and are tangata whenua doing the monitoring? Laurence noted that the Regional Council monitors the inanga in the Ohau Channel and added that although the direction for inanga has changed there is still an abundance of Inanga in the rivers.

Willie asked Roku to explain why the morihana is considered a taonga species to Te Arawa. Roku noted that when the Māori Trust Board were considering taonga species feedback from our whanau was that the morihana was a main food supply for our whanau therefore was incorporated into the regulations.

Watu asked how many Poutiriao are required. Laurence advised that an additional 6 poutiriao (2 from each tupuna rohe) are required to help educate and inform our people. There was robust discussion from the floor about ownership and access to taonga species and commercial take. Anyone at this point can fish for koura and the Department of Conservation are responsible for compliance.

Resolution:

That the Te Komiti Whakahaere Report be received and accepted.

Anaru Rangiheuea / John Waaka

9. FINANCIAL REPORT – GLENN HAWKINS

Glenn Hawkins went through the financial report and highlighted key aspects, including:

- The Finance and Risk Committee ensures that the Trusts have good systems in place; Trustees have all the information and look at any risks to the Trust. The members are Taria Tahana (Chairperson), Terry Tapsell, Lana Ngawhika and also Sir Toby and Willie Emery attend.
- Cookson Forbes and Associates audit opinion was completed on 7 November 2014 and is an unmodified audit opinion. There was positive feedback on the current accounting and reporting practices.

Key Revenue for 2014:

- Milk solids – 53% of total revenue
- Rental – 15%
- Interest – 10%
- Total revenue for 2014 is \$2,471,786 which is an increase of \$1,031,318 from last year.

Key Expenses for 2014:

- Personnel – 28%
- Farm expenses – 26%
- Other expenses – 18%
- Total expenses \$2,077,779 which is an increase from previous year.

Statement of Financial performance

- Net Surplus of \$262,136

Statement of Movements in Trustees Equity

- Equity at end of year \$27,825,305

Statement of financial position

- Total assets - \$28,174,248
- Total Liabilities - \$348,943
- Net Assets/Equity - \$27,825,305

The major assets & liabilities include term deposits (18%), Craig's Investments portfolio

(8%) and Land and Buildings (63%) and liabilities is at 1%. Overall a very healthy balance sheet and the major fluctuations have been with land values.

Glenn touched on the trustees fees have been capped at \$98,000 which was agreed by the iwi and also Director fees which do fluctuate.

Geoff Rice expressed his pleasure to see a healthy report showing \$28m in equity which is a positive change from the previous year. He is not worried about the buildings as Rotorua will grow. The report highlights that the farms are crucial in its profits in terms of development, but overall, a great report.

Glenn noted that the Directors have been prudent and looked over the next five years as it will be quite a challenging year ahead. The buildings might be safe from a Governments point of view but not from the tenants.

Claire replied to a comment from the floor relating to the safety (earthquake) of the Haupapa and Pukuatua Street buildings. TAML are awaiting engineering evaluations which should be received next week and she will meet Roku next week to go through the options - strengthen or redevelop. A key is to ensure the safety of whanau and also potential economic opportunity. Anaru noted that we must look after Nukuteapiapi.

Resolution:

That the Te Arawa Lakes Trust Financial Report be received and accepted.
Watu Mihinui / Tawhiri Morehu

10. Organisational Review Update

Colin Bennett provided a brief report on the Organisational Review Update. The review came about when the TALT Board met at

Maketu in April 2014 to discuss the direction of the Trust. The outcome was Te Pae Tawhiti.

- There is a Review sub-committee which is made up of three TALT Board members – Lana Ngawhika, Terry Tapsell and Taria Tahana.
- Price Waterhouse and Coopers (PWC) were contracted to undertake the review to review the effectiveness and efficiencies of the operations and provide Trustees with advice on the operations.
- The review has been completed and the sub-committee is still awaiting the final report and recommendations from PWC.

11. RESOLUTION: APPROVE APPOINTMENTS OF AUDITOR

Resolution:

That this meeting approves the Appointment of
Auditor Cookson Forbes for
Te Arawa Lakes Trust
Tipene Marr / Tawhiri Morehu

APPROVE TRUSTEES REMUNERATION

Sir Toby provided an overview of the Trustee's payments and Watu asked how much are meeting fees and sub-committee fees.

Resolution:

That this meeting approves Trustees
Remuneration for
Te Arawa Lakes Trust
Watu Mihinui / Wiki Flavell

12. TE ARAWA CULTURAL VALUES FRAMEWORK PROJECT – ROKU MIHINUI

Roku went through the purpose of the project and its objectives. We need to identify Te Arawa values in a form that is easy to understand and apply. The framework is for Te Arawa first and foremost. It will also be developed to assist councils and the wider

community. This is about the relationships that we as Te Arawa have with our lakes. Hera Smith will be brought back in to assist the Project Team who will also include Elva Conroy (Planning Consultant – from Tapuika and Tuhourangi), Leilani Ngawhika and Dell Raerino (Project Manager)

The framework will be developed with the help of our whanau, hapu and iwi of Te Arawa through iwi engagement hui and wānanga which will begin in February 2015.

13. GENERAL BUSINESS

Sir Toby opened the floor during the General Business item:

- Kepa Morgan spoke and advised that he teaches engineering. Kepa noted that the seismic events on Nukuteapiapi were discussed and he, along with 4 of his students did engineering checks on Houmaitawhiti and Uenukumairarotonga and there are no concerns at the moment. Wind loads on wharehau have a worse impact than earthquakes.
- Kepa spoke about the Rena and his work on identifying impacts and looking at other options using the Mauri Model.
- Kepa noted his interest in being involved in the Te Arawa Cultural values project
- Bill Hall expressed his appreciation in terms of the kotahitanga at the hui noted that Te Arawa must brace itself for a new direction. The younger generation now wants to sit at the governance table. Tainui is a good example of succession planning.
- Te Urukeiha Raharuhi advised that she is doing her Master's thesis on researching Te Arawa Maori bird names and would love to interview people with knowledge of māori

manu and tikanga taunaha manu

- Claire runs a business incubator and is available to support young Te Arawa entrepreneurs.

Sir Toby thanked everyone for attending the meeting and their contributions.

The AGM ended with a karakia whakamutunga by Tawhiri Morehu at 12.07pm



Te Arawa Lakes Trust Trustees

Te Kawatapuārangī Trustees



Sir Toby Curtis is the Chair of Te Arawa Lakes Trust and has served two terms on the Trust. He also holds other memberships in collaborative forums such as Chair of Te Arawa Regional Forum for Whānau Ora, Deputy Chair of Te Wānanga o Aotearoa Council, Deputy Chair of Rotorua Te Arawa Lakes Strategy Group and member of the Iwi Leaders Forum.



Willie Emery is Deputy Chair of Te Arawa Lakes Trust and has served 29 years under the Te Arawa Māori Trust Board and Te Arawa Lakes Trust from 1985 to today. Willie is also a board member of Te Kotahitanga o Te Arawa Waka Fisheries, Te Pūmāutanga o Te Arawa, Komiti Whakahaere and various land trusts. Willie champions the tau koura monitoring project along with Te Arawa scientist, Ian Kusabs.



Taria Tahana tendered her resignation from the Board in April 2015. Due to the full TALT election process occurring less than 6 months after her resignation, a by-election was not required. The Trust wishes Taria well in her new endeavors.

Tūhourangi Trustees



Huru Maika is currently the Tūhourangi Trustee on Te Kotahitanga o Te Arawa Waka Fisheries Trust Board and the Trust's representative on Te Komiti Whakahaere. He has a passion for Tūhourangi and Whakarewarewa, listing his personal interests as waiata, kapa haka, raranga, whānau and whāikorero as well as supporting the Tūhourangi paepae. Huru is a fulltime tour guide.



Lana Ngawhika has extensive experience working with Iwi, including 7-year tenure with Te Arawa Māori Trust Board during the Te Arawa Lakes Settlement negotiations. Lana is a Trustee on the Tūhourangi Tribal

Authority, Te Pumautanga o Te Arawa and the Rotorua Police Maori Advisory Board. Lana is a Maori Liaison Officer with the NZ Fire Service.



Tipene Marr has served two terms on the Trust. He is also a councilor for the Kohi constituency on the Bay of Plenty Regional Council and is Chair of the Environmental Subcommittee of the Trust. Tipene is passionate about the environment, kaitiakitanga, manaakitanga of our roto, maunga, awa and whenua issues, where he has been actively involved for many years.

Te Ure o Uenukukopako Trustees



Kingi Biddle has been broadcasting for well over 20 years and is involved in a number of community events and initiatives including Te Arawa FM, Te Arawa Standing Committee of Rotorua District Council, Te Papa Takaro o Te Arawa and toastmasters to name a few. Kingi has served two terms on the Trust.



Terry Tapsell is an engineering contractor by trade and has first-hand knowledge of the whenua and the moana. Most of his life has been spent fishing, rama koura, hi tuna, hi inanga and hunting with his father on and around our lakes. Terry is dedicated to working alongside other governances and the wider community and ensures the good quality governance of the Trust and accountability to the Iwi.



Colin Bennett has worked at senior levels in government, working in policy and business analysis. He currently is a CEO of a medium-sized hauora centre delivering an array of health services in the Te Arawa rohe, and is also involved in evaluation work for the NZQA. Colin is the current Chairman of Te Papa-iouru Marae; he is a Trustee on Te Taumata Iho Ake o Ngati Whakaue and is also the Club Captain of the Waikite Sports Club. Colin has a Business Management Degree majoring in Strategic Leadership and is also a qualified teacher having previously taught in secondary school in a total immersion reo unit.

Chairman's Report



He Mihi

Kai hea te kupu mo te aahuatanga a waa taatau mate kua tau ki runga i a taatau i ngaa marama, i ngaa wiki kua taha ake nei. Pai noiho mehemea,

kotahi anake te tangata i mate – ka kii *He Tuupaapaku*. Tokorua raaua e takoto ana – ka kii *He Ikarua*. Mehemea, tokotoru raatau, ka kii *He Parekura*.

E hoa maa, kaare teenei kuare e mohio, he aha te kupu tika nuku atu i te parekura. Titiro atu ki te maha o raatau kua wehe atu, mai i te tiimatanga o teenei tau. I timata mai i a Apirana Mahuika; paatata ki aia, ko Tama Huata. Kaare roa i muri, ko te rangatira o Ngapuhi, ko Erima Henare teera. I puta mai te rongo kua hinga to taatau kuia o Maungapohatu – ko Te Uru teera. He maha hoki nga mate i roto i a Maataatua. Koinei te aahua, i mua i te taunga mai o te kapua pouri ki runga i a Te Arawa whaanui, i te hinganga ohore o to taatau karanga maha; te maakao taniwha, te tohunga mapihi kahurangi – anei koa ko Mauri Te Rangituhaha Kiingi.

A kaati. Kai te tangi tonu, kai te tangi tonu.

Kai te haehae te tau o te ate

Kai te hotu te whatumanawa

Kai te paatuki te ta aa raaua

Kai te mooteatea nga mahara

Mo raatau katoa

Kua huri kaaweka nei

Koutou nga manu tiioriori Nga pounamu whakahirahira. Haere, okioki, moe mai ra.

1. Strategic Relationships

1.1 Police Focus Forum

The Forum had its first meeting with the new Police Commissioner. It is interesting to note that he attended Edmund Rice Secondary School here in Rotorua. Secondly, his whakapapa reveals that he is of Ngai Te Rangi descent. Ko Piriraakau tona hapu, i te taha o tona kuia. The Forum is of the view, that he will do a good job. Heoi ano, ma te waa taatau ka moohio.

1.2 Te Kohanga Reo Movement

It was good to meet up with all our Kohanga Reo people here in Rotorua. It is quite obvious they are doing a great job, on the meager resources and rather unpalatable work conditions that they are subjected to. Despite their predicament, they are producing first class results. Nga mihi ra ki a raatau.

1.3 Rotorua Te Arawa Lakes Strategy Group

Since the advent of the Council elections and the installation of a new Mayor for Rotorua, the Rotorua Te Arawa Lakes Group, has taken on a new lease of life. Several weeks prior to the meeting, a preliminary session is held to discuss the agenda, so I as Chair, will be fully informed regarding any unexpected matters that may arise and a process to deal with them accordingly. To date, the approach has been very successful. Our CEO has been invaluable, providing accurate background information. As a consequence the Lakes Trust, Regional and Lakes Councils, have forged a working relationship exemplifying a solid unified group.

1.4 Tertiary Education Commission

Different Maori sectors located at different universities, spearheaded a concerted

response to challenge the Tertiary Education Commission's committee in regard to their poor performance. By not allocating any research funds to Te Pae o te Maaramatanga, they denied Maori from participating in any research work in the University arena. The sectors insisted that Maori Research must be Maori based, Maori focused and that tikanga must be an integral element in the process. Together with the willing involvement of the Iwi Leaders Maatauranga group, the funding was restored. TALT must be more proactive and insist that research or any scientific application that is undertaken on any of our lakes, must involve Te Arawa scholars. Negotiations are underway with Waikato University and Waiariki Institute of Technology to establish a Research Centre for Freshwater Excellence in Rotorua.

1.5 Police – Iwi - Various Ministries - Community

I represented Te Arawa Iwi as a member of the Rotorua contingent that traveled to Wellington to present a case to acquire funding to embark on a programme to curb family violence in the region. The case was well presented and received by a panel of Ministerial Representatives. Our District Commander and Anaru Pewhairangi (Senior Sergeant) together with Peter Waru, Ministry of Social Development, Ezra Schuster-Education and Mala Grant-Whanau Ora and myself, delivered certain aspects of the presentation. The verdict was interesting. It's a matter of when rather than if the programme will be funded.

1.6 Te Ture Whenua Act

Different Maori sectors located at different Willie Te Aho presented the Ture Whenua proposal to a well-attended meeting at Taharangi Marae. Not only were the audience very interested but they were also concerned

about a number of issues that have never been appropriately addressed by past successive governments. One in particular related to traditional land holdings. These lots are being subjected to policies that are essentially valuation based for the purpose of selling later, with the intent of making a good economic return. Many small land holdings, owned by Maori, are generally passed on to a family member. There is a view that rating charges are also out of kilter. However, no one disagreed with the clause that no more Maori land be confiscated under the Public Works Act.

1.7 Iwi Chairs Forum

Different Maori sectors located at different Several items of business were keenly discussed. The Whanau Ora Report was closely scrutinized following the Auditor General's Report. While she acquitted herself reasonably well, she was also responsive in a positive manner to concerns raised by members.

It would be interesting if one day she does an audit on the two billion dollars spent each year on Maori education. At the moment, intergenerational failure of Maori students in the State system, continue unabated. The attendance of Senior Cabinet Ministers aroused keen discussion on a number of topics. Housing and Whanau Ora together with the Resource Management Act, received firm attention. I and the Chair, of the Hopuhopu Meeting, Rahui Papa, signed a collaborative protocol between Iwi Chairs and Local Government NZ. Already, a relaxed working relationship exists between the two organizations. Cabinet is also keen to establish a mechanism to enable iwi to participate at the decision making table.

1.8 Merger Hui – Taupo

This hui was called by Ta Tumu to discuss the Waiariki/Tauranga merger. A good attendance of Tuwharetoa and several representatives from Tauranga Moana attended to ascertain the views of the hui that was in contrast to theirs. Tauranga were happy to support the merger, due to the opportunities that could accrue. Tuwharetoa and Te Arawa were not as convinced and wanted to see major changes in regard to the governance composition.

They want 50% Maori membership. Others wanted clarity around a strategy that would ensure higher achievement rates for Maori. We along with the citizens of Rotorua, would like more time to consider it, especially when the business case was not easy to locate online and also difficult to understand. Many are concerned that Waiariki will become a subordinate of Tauranga. Hopefully, public discussion will bring a balanced perspective to the overall debate.

1.9 Glenholme and Malfroy Schools

I had the opportunity to attend two different functions at these schools. I was amazed by the sheer demographic changes that have occurred. When I taught at Glenholme School in the 1960's, there were very few brown faces at both these schools. Today, brown faces dominate. Maori pupils account for two thirds of the role. Even the majority of staff is Maori. Another interesting feature is that both schools are led by Maori principals. Useful aspects of Maori language and culture are taught throughout the schools.

1.10 Te Rangatakapu Ceremony

An awards evening was held at Mitai Village to acknowledge young Te Arawa leaders, for completing a course organized and

administered by a group of Te Arawa stalwarts. Nga mihi ki a raatau katoa.

1.11 Bledisloe Park Hui

Much debate has occurred between Ngati Makino, Whakaue, the Board and different Councils. An agreement was reached as to the type of wall that will be built at the Park. In future, copy of these minutes will be available at the office.

1.12 Te Arawa & Rotorua Lakes Council Governance Proposal

It was so heartening to see and listen to the submissions tendered by a wide number of Te Arawa people both men and women. Not only did they acquit themselves so well, but their presentations were professional in style, delivery and in more than several instances, intellectually challenging and politically provocative. Te Arawa's physical presence on the day the proposal was put to the vote flooded both the Council Chamber and the meeting rooms that were specially arranged to cater for any overflow. One felt both proud and very humble by the disciplined behaviour and general demeanor displayed by Nga Pumanawa o Te Arawa. At this stage I am firmly of the view, that the passing of Mauriora, could involve a greater and more active engagement of TALT, in the establishment and development of the Partnership Proposal, now that it is formally adopted by Council. An intention has been echoed by RLC that the structure should be operational before years end. This was indeed a historic decision and unique achievement for both Te Arawa and Rotorua Lakes Council. As a consequence it is important to acknowledge the different people who made it possible.

1.13 Mai Maketu ki Tongariro

Her Worship the Hon. Steve Chadwick, hosted Ta Tumu and I to a special dinner in Taupo. She wanted a traditional cultural understanding embodied in this well echoed aphorism that belongs exclusively to Te Arawa Waka. We all agreed that the saying should in some way be given a tangible expression. I whakaaro ake, koinei he take hai whiu ki te AGM!

1.14 Ture Whenua

Willie Te Aho presented the Ture Whenua proposal to a well-attended meeting at Taharangi Marae. Not only were the audience very interested but they were also concerned about a number of issues that have never been appropriately addressed by past successive governments. One in particular related to traditional land holdings. These lots are being subjected to policies that are essentially valuation based for the purpose of selling later, with the intent of making a good economic return. Many small land holdings, owned by Maori, are generally passed on to a family member. There is a view that rating charges are also out of kilter. However, no one disagreed with the clause that no more Maori land be confiscated under the Public Works Act.

1.15 TALT Organisational Review

At a strategic retreat held at Maketu in April 2014 the Trustees developed an outcomes framework called "*Kia eke ki nga taumata o Matariki*". This framework described a desired future state for Te Arawa in addition to identifying more immediate priorities for the Trust. This approach to planning does several things:

1. It acknowledges that it requires the coordinated efforts of a number of entities to move us all towards the desired future

state of collective well-being

2. It highlights the specific part that TALT has to play within our collective wellbeing; our focus on the lakes; our stewardship of the various commercial assets; developing our training unit; and a responsibility within Te Arawa leadership.

At this retreat it was decided also that we would embark upon a process of self-reflection and change to ensure that the TALT waka was in the best condition possible for the journey ahead. We put together an Organisational Review Sub-committee and engaged Price Waterhouse & Coopers to undertake a strategic review to determine an appropriate organisational structure and resourcing model to support us to:

- Achieve the Boards new strategic goals
- Ensure all operations align with TALT core business
- Achieve optimum efficiencies of finances and resources

In essence what they came with was a plan to:

1. Centralise the TALT structure
2. Realign the CE role with the requirements of running both the company and the training unit.
3. Begin addressing significant issues they identified that we were experiencing relating to the lack of return on our commercial assets and the viability of our training unit.

So from this point we moved methodically with careful deliberation, centering on our monthly Trust Board meetings. This was the pace we set because this was a review led by governance, not management. And we've moved through it all and here we are today. The most significant aspect of change to date has been

the restructure of the CEO role to reflect a much higher emphasis on commercial acumen as we now move to centralising the TALT structure under the one CEO and the one Board.

2. Whakamutunga

Te mea tuatahi maaku, me mihi atu ki a Roku mo taana kakama me taana pakari ki te haapai ngaa kaupapa i runga i nga whakaaro, me nga moohiotanga i waihotia e nga rangatira, i te waa ko raatou e takahi nei te nuku o te whenua. Kua taunga nga Paakeha inaianei, i nga waa ka tu a Roku ki te korero. Ka mohio tonu raatau, ka whakaae katoa a Te Arawa. Koia hoki tetahi i whaangaihia e nga koeke. Tino waimaria taatau, i te mea kaare ngaa Kaunihera i whiwhi i teenei maatauranga. As a consequence, his knowledge and personal skill at presenting a case for and against, is held in high regard in Wellington, by both Ministers, officials including Iwi Leaders. He continues to contribute significantly at local, regional and national levels. Del Raerino served the Trust well as the Contracts Manager as well as maintaining a supervisory role with the Education and Training Unit. He is now enjoying the greener pastures at Waiariki Institute of Technology. We miss him and wish him well in his new and encompassing role. Hopefully he will continue to assist with the Matariki Ball. Tina Hunter our receptionist, served the Office in a friendly and effective manner. She did so beyond the call of duty. Her friendly style made everyone feel welcome. Tania Kiel was also sought by other people because of her specialist skills in advancing organizations to achieve at higher levels. It appears however, that she has returned to us when we

contracted her husband's business to review our Education and Training Unit. Welcome again Tania! Every organization is generally blessed with several or more people who are unsung anchors that keep the group flowing easily without any undue hitches and glitches. TALT is fortunate in this respect. Tamara Epapara and Leilani Ngawhika are two such individuals who not only attend to their specific responsibilities but they also ensure that their colleagues undertake their duties with ease by providing support and any assistance that might be required. Nga mihi nui ra ki a raaua.

To my fellow Board members, kaare te ranga o te kupu, te taaniko o te korero, e taea te mihi atu ki a koutou katoa mo nga mahi pakari i oti ai e taatau. Ahakoa kaare te Piriimia a John Key, e whakaae na taatau te Maori nga wai o Aotearoa, ko te mea nui, kai te mohio taatau katoa, na taatau te wai. On behalf of the Trust, I would like to acknowledge those members who will not be with us during the next term. Taria Tahana, for embarking us on the organizational review; Colin Bennett who led and drove the process so we would achieve an amicable outcome; Tipene Marr for keeping us on our toes; Kingi Biddle for generously giving of his time to attend to duties that interrupted his many other commitments. My Deputy Chair, Willie Emery, Lana Ngawhika, Terry Tapsell and Huru Maika - thank you for continuing your valuable service for the betterment of all Te Arawa constituents. E aaku hoa mema o te Poari Kaitiaki o Te Arawa, nga mihi miiharo rawa atu ki a koutou katoa. Noho ora mai taatau katoa, i raro i te manaaki whaanui o te Runga Rawa.

Dr Sir Taamihana Curtis

PhD, KMNZ, AFNZIM, FCCEAM, EAAUT

CEO's Report



Tena Koutou
Te Arawa

It was another very busy year and even more challenging than previous years because of the political engagements

at local national and international levels and that was strongly influenced by personnel changes through local regional and national elections.

Added into the mix the restructuring of councils and various government agencies meant the Trust devoted a great deal of their time starting and/or rebuilding relationships with new players who, in some instances, had their own interpretation of the Lakes Settlement Act and how that prescribed the way their organization should would work the Lakes Trust.

As with the my last AGM Report, this one gives an update on the Lakes Trust business to the end of October 2015 rather than to the end of the financial year in June.

BOARD VISION:

KIA EKE KI NGĀ TAUMATA O MATARIKI

Paetata Tuatahi / Strategic Goal 1:

*Ka rongo te ao i te mana o Te Arawa
The authority of Te Arawa is readily recognised
by all*

The Lakes Trust is directly involved in all aspects of lakes water quality work and it has been a real challenge to attend and participate in all the respective engagements to ensure the

mana and rangatiratanga of Te Arawa is acknowledged and given effect to.

WATER OWNERSHIP CLAIM NO. 1875

Although the Trust lodged the above claim for the ownership of water in our lakes rivers waterways, rather than pursue it through the Treaty claims process they have opted to engage in direct negotiations between Iwi Leaders Freshwater Group and the ministers.

IWI RIGHTS & INTERESTS IN FRESHWATER

The Iwi Chairs have opted for and continue to be involved in the direct engagement with the government on Iwi rights and interests in freshwater. The Lakes Trust, Tuwharetoa Maori Trust Board, Waikato Tainui Te Arataura, Whanganui Trust Board, Ngai Tahu Runaka, have been joined by the Ngati Raukawa Trust Board, Te Runanganui o Ngati Porou, Ngati Hine and Ngati Kahungunu Trust Board in their direct negotiations with the Crown on freshwater.

The leaders engage with various ministers who hold the relevant portfolios associated with this work ; Minister Smith for the Environment; Minister Bridges for Primary Industry; Deputy Prime Minister English for Finances; Minister Finlayson for Treaty Settlements; and Minister Flavell for Ministry of Maori Development.

They are supported by a group of advisors who work directly with senior officials on matters as prescribed by leaders/ministers that to a greater extent informs on-going discussions between the principals.

Over the past twelve months this has focused on the proposed freshwater reforms and has influenced the draft proposals that were put out for public consultation in June last year.

This has not been the case with the proposed RMA Reforms and leaders have expressed their concern at non-engagement as well as some of the recommendations to Part 2 Sections 6 and 7 of the Act. Ministers agreed that ILG and their advisors would have input into the RMA reform and currently this is a parallel process with the National Policy Statement and National Objectives Framework for freshwater.

During November the ILG will hold hui with Iwi/Hapu/Whanau around the motu to update them on the engagement and seek their views on the aspects pertaining to Iwi/Hapu/Whanau rights and interests in freshwater.

LAND & WATER FORUM (LAWF)

In 2008 the Land and Water Forum (LAWF) was established comprising 64 representatives from a range of primary industry groups, environmental and recreational NGOs, Iwi and other organisations with an interest in freshwater and land management.

They were tasked with looking at how freshwater was being used and managed and provide advice to the government on how this should/could be done better.

The LAWF have completed three reports over the intervening years and continue to meet review and assess whether their recommendations have been adopted or had regard for in the proposed freshwater and RMA reforms.

This year LAWF have worked on Report Four that refines the previous reports recommendations on water quality, quantity and allocation, including allocation for Iwi/Hapu and their right to develop economic opportunities.

LGNZ ENGAGEMENT

The newest engagement has been with local government representatives (LGNZ).

In 2012 at Hopuhopu the Iwi Chairs Forum signed an agreement with LGNZ to explore how they could develop better working relationships.

Progress has been slow but in the past twelve months the pace has stepped up and advisors have met with their officials to draft a work programme that identifies specific kaupapa that will add value and direction to the engagement between the parties at the regional and local level.

LAKE OKARO

One of the outstanding matters of the Te Arawa Lakes settlement has been the return of Lake Okaro from the Rotorua Lakes Council to Te Arawa. There was no progress under the previous Mayor and CEO, however since the election of the new Mayor and appointment of a new CEO, within a year we have been able to complete the necessary process to satisfy government requirements. Formal notification has been sent to Office of Treaty Settlement who will now initiate the final legal and parliamentary processes to vest the ownership of the lakebed in the Lakes Trust.

They have indicated this should be completed in the next 6-12 months.

TE TŪĀPAPA O NGĀ WAI O TE ARAWA - TE ARAWA CULTURAL VALUES FRAMEWORK

The vision statement of the Rotorua Te Arawa Lakes Strategy states:

"The lakes of the Rotorua district and their catchments are preserved and protected for the use and enjoyment of present and future generations, while recognising and providing for the traditional relationship of Te Arawa with

their ancestral lakes".

In order for the vision to be realised and given effect, the Te Arawa Lakes Trust has developed a Te Arawa Values Framework which seeks to:

- ▶ Give effect to our kaitiakitanga and tino rangatiratanga on the Rotorua Te Arawa Lakes
- ▶ Articulate Te Arawa values so they can be conveyed and applied within a local government context
- ▶ Incorporate Te Arawa values into TALT processes and programmes
- ▶ Incorporate Te Arawa values into the Lakes Programme (e.g. processes, programmes, meetings)
- ▶ Increase participation of Te Arawa hapu and iwi in the Lakes Programme

A formal presentation on the cultural values project will be given during the AGM.

REGIONAL WATER ADVISORY PANEL

This group was formed mid last year and their purpose is:

"To provide advice and recommendations to BOPRC on regional issues associated with the implementation of the National Policy Statement for Freshwater Management (NPS)".

The membership is very similar to LAWF albeit at a regional level with Iwi representation from throughout the wider BOP.

Paetata Tuarua / Strategic Goal 2:

*Te mā o te wai e rite ana kia kite i ngā
tapuwae a te koura*

*The quality of the water is such that you can
see the footsteps of the koura*

ROTORUA TE ARAWA LAKES STRATEGY GROUP (RTALSG)

Sir Toby is in his second year as Chair of this group that also includes BOPRC and RLC.

The RTALSG meets quarterly to receive and make decisions on reports from the committees that have been established to carry out the various mitigation options to address water quality issues.

LAKE ROTORUA STAKEHOLDER ADVISORY GROUP (STAG)

The Rotorua Community Stakeholders Group (STAG) was set up to look specifically at how, through their land use practices, landowners can assist to improve the water quality in the Lake Rotorua catchment.

The Group is chaired by Tanira Kingi and he has done a great job in the face of adversity created by the real challenges of drafting nutrient management rules and the criteria that will affect people's lives and livelihood.

To assist with this mahi a new incentive fund has been allocated and a panel has been appointed to assess approve and monitor applications with Geoff Rice a panel member and Te Taru White managing the engagement and assessment process.

ROTORUA WASTEWATER TREATMENT PROJECT STEERING GROUP

This Group has been set up to provide feedback to both the regional and district councils on the proposed scheme especially the preferred options for discharge of the treated water.

A Cultural Assessment Subcommittee made up of Iwi/Hapu representatives has also been formed and have proactively critiqued and challenged the options that have been put forward by the Lakes Council, with their preferred option being rapid infiltration to land

first then natural seepage into the lake.

Paetata Tuatoru / Strategic Goal 3:

*Whakapakari ake i te waka kia pae ki uta
TALT is well equipped for the journey ahead*

ELECTIONS 2015: TE ARAWA LAKES TRUST & TE ARAWA/RLC PARTNERSHIP BOARD

Congratulations to the successful candidates in both elections and commiserations to those who were unsuccessful.

The Lakes Trust provided the administrative assistance for both elections and it was great to see the elevated level of participation from Te Arawa, both in terms of new registrations and significant increase in voting, especially for the Te Arawa board. It is envisaged that both boards will hold their inaugural hui early in the new year.

The list of successful candidates to the Te Arawa Lakes Trust and Te Arawa Partnership Board is attached.

TE ARAWA LAKES TRUST MANAGEMENT & OPERATIONS

The organization review has been completed and the new operational structure has been confirmed. During the latter stages of the review, a number of staff chose to pursue new career pathways that left serious gaps in the organization and a real challenge to ensure we maintained appropriate levels of service delivery and engagement with the wider stakeholders.

It was with much sadness that we bade farewell to Hera Smith, Dell Raerino Tina Hunter and Tania Kiel over the year.

And a real big shout-out to Leilani Ngawhika and Tamara Epapara for being able to keep the Trust afloat during one of the busiest times

of the Trust's operational year.

EDUCATION AND TRAINING UNIT

The Training Unit was also reviewed to align with the new strategic priorities and resulted in introducing unit standards that focused on Te Arawa tikanga and reo as well as an environmental lens in keeping with the Lakes Trust priorities. Accordingly, new position descriptions were drafted and unfortunately our long serving tutors, Peter Morrison (8 years) and Joyce Tutaki (3 years) were unsuccessful in securing the new positions, and we wish them all the best for their future.

TE ARAWA PRIMARY SECTOR

The Group has not been as proactive as it was in its first year but continues to meet and discuss matters of mutual interest and benefit.

TE ARAWA FRESHWATER FISHERIES FORUM (TAFFF)

Similarly with this group although their progress toward further development has been stalled by the unresolved and incomplete work relating to the Te Arawa Fisheries regulations that their chair, Laurence Tamati, will report on.

E TU WHANAU

E Tu Whanau is a programme of action that was established by the Ministry of Social Development (MSD) with and through a Maori Advisory Group. It is designed to inform, educate and support Whanau to manage and stop violent attitudes and behaviour within the Whanau. While it can be useful for all families, it is designed "by Maori for Maori" and is premised on there being providers with the necessary expertise within the community to work with the Whanau.

The preferred option of delivery would be through a collective of providers with unique

and/or specific skills and experience to assist Whanau regain consolidate and maintain their mana and rangatiratanga. Two projects were supported over the past year; NZ Maori Touch tournament and "Te Koutu My Kainga" project.

Rotorua Maori Touch Assn. chair Manu Solomon successfully hosted the NZ Maori Touch Tournament in Rotorua last December and was provided with resources to share the message with participants and supporters.

The Te Koutu Marae/Te Koutu Community Action Group's project aim was to "reclaim Te Koutu my Kainga, Our Kainga so that it is a great place for whanau and their tamariki to live and they are the drivers of the change". A number of events have been held including a "remembrance evening for Nia Glassie" and a series of hui with Rangatahi with both events being supported by various government agencies.



Roku Mihinui

CEO

Te Arawa Lakes Trust



TAML Chairman's Report



Tena koutou

The Directors of Te Arawa Management Ltd (TAML) are pleased to present this report on the company's

operations for the Te Arawa Lakes Trust (TALT) Annual General Meeting held November 2015.

The 2014/2015-year brought a few challenges in the management of the TAML asset base. The process of the independent review meant plans and opportunities mentioned in the last annual report were scaled back or put to the side while the review process was underway.

Properties

TAML did though begin tackling the matter of sorting through matters relating to Little Waihi housing. Once this was began the enormity and complexity of the task meant that this would not be a quick fix process. Some of the complexity revolves around the fact that there are two main occupation arrangements between TALT and the tenants at Little Waihi Village. With a few exceptions, the Lyndhurst Avenue properties have leases that expire in approximately 8 years (2023) with no right of renewal. The tenants on the Estuary are there by virtue of an occupation licence which is terminable upon notice. The tenants currently have certainty of their occupation only until the end of 2016.

To help work through the lease and license

process a working party of residents and TAML was set up though as yet is still to engage in regular discussion and work through matters. TAML and TALT have also set up a working committee so that both parties are working together and not apart in coming up with a workable and beneficial arrangement to all parties concerned.

In relation to the other properties in TAML's portfolio, work on assessing the viability of renovating the Pukuatua Street building was started through having a seismic assessment undertaken then having plans drawn up on the cost of earthquake strengthening and renovation. This work is ongoing but no major decision has been made while the review process was underway. The same sort of work has been applied to the Haupapa Street building.

TAML made the decision to sell the View Road property as it was surplus to our requirement and was not producing a good return on investment as originally envisioned. Sale of the property fetched a good price and the proceeds from this sale were added to the investment portfolio.

The property at Lake Road came under scrutiny when the possibility of entering into a joint venture with Pukeroa Oruawhata emerged around the establishment of a hotel. However this did not eventuate and the property still remains vacant, though it currently generates car park rental income from the adjoining café.

Farms

The key contributor in TAML's portfolio continues to be the farms, Arawa and Okurei. Even though there have and always will be ups

and downs for the dairy industry, the farms continue to produce the bulk of TAML's investment return.

The 2014/15 season was a challenging but successful year for the dairy operations at TAML. The Fonterra milk price fell from \$8.40/kg MS in the 2013/14 season to \$4.40/kg MS in the 2014/15 season. This presented a number of challenges for both TAML and TAML's sharemilkers to remain profitable.

Milk production totaled 303,745kg MS over both farms from 1,062 cows peak milked, equating to 286kg MS/cow which was 8% down on the production target of 331,205kg MS. While production was 8% down on budget so to was farm expenditure due to tight expenditure controls. Farm Working Expenses were down by 22% and 28% with Repairs and Maintenance down by 26% and 4% at Arawa and Okurei respectively.

Continued physical improvements in key areas such as farm contour/drainage, weed burden, pasture species, cow genetics and reproductive performance means the fundamentals of the dairy operations are in a strong position to continue improving on physical and financial KPIs in the coming seasons.

The 2015/16 season will again be challenging with the current milk price forecast only marginally higher than 2014/15 and the ever increasing threat of a summer drought due to the El Nino weather pattern upon us.

Kiwifruit

With respect to the TAML kiwifruit orchard, all capital works are completed for the orchard. It is now a fully developed orchard and the first crop will be ready for harvest April/May 2016

with about a 75% canopy cover.

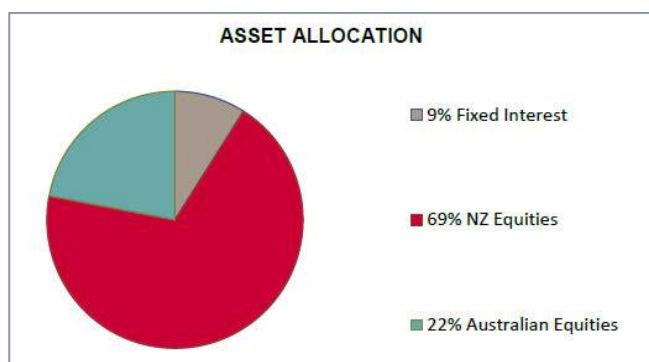
The orchard manager estimates the yield for the first year will be around 8000 trays per ha. Thereafter crop yields are expected to increase each year up to about 15,000 trays per ha. The orchard does have some Psa in the NE corner but this is being managed. There is no cause for alarm as all orchards have to deal with Psa and it is manageable.

The TAML Directors have also started to give consideration to the possible extension of the orchard. This presents the opportunity for collaboration among Te Arawa entities to invest together into such an extension. Although there were plans to collaborate with other Maori commercial entities during the financial year, these plans are still in a conceptual stage with thought still being given to collaboration in sectors such as dairy sheep, Manuka honey and investment.

Investments

TAML's investment portfolio has showed steady growth through a conservative approach to investment. The portfolio consists of financial assets that are predominantly bank term deposits and a portfolio of Australasian shares that are managed by Craigs Investment Partners. Craig's also manage about \$250,000 of New Zealand Corporate Bonds. The portfolio of Australasian equities managed by Craigs is predominately in blue chip stocks such as Auckland Airport, Fisher & Paykel Healthcare, Meridian Energy, Port of Tauranga and Ryman Healthcare.

The portfolio has an asset allocation of the following:



The portfolio has achieved the desired outcomes of income and growth over time, and it provided a total return of 13.33% for the 12 months to 30 June 2015.

Performance from each asset class was as follows:

Equities:	13.37%
Cash:	3.84%
Foreign exchange gain:	1.02 % - due to falling NZD against the AUD

This performance compares well with NZ 90 day Bank Bills index of 3.7%, NZX Gross Index of 11.4%, and Australian All Accum Index of 11.8% for the year. The forecast gross income yield from the portfolio is 5.97% pa, which indicates the portfolio is providing a high level of dividend income.

The portfolio is well diversified amongst strong dividend paying companies in NZ, with some exposure to Australian listed companies.

TAML is guided in its investment decision through its Statement of Investment Policy & Objectives (SIPO). The SIPO is essentially the guiding document for TAML's investment activities. It is a blend of a governance document that provides a description of the objectives and how the proposed investment strategy should achieve those objectives.

Financial

The overall result was significantly impacted by

the fall in the dairy payout over the past year. Results across our various investment activities were as follows:

	2015	2014
Arawa Dairy Unit	260,757	521,909
Okurei Dairy Unit	91,369	311,554
Kiwifruit	(64,291)	(60,349)
Commercial Rentals	27,777	41,342
Residential Leases	159,519	220,327
Investment portfolios	382,563	326,264
Administration & overheads	(209,825)	(263,459)
Operating Surplus	647,869	1,097,588
Dividend – Te Arawa Lakes Trust	(720,000)	(720,000)
Net Surplus/(Deficit)	(72,131)	377,588

The company achieved an operating surplus of \$647,869, which was down on \$1,097,588, achieved last year. The result is further boosted by an increase in the value of the investment portfolios of \$599,035. As a result, the company had an overall increase in value of 6.4%, but after deducting the dividend paid to the parent, the increase in value was 2.7%. The total value of the assets held by the company at balance date was just over \$20m.

Outlook

As we move into the new financial year TAML is looking forward to the appointment of a CEO for TALT/TAML. The TAML Directors aim to assist the CEO's transition into the role of managing TAML's assets and will likely adopt a hands on approach until this person is confident they have everything in hand.

TAML's property portfolio will continue to present a few challenges particularly regarding whether it is viable to re-develop buildings that will require a significant amount of remedial work. The Directors look forward though to be able to developing a beneficial way forward

for all parties as concerns Little Waihi.

There will continue to be fluctuations within the dairy industry but TAML through its farm adviser and sharemilkers has monitored the situation closely and is constantly reviewing farm management plans.

The Directors are excited about the fact that the kiwifruit orchard will produce its first crop in 2016 as well as the possibility of expanding the orchard.

The return on investment for TAML's investment portfolio shows a steady increase. It will always be prone to the ups and downs of the global investment and to factors outside of our control but there is a good team in place to help manage these matters.

Decreased dairy prices mean budgets will continue to be managed tightly in order to provide a sustainable return to the parent, Te Arawa Lakes Trust.

Finally, I would like to thank my fellow directors, and the financial and management team and advisors including Glenn Hawkins (GHA), Lee Matheson (PerrinAg), Joanne McCracken (APL), Tom Davies (Craigs Investment Partners) and the sharemilkers, Richard Fowler and Matt Standen for their dedication to TAML in the past year.

Noho ora mai, nā

Richard Jones

Chairman

Te Arawa Management Limited



Te Komiti Whakahaere

Chairman's Report



Tena koutou katoa

It is my privilege on behalf of Te Komiti Whakahaere to report on the collective efforts and work of the Komiti for the year ended 30 June 2015.

Te Komiti Whakahaere (Te Arawa Freshwater Fisheries Management Committee) was established under the Te Arawa Lakes (Fisheries) Regulations 2006. The main duties of Te Komiti Whakahaere (the Komiti) are to prepare a mahire whakahaere (Fisheries Management Plan), prepare and supervise the issuing of puka whakamana (customary food gathering permits) by poutiriao, maintain the rehita whakamana (register of authorisations), provide information to the Minister of Fisheries and report to the Te Arawa Lakes Trust on matters such as the management of customary food gathering and the number of puka whakamana issued.

The Komiti met 6 times during the year and attendance at each meeting was excellent. The table below shows the current members of the Komiti:

As reported in the previous annual report, Te Arawa engagement hui were held by the previous Komiti and follow up hui were held to discuss issues such as the draft policies, possible bylaws and objectives for the mahire whakahaere (the mahire) and research.

Feedback from these hui enabled our freshwater fisheries management activities to be grounded in Te Arawa tikanga and kawa, guided by matauranga-a-iwi and reflective of the objectives of Te Arawa.

The mahire aims to work towards the vision where Te Arawa taonga fishery is healthy, plentiful, sustainably managed, and Te Arawa have undisturbed possession and access to Te Arawa taonga fishery, mo ake, tonu atu. To achieve this vision, the mahire sets out methods to work towards objectives of sustainable customary fisheries, information gathering to support activities, promotion of customary fishing, supporting fisheries habitats and safe consumption of fish.

Tūpuna Rohe	Current Komiti Members
Te Kawatapuārangī	Laurence Tamati (Chair) Willie Emery Merehira Savage
Tuhourangi	*Ian Kusabs (Deputy Chair) John Waaka Huru Maika **Ken Raureti
Te Ure o Uenukukopako	John Ransfield Herby Ngawhika Terry Tapsell

* Ian Kusabs resigned from Te Komiti Whakahaere on 21 June 2015. ** Ken Raureti was the second highest polling candidate in the previous election so he was reappointed to the Komiti effective from 1 September 2015.

The mahire also outlines the goals of the Komiti for the management of the freshwater fisheries in the Te Arawa lakes. The mahire applies to the following taonga species: koaro, koura, tuna, kakahi, inanga and morihana. The bylaws will enable restrictions or prohibitions to be made to protect those species, for example

by limiting the quantity or size of the species that may be harvested.

Our key focus this year was on the completion of the mahire and bylaws. The draft documents were finalised in September 2014 and they were to be presented to Te Arawa and the wider public for consultation (in October 2014), before being considered by the Te Arawa Lakes Trust (TALT) and the Minister for Fisheries (MPI). However, prior to this the Komiti sought comment from MPI to ensure that we were of the same mind in terms of the contents of the mahire and the proposed bylaws. Feedback from MPI clearly indicated that they had some concerns in a couple of key areas. The key areas are:

1. Whether bylaws can be made to cover inanga/whitebait i.e. essentially inanga cannot be managed by the TALT through bylaws because it is not an "included species" under the Fisheries Act.
2. The ability for Te Arawa to establish bylaws that restrict fishing to Te Arawa only i.e. MPI's view is that Te Arawa cannot use bylaws to restrict all fishing of taonga species. Essentially this means that the management measures developed by the Komiti could only apply to customary fishing.

Since October 2014 the Komiti has worked tirelessly to address MPI's concerns with mixed results. In regards to the bylaws to cover inanga (1 above), it is pleasing to report that the Komiti has reached an agreement in principle with both the Department of Conservation and MPI on the management processes to be established to ensure the sustainable (customary) harvest of inanga.

Unfortunately, at the time this report was written

the Komiti had not reached agreement with MPI on Te Arawa's position regarding the establishment of bylaws that restrict fishing to Te Arawa only (2 above). The Komiti sought legal advice on this matter and are currently considering the advice. In the meantime the Komiti has decided to proceed with the consultation process with a series of hui planned for the middle of October/early November 2015. The hui will be publicly notified and a copy of the draft mahire and bylaws will be available for Te Arawa and the wider public to view prior to the hui

The Komiti will also be taking the opportunity to recruit additional poutiriao at these hui. It is important to note that this report is a high-level summary of the activities that have occurred during the year under review and it is by no means a true reflection of the amount of work that has gone on "behind the scenes" throughout the year. An example of this is the incorporation of the Te Arawa Cultural Values Framework into the mahire and the further development of the puka whakamana (customary food gathering permits). Although it has been a challenging year the Komiti is quietly confident that we are very close to implementation.

In closing, I would like to thank the TALT Board of Trustees, management and staff for their valued support and input into the work of the Komiti over the past year. Finally, I would like to thank the members of the Komiti for their efforts and contribution. I look forward to working with you on the next phase of our mahi.

Nāku noa, nā

Laurence Tamati

Chairman

Te Komiti Whakahaere

Te Arawa Lakes Trust

Meetings

1. Te Arawa Lakes Trust Board Meetings

During the period 1 July 2014 to 30 June 2015, 11 x board meetings were held.

Name	Full Board Meetings
Sir Toby Curtis (Chair)	9/11
Willie Emery (Deputy)	8/11
Taria Tahana	5/11
Huru Maika	8/11
Tipene Marr	11/11
Lana Ngawhika	11/11
Kingi Biddle	9/11
Colin Bennett	10/11
Terry Tapsell	7/11

2. Board Subcommittees

The Board's subcommittees are named after the purposes for which the Trust is established to receive, manage and administer the Trust Fund on behalf of and for the benefit of the present and future members of Te Arawa in accordance with the Trust Deed.

The Finance and Risk Subcommittee (F&R) held 2 x meetings during the year. The Board agreed that this subcommittee would be put on hold and its focus changed to the TALT Organisational Review Subcommittee and liaison with independent reviewer, Price Waterhouse Cooper (PWC).

Name	F&R	Other	Maketu
Sir Toby Curtis	1/2	100+	
Willie Emery	2/2	5	2
Taria Tahana	1/2	7	
Huru Maika		1	
Tipene Marr		2	
Lana Ngawhika	2/2	4	

Kingi Biddle		1	
Colin Bennett		7	
Terry Tapsell		2	

3. Te Komiti Whakahaere (Te Arawa Lakes Fisheries Management Committee)

Te Komiti Whakahaere was established in accordance with the Te Arawa (Lakes Fisheries) Regulations 2006. The regulations apply to the fourteen lakes settled under the Te Arawa Lakes Settlement Act with the purpose of sustainably managing the five taonga species, namely koaro, tuna, inanga, kakahi and koura.

During the period 1 July 2014 to 30 June 2015, 5 x Komiti meetings were held and members met on the second Wednesday of each month.

Name	Komiti meetings
Laurence Tamati (Chair)	5/5
Ian Kusabs (Deputy)	2/5
Merehira Savage	5/5
John Waaka	5/5
Herby Ngawhika	2/5
John Ransfield	3/5
Huru Maika	4/5
Terry Tapsell	1/5
Willie Emery	4/5

4. Te Arawa Lakes Trust Relationships

In accordance with the Lakes Settlement the Trust's all existing relationships that the Te Arawa Maori Trust Board had, also transferred to the Lakes Trust entity. There are various formal and informal relationships agreements with government and non-government departments by way of Protocols, Memorandum of Understanding as well as supporting iwi initiatives which benefit all of Te Arawa and collaborative projects with key partners.

Rotorua Te Arawa Lakes Strategy Group

As part of the Te Arawa Lakes Settlement Act, Te Arawa has recognised permanent membership in the Rotorua Te Arawa Lakes Strategy Group. This recognises the traditional, cultural and spiritual relationship with the Te Arawa Lakes. The membership consists of two representatives each from the Bay of Plenty Regional Council, Rotorua District Council and Te Arawa Lakes Trust. In accordance with the Lakes Settlement, the Trust's membership consists of the Chair and a senior executive member of the Trust. The members are Chair, Sir Toby Curtis and Deputy Chair, Willie Emery. Kingi Biddle is the alternate member.

Western Bay of Plenty District Council (WBOPDC) Maori Forum

The Maori forum advises council or its committees by report on issues pertaining to Maori. The Chairperson is the Trust's representative on this committee with the Deputy Chair the alternate member.

Bledisloe Park Board

The Chairperson and Deputy Chairperson are the Trust's representatives on the board. Larissa Wharepouri was nominated by the Trust as the third representative to act on behalf of the Trust on this board. The term for this board is three years.

Te Arawa Lakes Trust and Rotorua District Council MOU

The purpose of this memorandum of understanding is to ensure Te Arawa Lakes Trust is involved in any decisions or projects that affect the lakes, lakebeds and lake structures. Members are His worship the Mayor, Deputy Mayor, Trust Chair, Trust Deputy Chair and Trust Chief Executive Officer.

Waka Taua Trust

The Te Arawa Waka Taua Trust was set up through the donations of three separate Maori land trusts and the Rotorua District Council to ensure the successful construction and completion of the Te Arawa waka. The Trust's role is to provide administrative support.

Formal Protocols

In accordance with the Lakes Settlement, the Trust has formal relationship protocols with Ministry for the Environment, Department of Conservation, Ministry of Culture and Heritage, Land Information New Zealand and Ministry for Primary Industries (previously Ministry of Fisheries).

5. Board Remuneration – Trustee Fees

The Trustees receive \$300.00 (gross) per meeting to attend full board meetings and subcommittee meetings.

Trustees who undertake duties on behalf of the Trust outside of board meetings are entitled to an hourly rate of \$100 (gross) per hour to a maximum of \$300.00 (gross).

The Chairman receives an honorarium of \$28,000 (gross) and the Deputy Chairman receives an honorarium of \$16,000 (gross).

Chairpersons of subcommittees are capped at \$8,000 (gross) and all other Trustees are capped at \$7,500 (gross).

Board members are reimbursed for actual and reasonable expenses upon submission of an approved Board Travel and Expense Claim Form or Meeting Attendance Form. Fees and allowances are paid in accordance with the Te Arawa Lakes Board Remuneration Policy and Board Reimbursement of Expenses Policy.

6. Other meetings attended by the Trust

Other meetings attended by the Trust, but not limited to, are:

- Te Arawa Standing Committee Working Party
- Te Arawa/RDC Partnership Model
- Little Waihi / Maketu Working Party
- Freshwater Sciences Society
- Te Arawa Freshwater Fisheries Forum
- Regional Water Advisory Panel
- Lakes Programme Workstream Leaders
- Rotorua Te Arawa Lakes Partnership Steering Group
- Rotorua Te Arawa Lakes Strategy Group
- Iwi Leaders Forum
- Iwi Advisory Group – Freshwater
- Iwi Advisory Group – RMA
- Iwi Advisory Group – Conservation
- Iwi Advisory Group – LGNZ
- Iwi Chairs Forum
- Waiariki Institute of Technology
- Te Arawa Waka Taua Trust
- LERNZ – Governance Group and End User Group
- Lake Rotorua Catchment Stakeholder Advisory Group
- Lake Rotorua Recreation Forum
- Aquatic Pest Coordination Group
- Rotorua Wastewater Treatment Project Steering Group
- Rotoiti Rotoma Project Steering Group
- Te Arawa Primary Sector
- Lake Rotorua Catchment Stakeholder Advisory Group
- Te Roopu Manukura (University of Waikato)
- Ngati Rangiwehewhi Koaro Restoration Project
- Lakes Structures Forum
- Protocols with DOC, MPI and MfE
- Lakes Water Quality Society 'Pest Weed and Wallaby Symposium

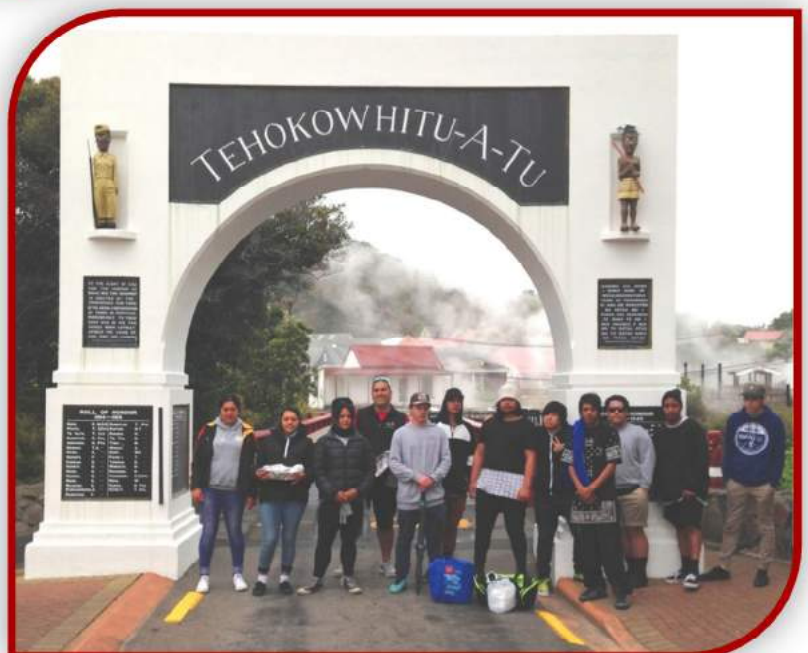


Highlights of the Trust – Matariki Koeke Ball 2015





Highlights of the Trust – Education & Training Unit



Financial Report



Tēnā koutou katoa

Annual Audit

The Group financial statements are for the year ended 30 June 2015. Once again,

Fred Cookson and

his team at Cookson Forbes completed the audits of the Trust (parent) and the commercial company, Te Arawa Management Limited (TAML). The Group audit was signed off on 9 November 2015 and an unmodified audit opinion has again been achieved by both entities.

Financial Performance

The Statement of Financial Performance shows a net operating surplus for the Group of \$44,791 which is down 89% compared to last year's result (\$394,007). The decline in the overall result is due to several factors, the most significant being the drop in the dairy payout. Overall Group income has declined 6% from \$2,471,786 to \$2,323,778, predominantly due to the change in the dairy farm income.

Total farm revenue was down 35% from \$1,305,006 last year to \$850,622 this year. Income was up from the education and training unit and there were also improved returns from the investment portfolios. Conversely, rental income was down by 14%.

There was a 10% increase in overall expenditure compared to last year, though the majority of this related to costs associated with the project

& grant funding and consultancy costs for the review. There were good savings achieved for the costs of both governance and personnel. After allowing for property revaluations of \$296,968 and discretionary grants of \$2,000, the net surplus is \$339,759, which is a 30% improvement on last year's result of \$262,136.

Current Financial Position

The value of the Group has increased by 3.4% from \$27.8m to \$28.8m, which is a good result considering the challenges currently being encountered in farming. The increase reflects the net surplus and a strong lift in the value of the company's share portfolio.

With assets of \$29.1m and very little debt, the Trust balance sheet remains strong. The biggest challenge for governance and management is improving the returns from the underperforming assets and assets that require significant capital investment to generate returns. However, there remains a strong foundation for further growth.

The outlook for the 2015/16 financial year remains challenging with little improvement in the dairy payout forecast. Fairly immediate reinvestment is also required, particularly in the farms and commercial buildings.

The trustees and commercial directors will continue to explore alternative options to broaden the asset base and generate above average returns.

Ngā mihi

Glenn Hawkins

Chartered Accountant

Audited Group Financial Statements

Te Arawa Lakes Trust Group Financial Statements For the Year Ended 30 June 2015

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Statement of Financial Position	8
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COOKSON FORBES & ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Te Arawa Lakes Trust

Report on the Trust Group Financial Statements

We have audited the financial statements of the Te Arawa Lakes Trust Group for the year ended 30 June 2015 on pages 5 to 17. The group financial statements comprise the following entities:

Te Arawa Lakes Trust – Parent Entity

Te Arawa Management Ltd – Wholly owned Subsidiary Entity

and include the statement of financial position as at 30 June 2015 and the statements of financial performance, movements in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The trustees are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

COOKSON FORBES & ASSOCIATES

CHARTERED ACCOUNTANTS

Independence

We have complied with the independence requirements of the New Zealand Institute of Chartered Accountants in conducting the Audit. We have no other relationship with or interest in Te Arawa Lakes Trust nor Te Arawa Management Ltd who make up the Group.

Opinion

In our opinion the group financial statements of Te Arawa Lakes Trust on pages 5 to 17:

- Comply with generally accepted accounting practice in New Zealand;
- Give a true and fair view of the financial position of the trust as at 30 June 2015 and of its financial performance for the year ended on that date.
- Have been audited in accordance with the Trust Deed.



Chartered Accountants
96 Waioweka Road,
OPOTIKI

9th November 2015

Te Arawa Lakes Trust

Group Directory

As at 30 June 2015

Trustees

Te Kawatapuarangi	Noble Curtis (Chairman) - Elected 26 January 2007 William Emery - Elected 26 January 2007 Taria Tahana - Elected 11 February 2013
Tuhourangi	Huru Maika - Elected 11 February 2013 Tipene Marr - Elected 26 January 2007 Lana Ngawhika - Elected 11 February 2013
Te Ure O Uenukukopako	Terry Tapsell - Elected 26 January 2007 Kingi Biddle - Elected 10 December 2009 Colin Bennett - Elected 6 December 2013

Address 1194 Haupapa Street
Rotorua

Accountants GHA
Chartered Accountants
P O Box 1712
Rotorua

Bankers Westpac
P O Box 1341
Rotorua

Solicitors East Brewster Limited
P O Box 1742
Rotorua

Kahui Legal
P O Box 1654
Wellington

Auditors Cookson Forbes & Associates
Chartered Accountants
P O Box 541
Opotiki

Charities Services Registration CC 43131

Te Arawa Lakes Trust Group Directory As at 30 June 2015

Te Arawa Management Ltd

Company Number	1862236
Directors	Richard Jones (Chairman) Claire McGowan Hemi Rolleston Tanira Kingi Taria Tahana - Resigned 1 April 2015
Registered Office	1194 Haupapa Street Rotorua
Charities Services Registration	CC 43132
Bankers	Westpac Cnr Hinemoa & Tutanekai Streets Rotorua Bank of New Zealand 1176 Amohau Street Rotorua ASB Bank Cnr Pukuatua & Tutanekai Streets Rotorua
Date of Formation	2 October 2006
Shareholders	Noble Curtis & Watu Mihinui Jointly in Trust 24,554,233 Shares As nominees by way of deed of appointment dated 14 February 2008 on behalf of Te Arawa Lakes Trust
Shares	24,554,233 Ordinary Shares

Te Arawa Lakes Trust
Statement of Financial Performance
For the Year Ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
Revenue				
Rentals	310,424	361,182	(15,246)	716
Farm - Milk Solids Income	850,622	1,305,006	-	-
Dividends Received	127,039	147,717	720,000	720,000
Grants Received	163,061	73,857	163,061	73,857
Interest Received	291,829	243,941	32,924	23,928
Koha	25,210	14,988	25,210	14,988
Ministry for Social Development	36,000	18,999	36,000	18,999
Other Project Related Income	120,121	7,925	120,121	7,925
Overseas Investment Income	26,477	20,602	-	-
Training Revenue	312,197	165,843	312,197	165,843
Te Puni Kokiri Funding	10,072	48,833	10,072	48,833
Sundry Income	50,726	62,894	27,765	44,639
	2,323,778	2,471,786	1,432,104	1,119,727
Less Expenses				
Accountancy Fees	59,477	54,997	19,354	19,297
Administration Expenses	25,280	26,467	22,330	23,469
Audit Fees	9,971	10,933	7,511	7,609
Communication Expenses	35,587	42,548	35,587	42,548
Consultancy Fees	160,355	75,579	58,956	13,348
Farm Expenses	348,330	373,100	-	-
Governance Expenses	186,483	200,190	80,905	88,933
Lease Expenses	14,456	13,923	14,456	13,923
Legal Expenses	5,668	8,052	100	3,747
Meeting Expenses	28,445	15,367	26,213	14,488
Orchard Expenses	36,949	41,198	-	-
Other Expenses	145,389	114,262	111,515	64,504
Personnel Expenses	523,237	580,210	523,237	529,210
Property Expenses	43,281	37,423	6,653	6,495
Project Related Expenses	108,696	79,954	108,696	79,954
Register/Beneficiaries	61,374	64,623	61,374	64,623
Rent and Rates	109,061	89,185	47,484	36,972
Repairs and Maintenance	134,363	107,277	2,574	2,611
Research Expenses	171,085	75,307	171,085	75,307
Secretarial Fees	21,975	17,200	-	-
Depreciation	49,525	49,986	17,152	16,272
	2,278,987	2,077,779	1,315,182	1,103,308
Net Operating Surplus/(Deficit)	\$ 44,791	\$ 394,007	\$ 116,922	\$ 16,419

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

Te Arawa Lakes Trust
Statement of Financial Performance
For the Year Ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
Impairments & Other Movements				
Property, land and buildings	296,968	(123,833)	296,968	(123,833)
Discretionary Distributions	(2,000)	(8,038)	(2,000)	(8,038)
Shares	-	-	525,411	561,076
	294,968	(131,871)	820,379	429,205
Net (Deficit)/Surplus	\$ 339,759	\$ 262,136	\$ 937,301	\$ 445,624

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

Te Arawa Lakes Trust
Statement of Movements in Trustees' Equity
For the Year Ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
Equity at Start of Year	27,825,305	27,379,681	27,825,305	27,379,681
Net (Deficit)/Surplus	339,759	262,136	937,301	445,624
Total Recognised Revenues & Expenses	339,759	262,136	937,301	445,624
Movement in Revaluation Reserves	599,035	183,488	-	-
Total Movements in Equity for year	938,795	\$445,624	937,301	445,624
Equity at End of Year	\$ 28,764,100	\$ 27,825,305	\$ 28,762,605	\$ 27,825,305



NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

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Audit

Te Arawa Lakes Trust
Statement of Financial Position
As at 30 June 2015

	Group 2015	2014	Parent 2015	2014
Current Assets				
Bank (Note 12)	420,854	679,014	320,439	372,868
Cash in hand	71	152	71	72
Accounts Receivable	171,963	233,744	36,749	31,820
Goods & Services Tax Receivable	40,214	-	7,494	-
Total Current Assets	633,102	912,910	364,753	404,760
Non Current Assets (Note 13)	18,516,244	17,998,622	8,126,497	7,801,600
Investments				
Craigs Investment Partners	2,718,574	2,279,346	-	-
TAML - Shares (Note 9)	-	-	19,876,389	19,350,978
Term Deposits ASB	-	-	-	-
Term Deposits BNZ	587,076	453,411	587,076	453,411
Term Deposits Westpac	5,030,000	4,638,341	-	-
Shares - Fonterra	1,527,758	1,774,490	-	-
Shares - Balance	10,922	10,935	-	-
Kiwifruit Licences	95,570	106,189	-	-
Radio Licence	1	1	-	-
Total Investments	9,969,901	9,262,714	20,463,465	19,804,389
Total Assets	\$ 29,119,249	\$ 28,174,248	\$ 28,954,715	\$ 28,010,749
Current Liabilities				
Accounts Payable	179,233	162,497	67,301	52,899
Employee Entitlements	44,301	40,834	44,301	40,834
Income Received in Advance	131,615	138,947	80,509	90,581
Goods & Services Tax Payable	-	6,665	-	1,130
Total Current Liabilities	355,149	348,943	192,111	185,444
Total Liabilities	355,149	348,943	192,111	185,444
Net Assets	\$ 28,764,100	\$ 27,825,305	\$ 28,762,605	\$ 27,825,305
Represented by:				
Total Equity	\$ 28,764,100	\$ 27,825,305	\$ 28,762,605	\$ 27,825,305

	
Trustee	Trustee
Date: 9 November 2015	Date: 9 November 2015

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

Te Arawa Lakes Trust
Statement of Cashflows
For the Year Ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
Cashflow from Operating Activities				
Cash was provided from:				
Rentals	326,831	391,010	(15,246)	-
Dividends Received	127,039	147,717	720,000	720,000
Grants Received	163,061	73,857	163,061	73,857
Koha	25,210	14,988	25,210	14,988
Interest Received	268,894	244,633	30,467	11,014
Project Related Income	110,049	115	110,049	115
Ministry of Social Development	36,000	18,999	36,000	18,999
Milk Solids	917,265	1,273,259	-	-
Overseas Income	26,477	20,602	-	-
Training Funding	312,197	165,843	312,197	165,843
TPK Funding	10,072	48,833	10,072	48,833
Sundry Income	56,364	106,573	26,387	127,510
Net GST	(33,343)	35,805	(7,025)	(454)
	<u>2,346,116</u>	<u>2,542,234</u>	<u>1,411,172</u>	<u>1,180,704</u>
Cash was applied to:				
Payments To Personnel	(508,872)	(571,161)	(521,379)	(518,912)
Payments To Suppliers	(1,711,404)	(1,454,444)	(763,475)	(590,893)
Discretionary Distributions	(2,000)	(8,038)	-	-
Taxes Paid	(3,752)	(5,384)	-	-
	<u>(2,226,028)</u>	<u>(2,039,027)</u>	<u>(1,284,855)</u>	<u>(1,109,805)</u>
Net Cash Inflow/(Outflow) from Operating Activities	\$ 120,086	\$ 503,206	\$ 126,317	\$ 70,899
Cashflow from Investing Activities:				
Cash was provided from:				
Sale of Fixed Assets	514,893	-	764	28,718
Transfer from ASB Term Deposit	-	1,531,207	-	-
	<u>514,893</u>	<u>1,531,207</u>	<u>764</u>	<u>28,718</u>
Cash was applied to:				
Purchase of Fixed Assets	(135,134)	(207,622)	(45,845)	(7,432)
Purchase of Orchard Assets	(38,608)	-	-	-
Purchase of Fonterra Shares	(72,758)	-	-	-
Purchase of Balance Shares	-	(9,900)	-	-
Purchase of Te Arawa Management Ltd Shares	-	-	-	-
Transfer to Craigs Investment Partners	(121,397)	(820,720)	-	-
Transfer to BNZ Term Deposit	(133,665)	(453,411)	(133,665)	(453,411)
Transfer to Westpac Term Deposit	(391,659)	(1,238,341)	-	-
Purchase of Kiwifruit Plants	-	(105,343)	-	-
	<u>(893,220)</u>	<u>(2,835,337)</u>	<u>(179,510)</u>	<u>(460,843)</u>
Net Cash Inflow/(Outflow) from Investing Activities	\$ (378,327)	\$ (1,304,129)	\$ (178,746)	\$ (432,125)

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

Te Arawa Lakes Trust
Statement of Cashflows
For the Year Ended 30 June 2015

	Group		Parent	
	2015	2014	2015	2014
Increase/(Decrease) in Cash Held	(258,240)	(800,925)	(52,429)	(361,227)
Cash at Start of Year:	679,167	1,480,093	372,940	734,166
Cash at End of Year:	\$ 420,925	\$ 679,167	\$ 320,510	\$ 372,940
Represented by:				
TALT - Westpac - Administration Account	6,402	44,299	6,402	44,299
- Business Online Saver	248,124	233,831	248,124	233,831
- Education & Training Account	42,997	77,672	42,997	77,672
- Social Services Bank Account	16,647	16,711	16,647	16,711
- Waka Taua Trust Bank Account	6,269	355	6,269	355
- Petty Cash	71	152	71	72
TAML - Westpac Cheque Account	3,400	9,109	-	-
- Westpac Cash Management Account	94,109	164,985	-	-
- ASB Transaction Account	133	170	-	-
- BNZ Cheque Account	2,773	2,529	-	-
- CIP Call Account	-	129,353	-	-
Total Cash at End of Year	\$ 420,925	\$ 679,167	\$ 320,510	\$ 372,940

NOTE: This statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Audit Report.

CF
Audit

Te Arawa Lakes Trust

Notes to the Financial Statements

For the Year ended 30 June 2015

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Te Arawa Lakes Trust is a Trust formed by way of Trust Deed dated 22 August 2005. These Financial Statements have been prepared in accordance with the Trust deed, and generally accepted accounting practice.

The Trust has been established to receive, manage and administer the Trust Fund on behalf of the present and future members of Te Arawa in accordance with the Trust deed including, without limitation:

- the promotion amongst Te Arawa of the educational, spiritual, economic, social and cultural advancement or well-being of Te Arawa and its whanau;
- the maintenance and establishment of places of cultural or spiritual significance to Te Arawa;
- the promotion amongst Te Arawa of mental health and well-being of the aged or those suffering from mental or physical sickness or disability; and
- any other purpose that is considered by the trustees from time to time to be beneficial to Te Arawa and that is charitable according to the laws of New Zealand.

Te Arawa Lakes Trust is a qualifying entity in terms of the framework for differential reporting.

The trust and its subsidiary company, Te Arawa Management Limited, comprise the Te Arawa Lakes Trust Group. Both the Trust and Te Arawa Management Limited are registered as charities with the Charities Commission.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Group, with the exception that certain fixed assets have been revalued.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of performance and financial position have been applied.

Te Arawa Lakes Trust

Notes to the Financial Statements

For the Year ended 30 June 2015

(a) Basis of Consolidation

Subsidiaries are entities in which the Trust has the capacity to determine the financing and operating policies and from which it has an entitlement to significant ownership benefits. The consolidated financial statements comprise the Trust and its subsidiary company - Te Arawa Management Limited - accounted for using the purchase method of consolidation. This involves adding corresponding assets, liabilities, revenues and expenses on a line by line basis. All significant transactions between the group entities have been eliminated on consolidation. In the Trust financial statements, investments in subsidiaries are recognised at the equity value of the subsidiary.

(b) Fixed Assets - Land & Buildings

Land and buildings are measured at fair market value from market based evidence supplied by Telfer Young (Rotorua), registered valuers. The Trustees are required to revalue these investment properties on an annual basis. Gains or losses from a change in the fair value of investment properties are recognised in equity (property revaluation reserve). If the total of the property revaluation reserve is insufficient to cover a deficit, then such deficit will be recognised in the Statement of Financial Performance.

(c) Other Fixed Assets

All other assets have been valued at cost less depreciation.

(d) Property, Plant & Equipment

The entity has the following classes of Property, Plant & Equipment:

Maori Freehold Land & Buildings	0% DV
Orchard	10-13% DV
Motor Vehicles	26-30% DV
Plant & Equipment	0-80.4% DV
Office Equipment	50-60% DV

Depreciation has been calculated in accordance with rates permitted under the Income Tax Act 2007.

Land and buildings have been revalued to fair value as determined by Telfer Young (Rotorua) as at 30 June 2015 in accordance with FRS3.

(e) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

(f) Taxation

No provision for Income Tax has been made as the Group has approved Charitable Trust status for taxation purposes.

(g) Investments

Shares, Equity and Bond investments are valued at current market value. Kiwifruit Licenses are valued at cost less amortization expense and Cash term deposits are valued at cost. The radio license was obtained at no cost and is valued at \$1 for recognition purposes in the absence of a recognized basis of valuation.

Te Arawa Lakes Trust

Notes to the Financial Statements

For the Year ended 30 June 2015

(h) Government Grants

Government grants are shown as income when the conditions in relation to the grants have been met. Government Grants received for which conditions have not been met are shown as liabilities as at 30 June 2015.

(i) Receivables

All receivables have been valued at their estimated realisable values.

(j) Going Concern

These financial statements have been prepared on the basis that the trust is a going concern.

3. AUDIT

These financial statements have been audited in accordance with clause 10.2 of the Trust Deed. Please refer to the attached Auditor's report.

4. CONTINGENT ASSET - MAORI FREEHOLD LAND

A contingent land asset with an estimated fair market value of \$6,828,922 exists.

A revaluation of the land was conducted by Telfer Young (Rotorua), registered valuers, on 30 June 2015. This includes the land lease properties located at Maketu and Little Waihi.

The land has not been recognised in these financial statements as an asset because ownership remains subject to a determination from the Maori Land Court which is still pending.

Subject to the decision from the Maori Land Court the land will be settled in Te Arawa Lakes Trust.

5. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2014:\$0).

6. RELATED PARTIES

There were no related party transactions during the year under review.

7. SECURITIES AND GUARANTEES

The Westpac Bank - Administration Account balance as at 30 June 2015 was \$6,402. (2014: \$44,299). There is currently no overdraft facility in place.

Registered security is noted on the Personal Property Security Register at the Companies Office with the following businesses:

Custom Fleet NZ

Leasing Solutions Ltd

PGG Wrightson Ltd

Sharp Corporation of NZ Ltd

Te Arawa Lakes Trust
Notes to the Financial Statements
For the Year ended 30 June 2015

Collateral is listed with the above businesses as follows:

Samsung OS7100 PABX and all Accessories

2014 Hyundai Ix35 2WD

Konica Minolta C220 Bizhub Colour Printer

Sharp Copier MX4111N Identification: 25117886

All present and after acquired livestock, farm machinery and equipment, rural service related products and accessories, farm raw materials and merchandise and other goods of all kinds which are (i) purchased from PGG Wrightson Limited or any of its related companies, (ii) proceeds of such goods, or (iii) crops, trees or plant product (including once harvested) which are grown or improved by the application of any such goods, and, in each case all present and future rights in relation to such goods.

8. OPERATING LEASE COMMITMENTS

	2015 \$	2014 \$
Annual Cost		
Mitsubishi Outlander - 36 months to 31 December 2013	-	2,790
Hyundai - 36 months to 31 December 2016	4,280	4,280
Photocopier & Scanner - 48 months to July 2016	3,504	3,504
	<u>\$7,784</u>	<u>\$10,574</u>
Commitment		
Commitment 1-2 Years	5,936	19,848
Commitment 2 Years not exceeding 5 Years	-	3,502
	<u>\$5,936</u>	<u>\$23,350</u>

9. TE ARAWA MANAGEMENT LIMITED

Te Arawa Management Limited was incorporated on 2 October 2006. Te Arawa Lakes Trust is the sole shareholder in Te Arawa Management Limited.

Te Arawa Management Limited is the commercial company of the Lakes Trust and has taken over the ownership and management of all commercial and investment properties. On 13 June 2007, Te Arawa Lakes Trust trustees formally authorised the transfer of commercial properties to the company totalling \$13,974,411. The transfer was registered on 6 September 2007 and the capital of the company was subsequently increased by the transfer value and issued in full by way of a further issue of shares to the parent body Trust. An additional 1,821 shares were issued in respect of the AFFCO shares and radio licence.

The equity of Te Arawa Management Limited is \$19,877,883 as at 30 June 2015.

A current account for Te Arawa Management Limited shows any transfers to and from the Company and the net value of funds received on behalf of the Trust from the management of the Trust's rental properties.

Te Arawa Lakes Trust
Notes to the Financial Statements
For the Year ended 30 June 2015

10. TE ARAWA LAKE BEDS - HERITAGE ASSETS

The 13 lake beds listed below were transferred to the Trust ownership under the terms of their Treaty of Waitangi Settlement with the Crown. The Lake beds are considered to be heritage assets and are of significant cultural value to Te Arawa Iwi. The Trustees believe there is no practical means of valuation that would reflect their full value, therefore, they have not been valued.

Tarawera	Rotoiti	Rotorua
Tikitapu	Okataina	Okareka
Rotoehu	Rotoma	Rerewhakaaitu
Ngapouri	Rotomahana	Ngahewa
Tutaeinanga		

11. TRUSTEES' & DIRECTORS' PAYMENTS

Trustees' Payments

	Gross Fees	Travel
N Curtis	28,000	4,275
W Emery	16,000	1,020
T Marr	3,600	-
T Tapsell	3,000	1,478
J Waaka	1,800	-
K Biddle	3,000	-
H Maika	3,600	-
L Ngawhika	5,100	-
T Tahana	3,900	-
C Bennett	5,100	-
H Ngawhika	600	-
J Ransfield	1,200	-
M Savage	1,500	-
L Tamati	1,800	-
Total	\$78,800	\$6,773

2015 2014

Directors' Remuneration

TU Flavell	-	8,750
T Tahana	15,000	11,250
R Jones	26,000	21,875
C McGowan	18,500	20,000
H Rolleston	18,500	17,500
T Kingi	18,500	17,500
Total	\$96,500	\$96,875

Te Arawa Lakes Trust
Notes to the Financial Statements
For the Year ended 30 June 2015

	Group		Parent	
12. BANK	2015	2014	2015	2014
Westpac - Cheque Account	3,400	9,109	-	-
Westpac - Administration Account	6,402	44,299	6,402	44,299
Westpac - Education & Training Account	42,997	77,672	42,997	77,672
Westpac - Business Online Saver	248,124	233,831	248,124	233,831
Westpac - Social Services Bank Account	16,647	16,711	16,647	16,711
Westpac - Waka Taua Lakes Bank Account	6,269	355	6,269	355
Westpac - Cash Management Account	94,109	164,985	-	-
ASB Account	133	170	-	-
BNZ Accounts	2,773	2,529	-	-
Other Bank Accounts	-	129,353	-	-
Total Bank Accounts	\$ 420,854	\$ 679,014	\$ 320,439	\$ 372,868

13. NON CURRENT ASSETS

	Group		Parent	
	2015	2014	2015	2014
Land & Buildings (investment properties)	18,221,079	17,737,228	8,058,502	7,761,534
Office Equipment				
Cost Price	3,995	3,995	-	-
Accumulated Depreciation	3,883	3,769	-	-
Closing Book Value	113	226	-	-
Plant & Equipment				
Cost Price	60,271	231,823	54,926	226,478
Accumulated Depreciation	13,707	199,230	11,441	197,582
Closing Book Value	46,564	32,593	43,485	28,896
Motor Vehicles				
Cost Price	43,332	37,550	43,332	37,550
Accumulated Depreciation	18,822	26,380	18,822	26,380
Closing Book Value	24,510	11,170	24,510	11,170

Te Arawa Lakes Trust
Notes to the Financial Statements
For the Year ended 30 June 2015

Orchard

Cost Price	305,378	277,782	-	-
Accumulated Depreciation	81,399	60,377	-	-
Closing Book Value	223,979	217,405	-	-

Total Closing Book Value \$ 18,516,246 \$ 17,998,621 \$ 8,126,497 \$ 7,801,600

14. RECONCILIATION WITH REPORTED OPERATING SURPLUS

	Group		Parent	
	2015	2014	2015	2014
Net Operating (Deficit)/Surplus	44,791	394,007	116,922	16,419
Less Discretionary Distributions	(2,000)	(8,038)	(2,000)	(8,038)
Add/(Deduct) Non Cash Items				
Amortisation	13,103	11,799	-	-
Depreciation	36,422	37,448	17,152	16,272
Movements in Working Capital				
Increase/(Decrease) in Accounts Payable	20,204	2,291	17,868	(16,670)
Decrease/(Increase) in Accounts Receivable	70,816	(15,803)	(4,085)	7,542
(Increase)/Decrease in GST Receivable	(46,879)	36,416	(8,624)	(449)
Decrease/(Increase) in Prepayments	(9,035)	(550)	(844)	-
Increase/(Decrease) in Income in Advance	(7,332)	45,639	(10,072)	55,823
	27,774	67,993	(5,757)	46,246
Cashflows from Operating Activities (Page 9)	\$ 120,086	\$ 503,206	\$ 126,317	\$ 70,899