



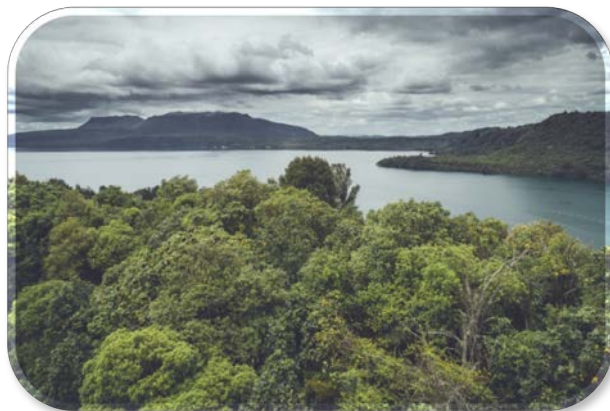
ANNUAL REPORT 2019



TE ARAWA LAKES TRUST

Karakia

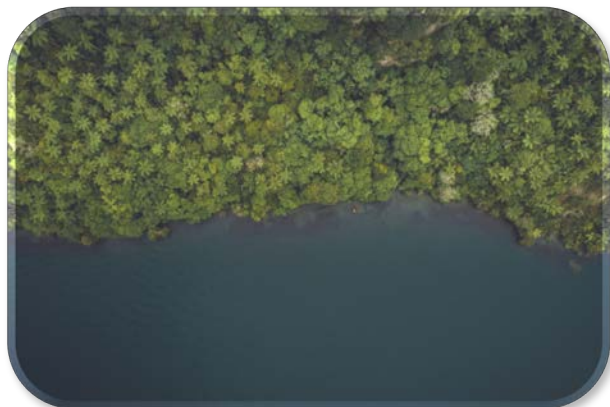
Unuhia, unuhia
 Ko te pou mua, ko te pou roto
 Ko te pou te wharaua
 He aturangi mamao
 Hekeheke iho i runga i ō ara
 Tākikiwhara te ara ō Ngātoro
 He ara whano ki te pō
 Ko te pō nui, ko te pō roa
 Ko te pō matirerau, ko te pō whaiariki
 E ko taku waka ko Te Arawa
 Ngahue i te Parata
 Eke, eke, eke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



Mihi

Te Arawa waka, Te Arawa tangata
 Mai i Maketū ki Tongariro
 Ko tātau tēnei ngā uri e mihi nei ki a tātau te hunga
 ora
 Me te tangi ki a rōtau 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 tīmatanga 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 ngā tangata katoa
 Tēnā tātau katoa



Ngā Kanohi Whakaruruhau Kai Tāwauwau

Huru Maika



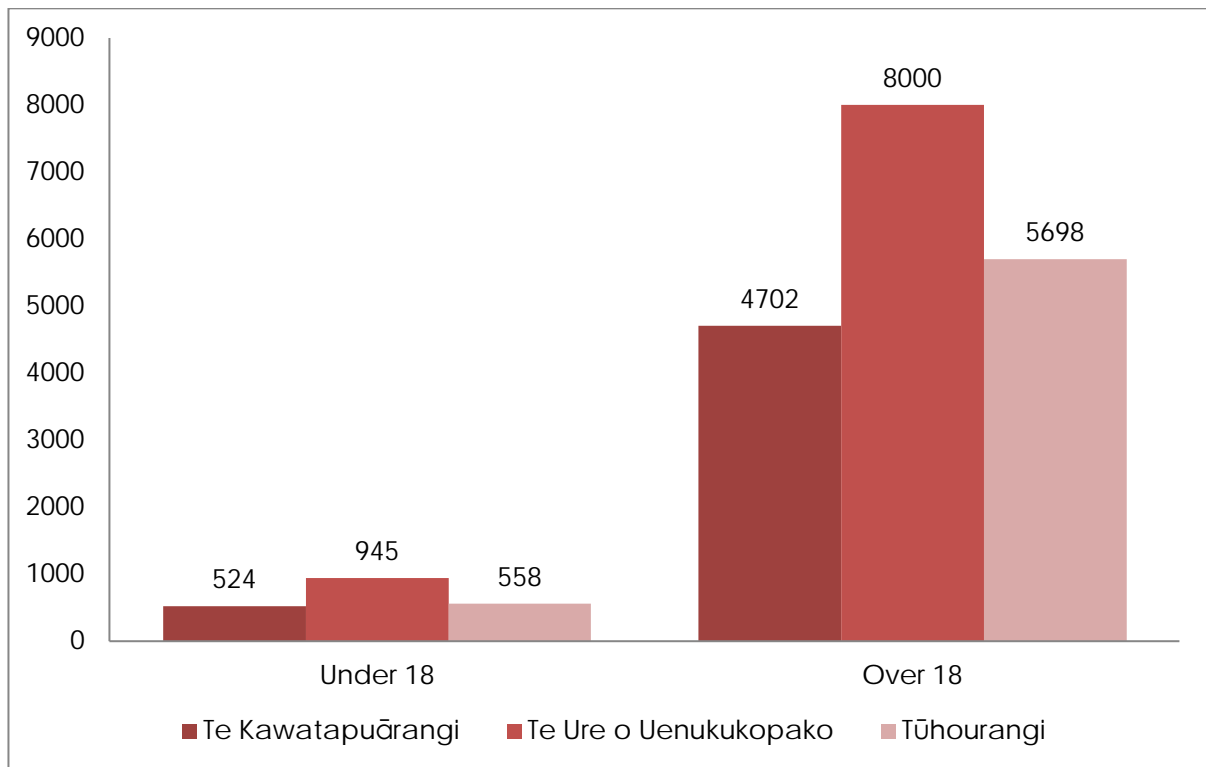
John Ransfield



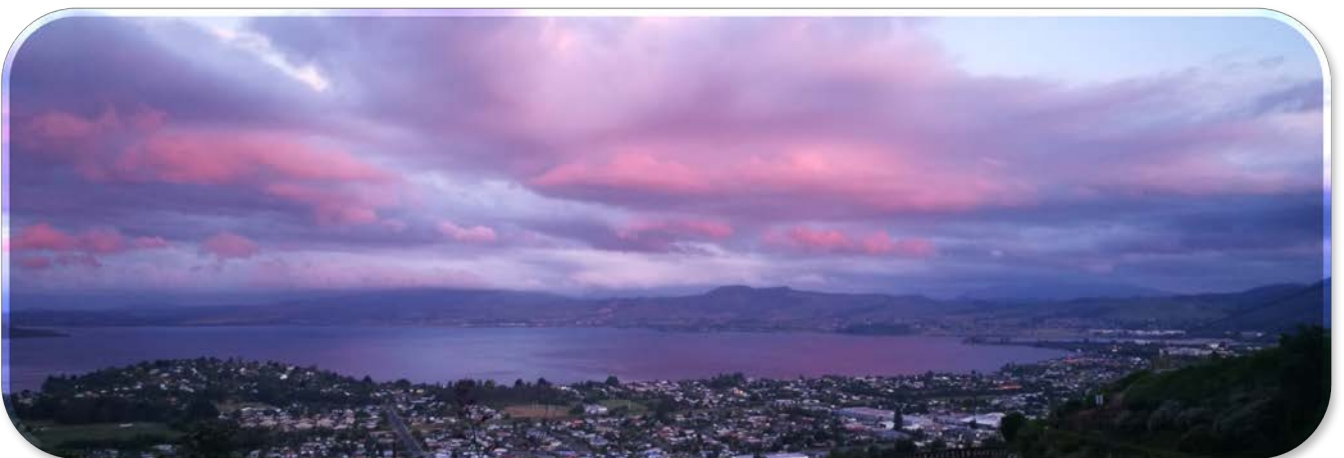
Our Vision & Strategic Intent



Te Arawa Lakes Trust Registered Tribal Members



Tupuna Rohe	Under 18	Over 18	Total
Te Kawatapuārangī	524	4702	5226
Te Ure o Uenukukōpako	945	8000	8945
Tūhourangi	558	5698	6256
TOTAL	2027	18400	20427



Contents

Karakia	1
Mihi.....	1
Ngā Kanohi Whakaruruhau Kai Tāwauwau.....	2
Our Vision & Strategic Intent	3
Te Arawa Lakes Trust Registered Tribal Members.....	4
Annual General Meeting	6
Minutes of the Previous Annual General Meeting	7
Te Arawa Lakes Trust Trustees.....	12
Te Arawa Lakes Trust Staff	15
Te Arawa Lakes Trust Meetings	17
Chairman’s Report	20
TAML Chairman’s Report.....	24
Te Kōmiti Whakahaere Chairman’s Report.....	26
Chief Executive’s Report	27
Highlights of the Trust - Matariki Koeke Celebration	30
Highlights of the Trust – Fishing Licences 2019.....	32
Financial Report	33
Audited Group Financial Statements.....	36
Environment Work Plan.....	57
Notes	59

Annual General Meeting



TE ARAWA LAKES TRUST
NOTICE OF ANNUAL GENERAL MEETING

VENUE: Pounamunui Marae, Whangamoa Drive, Okere Falls, Rotorua
DATE: Sunday 8 December 2019
TIME: 10am - 12:30pm

Agenda

1. Mihimihi
2. Karakia
3. Apologies
4. Minutes of Previous Meeting
5. Chairman's Report
6. Te Arawa Management Limited Chairman's Report
7. Te Kōmiti Whakahaere Chairman's Report
8. CEO Report
9. Financial Report
10. Resolution – Approve Appointment of Auditor
11. General Business

Dr Sir Toby Curtis
Chairman
Te Arawa Lakes Trust

Minutes of the Previous Annual General Meeting

Minutes of Te Arawa Lakes Trust Annual General Meeting
Held Sunday 9 December 2018
At Ōwhata Marae, Rotorua

TRUSTEES IN ATTENDANCE:

Tā Toby Curtis (Chairman), Raina Meha, Geoff Rolleston, Willie Emery and Zalene Douglas.

DIRECTORS IN ATTENDANCE:

Mana Newton (Chair)

STAFF AND ADVISORS IN ATTENDANCE:

Karen Vercoe (CEO), Cassandra Crowley (Commercial Manager - TAML), Laurance Tamati (Te Kōmiti Whakahaere), Jasmine Waerea, Nicki Douglas, Deliah Balle, William Anaru and Glenn Hawkins (GHA).

1. MIHIMIHI

The meeting opened at 10:25am

2. APOLOGIES

Tā Toby noted that apologies notified prior to this meeting were recorded in the Trust's apologies register and called for further apologies. Apologies received from the floor for Dr Kepa Morgan.

Resolution:
That the apologies are received and accepted.
Willie Emery / Zalene Douglas

3. MINUTES OF THE PREVIOUS TALT ANNUAL GENERAL MEETING

Tā Toby noted that the minutes of the previous AGM held on 10 December 2017 held at Apumoana Marae, Rotorua are included in the Annual Report.

Tā Toby asked that any comments regarding the minutes would be discussed in general business.

Resolution:
That the meeting minutes of the Te Arawa Lakes Trust's Annual General Meeting held on Sunday 10 December 2017, at Apumoana Marae, Rotorua, be received as a true and accurate record.
Ken Kennedy / Willie Emery

4. CHAIRMAN'S REPORT – TĀ TOBY CURTIS

Tā Toby noted that his report was taken as read and asked for questions.

Resolution:
That the Chairman's Report be received and accepted.
Tanira Kingi / Roana Bennett

The TALT & TAML video was presented.

5. TE ARAWA MANAGEMENT LIMITED REPORT – MANA NEWTON

Chairman Mana Newton acknowledged Te Arawa iwi. The video is an example of the collaboration between cultural and commercial activity.

Summary for the year

TAML successfully recruited Commercial Manager, Cassandra Crowley, which has provided the Board with resources to execute the TAML vision.

Geoff Rolleston and David Tapsell were welcomed to the board. Ngata Tapsell is the board observer and adds great value and skill as an architect. Tanira Kingi and Lana Ngawhika are the remaining two directors.

High level summary was provided:

- Diary increased by 26% driven by improved prices against a slightly lower production.
- Rental returns increased by 20% driven largely by letting of vacant properties.
- Financial assets increased by 3% and now sits at \$6.5mill.
- Commercial property remains a challenge.
- Net profit as a percentage of revenue fell due to rental property bad debts.
- Net assets increased by 4% to \$24.7mill.

TAML thanked TALT for the positive relationship and support for the growth strategy.

Mana thanked the previous trustees for their dedication and work as Directors.

Tā Toby thanks the team and introduces Cassandra Crowley the newly appointed TAML Commercial Manager.

Resolution:

That the Te Arawa Management Limited Report be received and accepted.
Ken Kennedy / Man next to Zalene in glasses

6. TE KOMITI WHAKAHAERE REPORT – LAURANCE TAMATI

Laurance confirmed the Kōmiti reports to the Minister of Primary industries. The Kōmiti is in place to develop a management plan and to draft bylaws. The bylaws have been submitted twice. At times it has been hard however it wasn't to undermine anyone but to work with hapū.

Through the submission process, one submission challenged the 'Te Arawa take only'. A letter was written to the Minister. Were hopeful that an answer would be given before Christmas.

At an operational level, Waikato University asked the Kōmiti to collect data around heavy metal found in kōkōhi.

Brown trout in Lake Rotoiti are a threat to tāonga species especially kōura.

Laurance thanked the board for their previous work. Two members have resigned; Merehira Savage and Herby Ngawhika, hence there are vacancies at present. Laurance also thanked Willie Emery and Terry Tapsell for their part of the Kōmiti.

Questions from the floor.

Ken Kennedy – As the Kōmiti has been established for 10 years and now a new Government, has there been change with a new Minister. Laurance responded that Ministers change however the technicians remain the same.

Resolution:

That the Te Kōmiti Whakahaere 2018 Report be received and accepted.
Roana Bennett / Paraone Pirika

7. CEO REPORT – KAREN VERCOE

Karen introduced the TALT team and highlighted the following;

- TALT Strategy has three focus areas;
- Our Lakes
Caring for and protecting our fourteen lakes.
- Our People
Engaging with our whānau is a priority and we want to grow our engagement through meaningful projects.
- Our Organisation
We want to be a fit for purpose organisation remembering that we will be 100years old in 2024.

Karen thanked the staff and the outgoing Board for their support.

Questions from the floor:

Tanira Kingi – Advocacy of Te Arawa values page 29.

What progress has been made? Karen replied that the Rotorua Te Arawa Lakes Strategy Group able to incorporate the Te Tūāpapa o te wai into the strategy. BOPRC and RLC must adhere to the values in the strategy. Formation of the Te Arawa Climate change, collaboration of multiple people across multiple organisations.

Relationships with CE of Regional council, RLC. Is also firmly embedded in both partners.

Resolution:
That the CEO 2018 Report be received and accepted.
Willie Emery / Tanira Kingi

8. FINANCIAL REPORT – GLENN HAWKINS

Glenn Hawkins presented the financial report for the year ended 30 June 2018 and highlighted the following:

On pages 53-54 a clear audit opinion has been issued by Cookson Forbes.

Revenue

- Up 4%
- Milk income is up
- Interest income down
- Contract income is down slightly
- Kiwifruit is down for the year
- 41% Fonterra
- 16%
- 15% kiwifruit
- Contract income

Acquisitions

Expenses

- Down 1% from last year
- Operating costs due to kiwifruit, farms and
- Admin cost down
- Service fees up
- Operating costs 37%
-

Overall \$2,280m

- Revenue up 4% overall increase \$251,000 to \$370,000
- Re-evaluation of kiwifruit
- Re-evaluation of investment portfolio
- Consistent gain in the share market

Comprehensive income up by 94% from \$467,000 to \$904,000.

Strong balance sheet, assets close to \$35m and no debt, liabilities; PAYE.

Assets are spread across several portfolios.

Resolution:
That the Te Arawa Lakes Trust Annual Financial Statements for the year ended 30 June 2018 be
received and accepted.
Raina Meha / Ken Kennedy

9. APPROVE APPOINTMENT OF AUDITOR

Resolution:
That Cookson Forbes & Associates are reappointed as Auditor for
Te Arawa Lakes Trust for the 2018/19 year.
Geoff Ngawhika / Blanche Kiriona

10. GENERAL BUSINESS

Tā Toby called for any further general business.

Tarewa Rota - Ngāti Tarawhai

Tarawhai wish to reiterate that they would like their lake returned and seek own seat on the Board.

Metcalf Hawe – Tūhourangi

Interested in the data research. Need data and go back to council. Data is crucial for council to listen.
Lake Rotokākāhi, pollution.

Piripi Mutu – Ngāti Hurunga Te Rangi

Have waited for 50 years for action, requested support to stop the pollution in the Puarenga stream.
Expressed concern there is no 'wairuatanga' around the hapū concerns.

Ngaire Hona - Ngāti Hurunga Te Rangi

Council must provide another option.

Peretini Te Whata - Mihi to TALT Board.

Chairman of Nga koeke o Ngāti Makino; that the current governance structure doesn't support hapū.
Consideration to dissolving the current structure to have a more inclusive model.

Tā Toby responds by saying that we will not dismiss the korero and revert to the legality of the deed. Tā Toby invites Makino and other iwi to meet with the board to satisfy the needs of the iwi to address the governance issues

Ngāti Makino responded that they tautoko.

Rawiri Te Kowhai – has 3 issues:

- Water at the puna of the Te Utuhina is clear however near Mataatua there are metals from surrounding businesses.
- Another issue with the river by McDonalds on Fairy Springs
- Hospital – pharmaceutical that are used. Chemicals can't break down.

Dr Ken Kennedy – supports Ngāti Māhino tono. Pick one from each of the tamariki of Nga Pu Manawa, Tapuika, Waitaha. Mai i Maketū ki Tongariro then we should include Tuwharetoa.

Renee Kiriona – Tuteniu, Rangiteaorere, Uenukukōpako tautoko Ngāti Makino tono.

Thanks to TALT for making a stand and opposing the discharge into the lake. Where to from here?

Consideration to making Te Rotorua nui a Kahumatamomoe the same rights as a person, as this is a tāonga?

Is the lake worth taking to the high court?

Commercial thanks but felt it lacks, innovation and entrepreneurship and perhaps look at the possibilities of eco-tourism.

Tā Toby, instead of making statements on Facebook revert to what our tupuna did and talk kanohe ki te kanohe. He thanks everyone for their time and the robust korero. There is a new board who bring new skills. He also thanks the outgoing board members and Willie Emery for his service over the past decades. Also, to outgoing members Lana Ngawhika, Zalene Douglas, Denise Emery, Huru Maika for their contribution.

KARAKIA WHAKAMUTUNGA

The Te Arawa Lakes Trust AGM ended at 12:48pm with a karakia by Paraone Pirika.

Te Arawa Lakes Trust Trustees

Te Kawatapuārangī Trustee



Dr Sir Toby Curtis – Dr Sir Toby has served on Te Arawa Lakes Trust since 2006 and is widely acknowledged for his innovative achievements in education.

His cumulative expertise in Māori, polytechnic and university fields was achieved through his various roles as principal, lecturer, researcher, administrator and ultimately, as a senior academic in tertiary education.

Dr Sir Toby is the inaugural Chairperson for Te Arawa Lakes Trust.

Te Kawatapuārangī Trustee



Willie Emery - Willie Emery has served on land trusts since 1983. He was elected by Ngāti Te Rangiunuora to Te Arawa Māori Trust Board in 1985 through to 2007, before being appointed to the current Te Arawa Lakes Trust.

He is a past Chairman of Te Rūnanga o Ngāti Pikiao, Te Papa Tōkaro o Te Arawa and Te Kotahitanga o Te Arawa Fisheries and has served on many other Ngāti Pikiao land trusts and incorporations. In his spare time, Willie supports local sports, his mokopuna and mokopuna tuarua and everything politically and non-politically happening in the Ngāti Pikiao, Ngāti Rongomai and Ngāti Mākinō rohe.

Willie will always put himself forward to serve all to the best of his abilities within the efforts and environment of building team spirit, with honesty and integrity.

Te Kawatapuārangī Trustee



Raina Meha - I want to help build the environmental and lakes management work the Trust is pursuing. Engaging with our people, effective leadership and relationship building are vital to this kaupapa. I love our lakes and am a competent, experienced and committed trustee.

Governance: 2002 - 2006: Tapuaēharuru Marae Committee; 2013 - 2017: New Zealand Institute of Directors; 2013 - 2016: Ngāti Pikiao Iwi Trust; 2013 - 2016: Te Pumautanga o Te Arawa Trust; 2015: Te Arawa Lakes Trust; 2015: Te Tātau o Te Arawa; 2017: Te Tāhuna Trust.

Mantra: Forget all the reasons why it won't work and believe the one reason why it will.

Tūhourangi Trustee



Nuki Nicholson - Ko Nuki Nicholson (nee Royal) tōku ingoa.

Ko Mere raua ko Bill Royal ōku mōtua.

Married to Taparoto, we are blessed with our daughter Chantal and mokopuna Reagan and Ebony.

My strengths are integrity, humility and a strong passion to contribute to the economic, environmental, educational, social, cultural growth and development of our hapū and

I have a Bachelor of Iwi and Environmental Management. In 2019, I will graduate from Waikato University with a Master of Sciences, Geography. I have over 35 years work experience and held Senior Management positions in Finance, Forestry, Education, Information and Health. I am familiar with and have a working knowledge of organisational operations, strategies, budgets and financial plans.

Currently I am Pou Arahi Taiao – Iwi and Environmental Manager for Te Arawa River Iwi Trust and a Trustee of Kapenga M Trust.

Tūhourangi Trustee



Niwa Nuri - I have extensive governance experience, having served on Trust Waikato since 2011 and currently chairman of the board, a position I have held for the past 5 years. The Trust fund for Trust Waikato is \$393 million and last year made donations to the community of \$27 million. I am on the Board of Trustees of Rototuna Primary School, one of largest primary schools in NZ with a roll of 920 students. I am also a Council member on the governing body of the Waikato Institute of Technology (Wintec) and in 2018 was appointed Deputy Chairman.

I am a Chartered Accountant and recently received a certificate in recognition of 25 years membership.

My professional governance expertise means I can offer the Lakes Trust skills and capability to enhance the well-being of all Tūhourangi uri.

Tūhourangi Trustee



Rangitihi Pene - Te Arawa Waka, Te Arawa Tangata, Te Arawa Moana tēnei ka mihi.

My background is in education but in the last five years I have been drawn onto our tribal trusts. I am a current trustee of both Te Pūmāutanga o Te Arawa and the Tūhourangi Tribal Authority. In these capacities I have attended meetings in relation to improving the water quality of Rotorua and Tarawera

I see the Lakes Trust as a leader in providing Māori input into policy at both the local and national level. Our many lakes are under threat and we must be diligent in ensuring their mauri and cultural significance are enhanced.

My interests outside my whānau are my marae, Hinemihi, of which I am chairman. My iwi, Tūhourangi, I am an active member of Te Whare Kōrero o Tūhourangi, who run tribal wānanga. I am also involved in both basketball and kapa haka.

Te Ure o Uenukukōpako Trustee



Roana Bennett - Roana Bennett holds a Bachelor of Management Studies degree from Waikato University and was a finalist in the New Zealander of the Year Award 2015 for Innovation in Iwi/Māori Education. Her professional background is in strategy and governance, and she has proven planning and analytical skills.

She has committed the past 15 years working for iwi. Her focus on lifting education and well-being outcomes for Māori is evidenced by the success of Te Taumata which has over 60 staff delivering numerous education and well-being initiatives encompassing early childhood education, alternative education, te reo, kaupapa Māori health and housing.

A lifelong advocate for Iwi development, Roana believes Iwi well-being is inextricably linked to our environment. As a leadership organisation, Te Arawa Lakes Trust has potential to transform collective well-being through environmental and policy advocacy and action.

Te Ure o Uenukukōpako Trustee



Kingi Biddle - Our lakes are our tāonga. Our lakes sustain us, protect us and are part of us as we are part of the lakes.

It is the role of the Te Arawa Lakes Trust to be the hunga tiaki of all areas of our lakes and the assets that come under the Lakes Trust.

My moemoeā is to ensure that Lakes Quality is cared for, that our connection to our lakes are strengthened, and the wairua and the hā of our lakes are kept at the forefront of our conversations as the Te Arawa Lakes Trust.

I also support the drive that the Lakes Trust is behind to have the mana o ngā wai o ngā roto moana returned to Te Arawa hands. Nō tātau te wai – Nā te wai tatau: The lakes belong to us as we belong to the lakes.

Te Ure o Uenukukōpako Trustee



Geoff Rolleston – Geoff is the Deputy Chairman and brings strong commercial and management experience to the table. Having spent most of his working career in private enterprise associated with the timber and agri-business industries, he has accumulated invaluable experience in sales, marketing, negotiation and dispute resolution. With reference to the business of Te Arawa Lakes Trust, he offers networks to help create a more vibrant and commercial existence for our iwi, over and above just being recognised as kaitiaki and administrators for our tāonga. Geoff is keen to support the current vision and strategy to drive the organisation to a whole new level in terms of its financial and operational objectives.

Te Arawa Lakes Trust Staff



Chief Executive - Karen Vercoe

Karen's experience extends across multiple sectors with a focus on capability development and outcomes frameworks. Karen has held various leadership roles and has a passion for business and governance. Karen was the recipient of the 2016 Dame Mira Százy Māori Alumni Award. Recipients are graduates of the University of Auckland Business School who have achieved significant success in their careers and are involved in activities relating to the advancement of Māori. Karen holds a Master of Management degree from the University of Auckland (2007). Karen is a former Black Fern representing New Zealand in women's rugby.



Environment Manager – Nicola (Nicki) Douglas

Nicki Douglas (Ngāti Whakaue, Ngāti Rangiwewehi, Ngāti Raukawa Ngāti Porou) has worked in the conservation and environment sector for 15 years. Nicki has held both Operations and Strategic leadership roles in DOC and is most passionate about engaging people in the care and protection of the environment. Nicki is married to Eric Short (Ngāti Porou, Cook Islands) and they have four children, Rawiri, Manahi, Hinetaapora and Pokaihau.



Executive Support Officer – Jasmine Waerea

Jasmine Waerea (Ngāti Rangiwewehi, Ngāti Whakaue, Ngāti Kearoa Ngāti Tuara, Kai Tahu, Ngāti Kahungunu) is a senior administrator experienced in administration and executive management. Jasmine is passionate about te reo and her whānau. Jasmine was a member of Te Arawa Rangatakapu - Te Arawa Emerging Leaders Programme.



Deliah Balle – Lake Structures and Consents

Deliah (Tūhourangi, Ngāti Pikiao) is focused on the statutory role of the Trust, resource consents, hapū and local government engagement. Deliah has been working in the Iwi environmental space for the past 6 years following 7 years in Auckland as a business analyst for Computershare Investor Services. Deliah's strengths are in planning, analysis and engagement.



William Anaru – Catfish Coordinator

William (Ngāti Whakaue, Tūwharetoa) spent most his earlier years in Rotorua hunting and fishing around our Lakes. He studied Marine Biology and Ecology at Victoria University and holds a Commercial Pilot Licence for Helicopters. He and his wife have two beautiful children. William is passionate about the opportunity to work with his iwi to help clean our environment.

**Cassandra Crowley – TAML Commercial Manager**

Cassandra was born and raised in Taranaki with a mix of Italian, French, Swiss & Irish heritage. Prior to joining TAML Cassandra worked with Ngāruahine for several years. A Chartered Accountant and lawyer in addition to her work with TAML she sits on several boards. Since working with TAML it is difficult to convince Cassandra there is anywhere more beautiful to be on a sunny day than in Maketū or Little Waihi.

Te Arawa Lakes Trust Meetings

1. Te Arawa Lakes Trust Board Meetings

Six board meetings were held during the period 1 July 2018 to 30 June 2019¹.

Name	Board Meeting Attendance	Trustee Fees Paid
Dr Sir Toby Curtis (Chair)	100%	\$9,379.98
Geoff Rolleston (Deputy Chair)	100%	\$9,199.98
Roana Bennett	100%	\$3,149.28
Kingi Biddle	83%	\$1,852.50
Willie Emery	66%	\$804.00
Raina Meha	83%	\$2,814.00
Nuki Nicholson	100%	\$2,573.28
Niwa Nuri	100%	\$3,105.00
Rangithi Pene	50%	\$3,105.00

2. Te Arawa Lakes Trust 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.

Audit Finance & Risk Subcommittee (AF&R) held five meetings during the year.

Audit, Finance and Risk	Board Meeting Attendance
Niwa Nuri (Chair)	80%
Geoff Rolleston (Deputy Chair)	20%
Roana Bennett	40%
Nuki Nicholson	80%

Kōmiti Taiao held five meetings during the year.

Kōmiti Taiao	Board Meeting Attendance
Raina Meha (Chair)	40%
Roana Bennett	40%
Kingi Biddle	20%
Nuki Nicholson	100%
Rangithi Pene	20%

Human Resources Subcommittee held 1 meeting during the year.

Human Resources	Board Meeting Attendance
Dr Sir Toby Curtis (Chair)	100%
Roana Bennett	100%
Nuki Nicholson	100%

¹ Recording of meeting attendances commenced from January 2019.

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

Te Kōmiti 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 tāonga species, namely kōaro, tuna, īnanga, kākāhi and kōura. During the period 1 July 2018 to 30 June 2019, one Kōmiti meeting was held.

Kōmiti Taiao	Board Meeting Attendance
Laurance Tamati (Chair)	100%
Ken Raureti (Deputy Chair)	100%
John Waaka	100%
John Ransfield	100%
Terry Tapsell	100%
Willie Emery	100%

4. Te Arawa Lakes Trust Relationships

In accordance with the Lakes Settlement, all existing relationships that the Te Arawa Māori Trust Board had also transferred to the Lakes Trust entity. There are various formal and informal relationship agreements with government and non-government departments by way of protocols, and Memorandum of Understanding. Te Arawa Lakes Trust supports iwi initiatives which benefit all 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 is acknowledged with permanent membership in the Rotorua Te Arawa Lakes Strategy Group. This recognises the traditional, cultural and spiritual relationships with the Te Arawa lakes. The membership consists of two representatives each from the Bay of Plenty Regional Council, Rotorua Lakes Council and Te Arawa Lakes Trust. Last year the Strategy Group supported Tā Toby into the role of Pou Tōkiwaiaora (Independent Chair) of the Strategy Group. This allowed TALT to ensure that it had two fully participating members at the Strategy Group meetings.

In accordance with the Lakes Settlement, the Trust's membership consists of the Tā Toby Curtis – Pou Tōkiwaiaora, Trustees Raina Meha and Nuki Nicholson.

Bledisloe Park Board

Willie Emery and Cassandra Crowley are the Trust's representatives on the board. The term for this board is three years.

Te Arawa Lakes Trust and Rotorua Lakes 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 Her Worship the Mayor, Deputy Mayor, Trust Chair, Trust Deputy Chair and Trust Chief Executive Officer.

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 \$100 (gross) additional meeting attendance fee.

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

- Rotorua Te Arawa Lakes Strategy Group
- Tarawera Sewerage Scheme Committee
- Rotorua Te Arawa Lakes Programme Steering Group
- Lakes Programme Work Stream Lead
- Lake Water Quality Society workshop
- Te Arawa Freshwater Fisheries Forum
- National Iwi Chairs Forum
- Waiairiki Institute of Technology
- Lake Rotorua Recreation Forum
- Aquatic Pest Coordination Group
- Te Rōpu Manukura (University of Waikato)
- Lakes Structures Forum
- Lakes Community Board
- Protocols with DOC, MPI and MfE
- Water Quality Technical Advisory Group (BOPRC)
- Te Urunga o Kea – Te Arawa Climate Change Working Group
- Te Kōmiro o Utuhina

Chairman's Report



He Mihi

Te Arawa Waka, Te Arawa Tangata, Ngā Ihi, Ngā Tapu, Ngā Wehi, Ngā Mana. Koutou katoa e tiaki, e mau nei i ngā tāonga tuku iho; kua waiho, ma tōua, ma tōtau katoa, hai manaaki, hai hōpai, hai whakamōhio hoki wā tōtau tamariki, wā tōtau mokopuna me wā tōtau whakatupuranga kai te whai ake. Kia kakama ra, kia pakari.

Rātau kua wheturangihia, me kī, te hunga wairua ki te hunga wairua. A kāti, kia kaha koutou ki a koutou, kia kaha koutou ki a tōtau. Otira, i te mea kua mene mai tōtau i runga te karanga o tēnei hui-a-tau, kia kaha ra tōtau ki a tōtau.

Na reira,

Tēnā koutou, tēnā koutou, tēnā tōtau katoa

I present my Chairman's report for the financial year 1 July 2018 to 30 June 2019.

I am extremely pleased with our progress this year which continues to build upon strengthening our foundations to grow and develop. Although considerable work remains, we are starting to see the fruits of our labour.

Trustees and Staff

Over the past 12 months I have been impressed by the skill and acumen our new Trustees have brought to our board table particularly their high-level strategic focus and leadership. The Trustees have taken on their roles and responsibilities with interest and we are starting to see momentum across all areas of our operations.

Surprisingly, although I am familiar with our Trustees, who are well known within their respective hapū, a large proportion of our Trustees also possess academic qualifications, executive leadership and business experience which most of our Iwi are unaware of. I present a snapshot of the Trustees skills to highlight the mix of expertise available within our organisation;

- Kingi Biddle – Chairman of Te Kōmiti Nui o Ngāti Whakaue, well known TV and Radio personality and world ranked Toast Masters International speaker.
- Roana Bennett – Experienced Chief Executive and Governor. Bachelor of Management Studies (University of Waikato)
- Willie Emery – Current Deputy Chair of Te Arawa Fisheries, experienced business ownership, experienced trustee of numerous trusts.
- Raina Meha – Master of Philosophy (University of Waikato) and Doctoral Candidate (University of Victoria)
- Nuki Nicholson – Master of Science, Geography (University of Waikato) and Doctoral Candidate (University of Waikato)
- Niwa Nuri – Chartered Accountant Fellow, Bachelor of Management Studies (University of Waikato)
- Rangitihia Pene – Author, Bachelor of Arts, Postgraduate Diploma in Māori Development
- Geoff Rolleston – Numerous Board roles, successful business ownership and commercial experience.

Our staff equally hold impressive qualifications across the gambit of our business;

- William Anaru – Bachelor of Marine Biology, Ecology and Biodiversity (Victoria University) and Helicopter Pilot
- Annie Balle – Business analyst, delivered the first share trading platform for Computershare
- Deliah Balle – Diploma in Business, Commercial Development
- Cassandra Crowley – Chartered Accountant Fellow, Barrister and Solicitor of the High Court of NZ, Bachelor of Laws, Bachelor of Commerce and Administration (Victoria University), Graduate Diploma in Professional Accounting.
- Nicki Douglas – Enrolled in Master of Māori and Indigenous Leadership (Canterbury University)
- Karen Vercoe – Master of Management (University of Auckland)
- Jasmine Waera – Proficient in Te Reo and Tikanga. Strong iwi and hapū relationships and understanding of Te Arawa whakapapa. Kapa haka exponent.

Strategy

At our first Board meeting in January this year we refined our three strategic priorities.

1. Protecting the Taiao – protecting our wai, our tōonga species and the Taiao.
2. Strategic Leadership – providing strategic leadership and advocating for our people.
3. Supporting Success – supporting and celebrating our people's success.

Although not quite a year since we refined our strategy, we are starting to see some great results.

Te Arawa Management Ltd

The Iwi and the Trust are blessed with a Business Management Team that is second to none. The Chair Mana Newton, the Commercial Manager, Casandra Crowley and their Management Board, are exceptionally alert and very conscious of the role they endeavour to exert in the complex arena of business politics and economic development.

The recent purchase of Maketū Pies is in a way, an unprecedented foray, into the world of a highly successful business operation, falling into receivership and a good guy on a white horse coming to the rescue! The involvement is much greater than the purchase of a business opportunity.

As an Iwi, Te Arawa and the Trust, were provided not only with a business pathway, but also a purpose to return to their Hawaiki roots. Taiporutu Mitchell, the founding Chair of the Te Arawa Māori Trust Board, set the philosophical scene for Te Arawa Iwi to uphold and nurture. In keeping with the cultural practice associated with the landing of the Waka at the Maketū estuary, and the tuōhu that was later established there, the Trust was culturally bound to assist the Te Arawa families involved in this business venture. Hopefully, the operation can now progress successfully deep into the future.

Acknowledgements

On your behalf I would like to pay a tribute to our CEO, Karen Vercoe and her team for the wonderful and professional way they have gone about their business on our and your behalf. Both the Rotorua Lakes Council and Bay of Plenty Regional Council are more aware and appreciative of Karen's clarity and firmness in maintaining the Trust's legal obligations. Such a stand has at times been challenging and difficult. On several occasions, the roles have had to switch. The Trust now occupies the driver's position. The Councils, on the other hand are very helpful in their supportive role.

Climate Change

Nicki Douglas is doing such a fine job in raising Te Arawa awareness and active commitment to the caring of our lakes, land and water bodies, she is in constant demand; at times she is keenly sought after, by the Ministry. We are very lucky to have her lead us in this important area of concern.

Catfish

Wiremu Anaru, is another member of the team who has been tasked with an important role, to prevent the growth and spread of catfish in our lakes and waterways. Wiremu also reports to the Bay of Plenty Regional Council who provides him with a vehicle to assist him with his multi-task responsibilities.

Office Administration

The Trust is fortunate to have Jasmine Waerea, as our Office Administrator. She is committed, at ensuring that we all respond positively and fulfil our obligations. Many appointments have resulted in several long-term outcomes, that have required involvement with other people at national level.

Working with Ministry Officials and National Iwi Chairs Forum has been help-full and useful in protecting what is rightfully ours.

Deliah Balle and Lana Kereopa are both stalwarts at ensuring that the irksome and sometimes unwanted details are attended to.

On behalf of Te Arawa and the Trust, I convey our sincere thanks for all their wonderful work throughout the year.

Te Wai Māori O Te Arawa

I am firmly of the view, that we must have a definitive stance, regarding our fourteen lakes and all freshwater bodies in our tribal rohe. In order to advance a unified position, we need to define several areas that might be deemed as non-negotiable. Such possibilities may include:

- Everyone has the right to access freshwater to live.
- Te Arawa owns all the freshwater in its rohe
- Te Arawa ownership does not exclude non-Te Arawa participating as an official member within its management structure/s
- Councils must involve Iwi re allocation of water
- Te Arawa must formulate a position regarding the bottling and selling of freshwater.

Te Arawa Lakes Trust Representation Model

Over the past few years we have had requests from individual iwi, hapū that they desire their own representatives on our Board.

I am pleased to advise that from 2020 onward we will be conducting a full consultation process to gather feedback about what and how our people want their views and opinions heard and represented through our governance Board. We are yet to scope the consultation however our CEO will be in touch with you in the new year to commence the consultation.

Lake Ōkaro Returned

Finally, it is with great joy that I announce the return of Lake Ōkaro under your, our, ownership. In conjunction with Te Arawhiti we have recently received the title to Lake Ōkaro, and we can now truly say, we own the fourteen Te Arawa Lakes. This is a momentous occasion of us here and now and for our predecessors who fought to receive our Lakes back.

A kata. E ngā Rangatira, kua rahi pea mo tēnei wā.

A tēnā: Kia tau ki runga i a koutou katoa, ngā manaakitanga o Te Runga Rawa, mai inaianei tonu nei, tae ki te wā o te Kirihimete me te Tau Hōu.

Have a restful Merry Xmas & a Happy New Year.

Dr Sir Tāmihana (Toby) Curtis

Chairman

Te Arawa Lakes Trust

TAML Chairman's Report

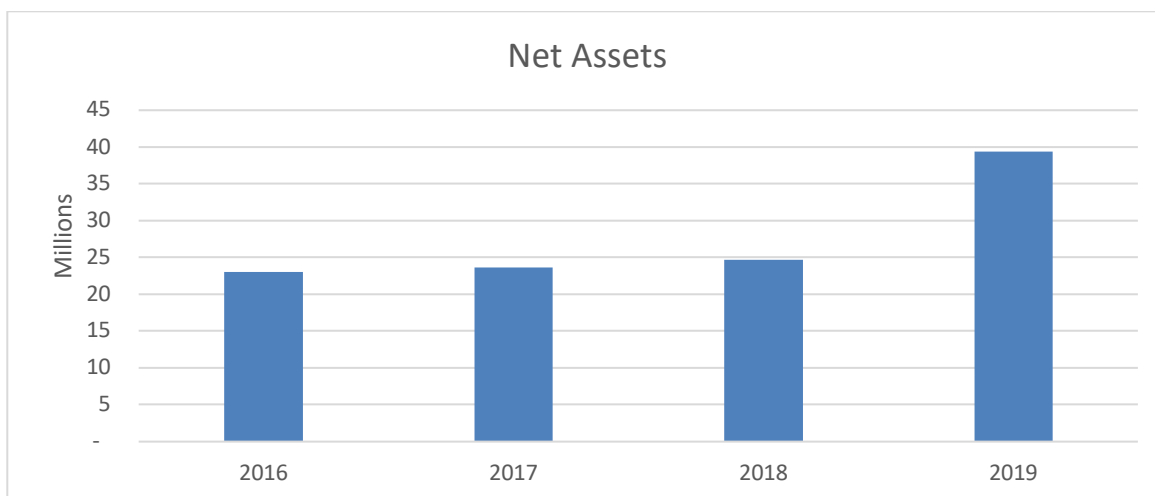
Tēnā tātau Te Arawa whānui



I am pleased to report that the 2018/19 year was another positive one for Te Arawa Management Limited.

2018/19 was a successful year for TAML being the second year of our refocused strategy – diversifying our revenue streams and working to improve the assets we have held for some time.

Overall our net assets increased by 60% to \$37M taking our total assets under management to \$70.8M. This increase is a combination of our growth strategy, asset performance and a significant portion is due to asset revaluations.



The first half of the 2018/19 year saw us purchase three new kiwifruit orchards – with a mixture of green and gold kiwifruit taking our holdings to 20ha. To buy the orchards we took on debt for the first time and in addition to repaying interest we have commenced repayment of the loans. Already within the financial year the production from the additional orchards has generated more revenue than expected and the value of the orchards themselves has risen contributing positively to the bottom line.

Our dairy returns dipped slightly on the back of lower production due to climatic conditions at Maketū and disappointing returns from Fonterra. We perceive that dairying will continue to be difficult with returns suppressed, climate change and environmental considerations – including our own hunga tiaki. During the year TAML made the decision to increase the environmental protections around our waterways on the Arawa farm and retire further lands into wetland. Alongside this we are continuing to explore alternative uses for the land in the medium term.

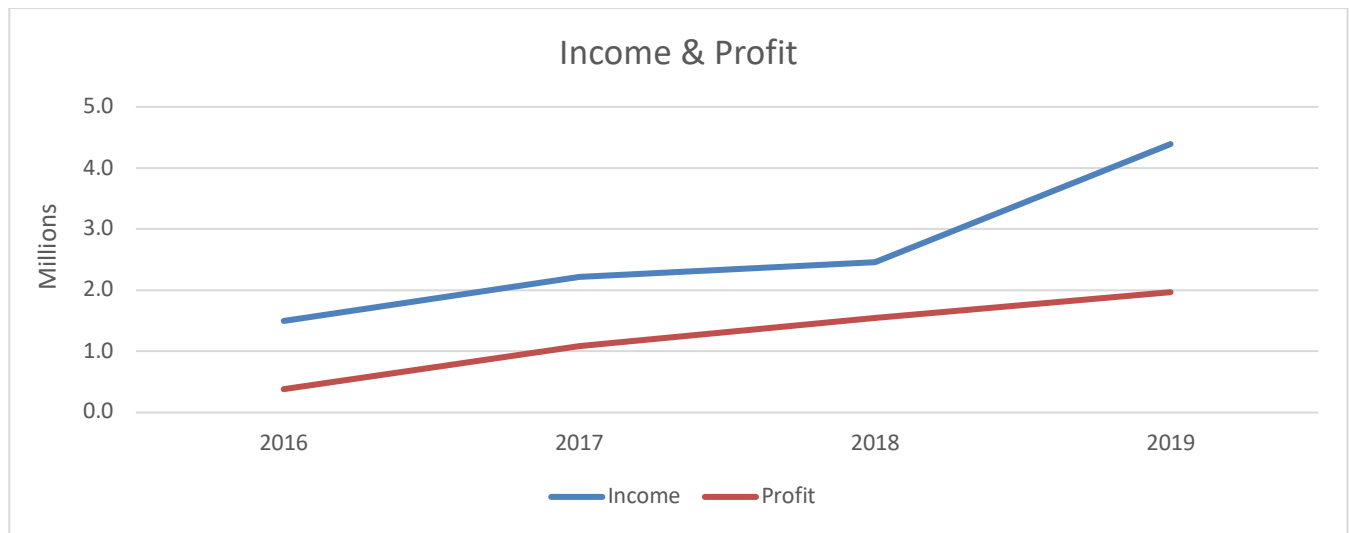
Tragedy struck our Little Waihi whānau during the year. We spent significant time and effort assisting police with their enquiries and supporting our community. Unfortunately, when tallied up, the cost to the iwi of dealing with this even was significant but ensuring everyone in the community was safe was important. The response of Little Waihi residents was to band together and we thank them for working with us and our joint commitment to continuing to improve village life.

We have spent the year considering how to best maximise our commercial property. It remains challenging but we were pleased to acquire the Third Place Café building during the year, which is adjacent to our other two sections on Lake Road.

During the year we completed a comprehensive revaluation of all our land assets. This saw a significant increase in the value of the land holdings and reverses the decrease in value that TAML experienced several years ago.

Our financial assets increased by 15% and our share portfolio now sits at \$7.5M. This growth excludes the withdrawals that have been made during the year. Markets have enjoyed an extended period of good returns, which has enabled us to use returns to help fund the TALT dividend.

After adjusting for gains in land values, net profit as a percentage of revenue has fallen relative to the prior year to around 45% of income. This does not reflect a deterioration in the underlying performance of the business but does reflect some changes in our operating model and some of the costs we had to occur within the year. We now have interest costs to pay for the loans we have taken to purchase new orchards and residential housing and invested in several projects that cleared up historical issues, had the tragedy at Little Waihi and undertook a comprehensive revaluation. The board maintains debt and cash management policies and is subject to the limits set by TALT.



We continue to partner with Perrin Ag for oversight of our farming operations, APL who manage our residential and commercial property, GHA who manage our accounting function and Craigs Investment Partners who manage our share portfolio. I would like to thank them all for their inputs and work with our Commercial Manager over the year.

We thank TALT, particularly Chair Tā Toby Curtis for the positive relationship and support they have provided for our commercial strategy. The elections process saw us farewell several TALT Trustees who we worked positively with during the last term. I must thank Lana Ngawhika for the role she played as a TAML director in addition to the role of Deputy Chair at TALT.

Lastly, I would like to reiterate my thanks to our Commercial Manager Cassandra Crowley for her dedication and mahi and to my fellow board members Tanira Kingi, David Tapsell, Geoff Rolleston and our board observer Ngata Tapsell. Like any iwi organisation we are all here for the greater good of our people, and as the commercial arm - the benefits and support we can deliver to our parent – I thank you for your time and dedication in doing that at TAML.

Ngā mihi uruhau

Mana Newton
Chairman
Te Arawa Management Limited

Te Kōmiti Whakahaere Chairman's Report



Tēnā tātau Te Arawa whānui,

It is my privilege to present the 2019 Te Kōmiti Whakahaere (Te Arawa Freshwater Fisheries Management Committee) Annual Report on behalf of the Board of Trustees.

Before I start, I'd like to acknowledge the passing of Huru Maika & John Ransfield.

Both Huru & John were true gentlemen in every sense of the word. They could always be relied upon to offer sound and practical advice when needed based on their life experiences. They will be sorely missed.

Te Kōmiti Whakahaere (the Kōmiti) was established under the Te Arawa Lakes (Fisheries) Regulations 2006 and it is responsible for the preparation and implementation of the mahire whakahaere (Fisheries Management Plan) and Bylaws. The mahire whakahaere (the mahire) aims to work towards the vision where Te Arawa tāonga fishery is healthy, plentiful, sustainably managed, and Te Arawa have undisturbed possession and access to Te Arawa tāonga fishery, mō ake tonu atu.

To achieve this vision, the mahire sets out methods to work towards the objectives of sustainable customary fisheries, information gathering, promotion of customary fishing, supporting fisheries habitats and the safe consumption of tāonga species. The Bylaws set careful restrictions on the size, quantity and methods for harvesting tāonga species and 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. Tāonga species include: kōaro, koura, tuna, kākāhi, īnanga and morihana.

Last year I reported that the Kōmiti had reached an impasse with the Ministry regarding our draft Bylaws and that we were considering other options and avenues to resolve this impasse. Essentially the Kōmiti were very clear that the mana of Te Arawa was a core principle that we wouldn't compromise, and the draft Bylaws must reflect this.

It is pleasing to report that after numerous years of toing & froing the Kōmiti finally reached agreement with the Ministry and at a meeting on the 4th November the Kōmiti resolved to accept the latest updated Bylaws and a recommendation was made to the Te Arawa Lakes Trust (TALT) board to approve the updated version and to present them to the Governor General for gazettal. In accepting the updated version, the Kōmiti were confident that the document truly reflected the mana of Te Arawa.

The TALT board subsequently approved the recommendation and the Bylaws were lodged with the Minister of Fisheries, the Hon Stewart Nash seeking his urgent gazettal of our Bylaws, which is the first step in the approvals process. At the time this report was written staff were seeking confirmation from the Ministry regarding the timeframes for approval and gazettal.

Recently there has been a spate of illegal taking of Koura from our Lakes. It is imperative that the Minister gives priority to the gazettal so that the Kōmiti has the legal authority to act.

We currently have 5 vacancies on the Kōmiti. Soon the TALT board will be holding an election to fill the vacancies. It's important that these positions are filled because once the Bylaws are gazetted, we will move into implementation and that will require a full complement of trustees at the table.

In closing, I would like to thank the TALT board, management and staff for their valued support and input into the work of the Kōmiti. Finally, I would like to thank the members of the Kōmiti, both past and present for their commitment and contribution to the development of the draft Bylaws over a 10-year period. It was a long and at times arduous journey but nonetheless a very rewarding one.

Nāku noa, nā

Laurance Tamati
Chairman
Te Kōmiti Whakahaere

Chief Executive's Report



Tēnā tātou katoa,

I am pleased to present the Chief Executives Report for July 2018 to June 2019.

The past year we have continued to focus on strengthening all areas of our operations. This report focusses on our highlights and our new way of working with Te Arawa Management Limited.

Elections – New Board

In December 2018 we welcomed our new Board of Trustees who have made an immediate impact encouraging me to focus on high level strategic opportunities to position our organisation strongly for the future. I have relished this change in strategic leadership, and I acknowledge the tremendous expertise our Trustees possess that my staff and I can call on when needed.

In May 2019 Arapeta Tahana resigned from our Board after he was successfully appointed to the role of Te Ahurei at Rotorua Lakes Council. Although Arapeta has moved on I am encouraged that we can continue to work together operationally over joint issues. We welcomed Willie Emery back who replaced Arapeta as the highest polling candidate for Te Kawatapuārangī.

Working with Te Arawa Management Ltd

Over the past year we have worked closely with Te Arawa Management Limited (TAML) to leverage our internal strengths and reorganise our collective operations within our cultural and commercial divide. Through the endorsement of both Boards, our operations have mapped out complimentary opportunities in relation to our settlement assets.

An example of this has been the Rotorua Lake Front development and the distinction between lake structures that are commercial versus those available for the general public. Taking this new approach, we have been able to identify how and when each of our operational arms need to participate and our roles in discussions and negotiations. This is the start of a group approach toward ensuring that our settlement is fully realised.

Our Core Business – Fourteen Te Arawa Lakes

Our Te Arawa Lakes remain our core business and our environment team led by Nicki Douglas have continued to produce outstanding results for our lakes and our people.

Submissions

Our team have worked hard this year hosting and facilitating several hui with our hapū to ensure Te Arawa voice and concerns are heard and considered within central and local government planning and policy.

The Bay of Plenty Regional Council Long Term Plan submission resulted in funding that has been allocated to priority projects such as our Catfish Coordinator and our various planning documents.

Our support of hapū regarding the proposed Wastewater Treatment discharge to Lake Rotorua allowed our hapū additional time to develop other solutions. This project is still in progress. This year we supported Ngāti Whakaue with the Whittaker Road Development which resulted in a hapū led Cultural Impact

Assessment. Although this local issue was somewhat peripheral to our area of responsibility it demonstrated our people's comfort to include us in issues of importance.

The zero-carbon submission was a significant piece of work which has impacts across our Taiao not only our Wai. Again, our team led this process and produced a submission that truly reflected the thoughts of our people.

Cultural Health Index, Cultural Mapping and Cultural Impact Assessment Reports

Over the past twelve months our team have produced several high-quality reports which articulate Te Arawa hapū values and describe the way in which our values must to be considered whenever activities are undertaken in, near or around our Lakes.

The reports provide a basis from which all future activity should be assessed in relation to the potential impacts on our wai, our whenua and our people.

I acknowledge our staff and contractors for their efforts to produce these outstanding documents.

Supporting Hapū

Last year we increased the number of projects where we supported our hapū. Our support varied ranging from co-promotion and facilitation through to seeking funding opportunities to resource projects of significance.

Waiora Koura Monitoring Project – Ngāti Tarāwhai

The aim of the Waiora Koura Monitoring Project was to provide a baseline assessment of Koura in Lake Okataina using the traditional tau koura method.

Led by Ngāti Tarāwhai and Dr Ian Kusabs Te Arawa Lakes Trust was able to support this project through a funding application and staffing resource. Ngāti Tarāwhai shared their project learning's at our Huihuinga Roto Moana public consultation evening and received excellent feedback and support from the general community. Ngāti Tarāwhai and Ian Kusabs were also acknowledged at the Te Arawa Awards.

Tarawera Sewerage Scheme

Over the past two years we have been supported Tūhourangi and Ngāti Rangitihī as they sought to review the proposed Tarawera Sewerage Scheme. Our input provided an opportunity for whānau to raise their concerns and develop solutions that are culturally acceptable.

Wastewater Treatment Plant

Last year we were asked by Ngāti Hurunga Te Rangi to support their efforts to halt the discharge of treated wastewater into Lake Rotorua. We did that and have continued to work with the hapū to seek alternative solutions. We are currently completing this project and hope to have a mitigation plan in place to support hapū outcomes.

Catfish Coordinator

William Anaru was employed as our Catfish Coordinator in August 2018 and has led a hugely successful engagement and volunteer programme aimed at the eradication of catfish.

William has mobilised our kohanga reo, kura kaupapa, primary, intermediate and secondary schools as well as our hapū and broader community to eradicate catfish from Lake Rotoiti and now Lake Rotorua.

Since William has come onboard, we have seen an increase in the number of catfish caught and culled with the assistance of 450 volunteers.

We are extremely proud of William and the Catfish Killas and we acknowledge the Bay of Plenty regional council for funding the Catfish role.

Te Urunga o Kea, Te Arawa Climate Change group.

Nicki's work in this space will continue to grow over the coming months and years and we are thankful that we have a staff member who is passionate about ensuring that our people and our places are protected by this coming threat. We recently supported Nicki to attend an Indigenous Climate Change conference in the United States where she gained valuable experience from our first nations whānaunga who have been working in this space for over 10 years.

Ministerial Recognition

I am extremely proud of the work that our team have produced which has in turn caught the eye of central government Ministers and senior advisors. We have been fortunate to host several ministers over the year who have shown a deep interest in our operational projects. These include; Minister Nanaia Mahuta, Minister James Shaw and Minister Eugenie Sage as well as our local MP Tamati Coffey.

Supporting Te Pukenga Koeke O Te Arawa

We were pleased this year to continue to support Te Pukenga Koeke o Te Arawa with a grant. We have committed to supporting Te Pukenga Koeke mō ake tonu and in the future hope to extend our support further.

Matariki Koeke Ball

We were again pleased to support the 10th Matariki Koeke Ball. It was a fabulous afternoon celebrating another year for our Koeke who joined us. Special mention must go to Tepora Emery and her whānau who have made this event spectacular over the past 10 years. Ka nui te mihi ki a koe Tepora.

In Closing

There are so many more good stories I could share this year however wanted to give you a snippet of the work the team and I have undertaken. There is still much for us to do, however we hope that you are proud of the work we undertook on your behalf last year.

Thank you again for the opportunity to serve our people in my role as Chief Executive.

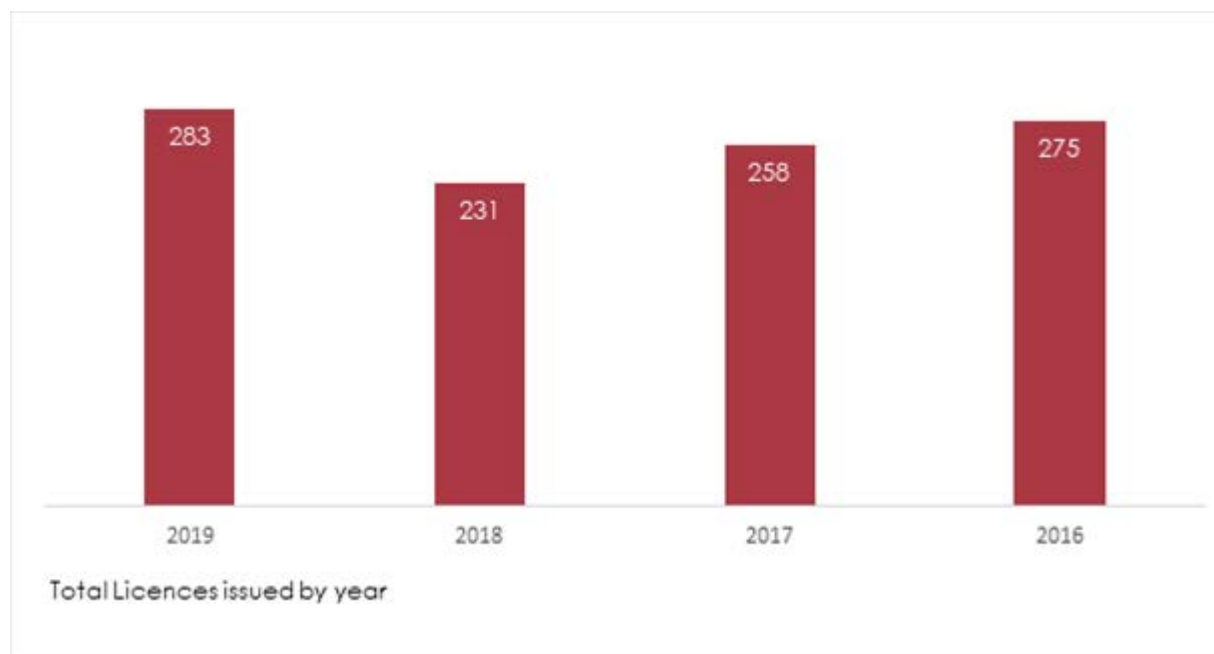
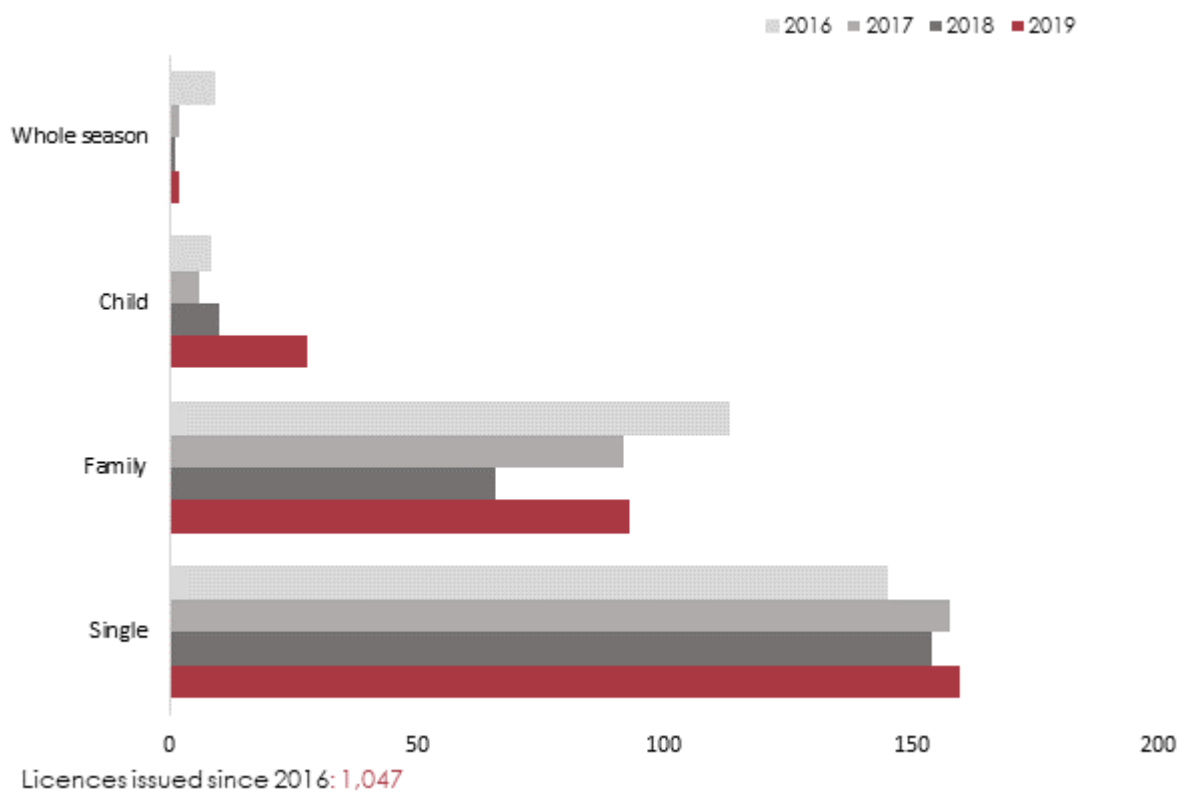
Nā,
Karen Vercoe
Chief Executive Officer

Highlights of the Trust - Matariki Koeke Celebration





Highlights of the Trust – Fishing Licences 2019



Financial Report

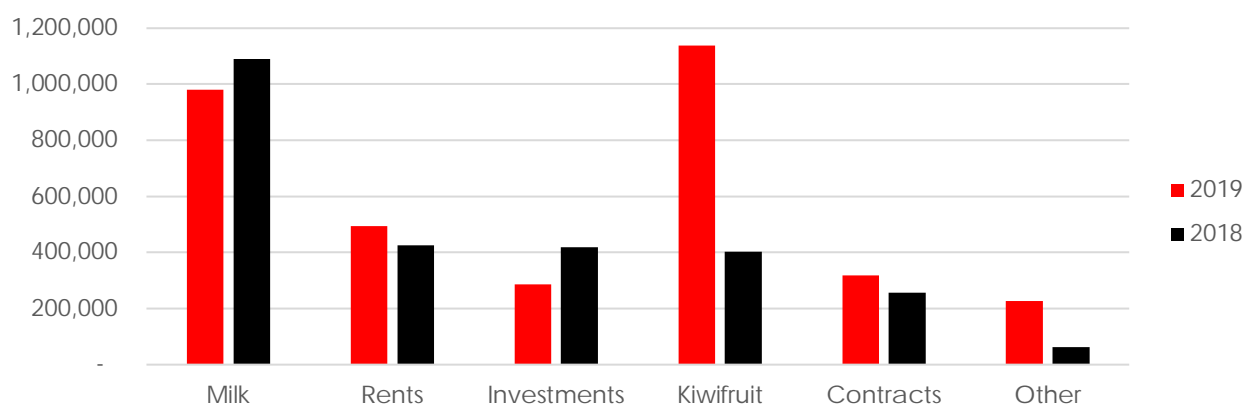
The financial statements are Group accounts and include both the Trust and its commercial company, Te Arawa Management Limited. The Trust prepares its financial statements using the Tier 2 Not-For-Profit Public Benefit Entity Accounting Standards. The financial statements are audited by Cookson Forbes & Associates and a clear audit opinion was issued on 28 November 2019.

Financial Performance

	This Year	Last Year	Change
Revenue	10,038,116	2,749,636	↑ 265%
Expenses	3,740,532	2,286,579	↑ 64%
Surplus	6,297,584	463,057	↑ 1260%
Revaluation of financial assets	315,656	440,707	↓ 28%
Revaluation of Investment Properties	18,524,697	0	↑
Total Comprehensive Income	\$25,137,937	\$903,764	↑ 2681%

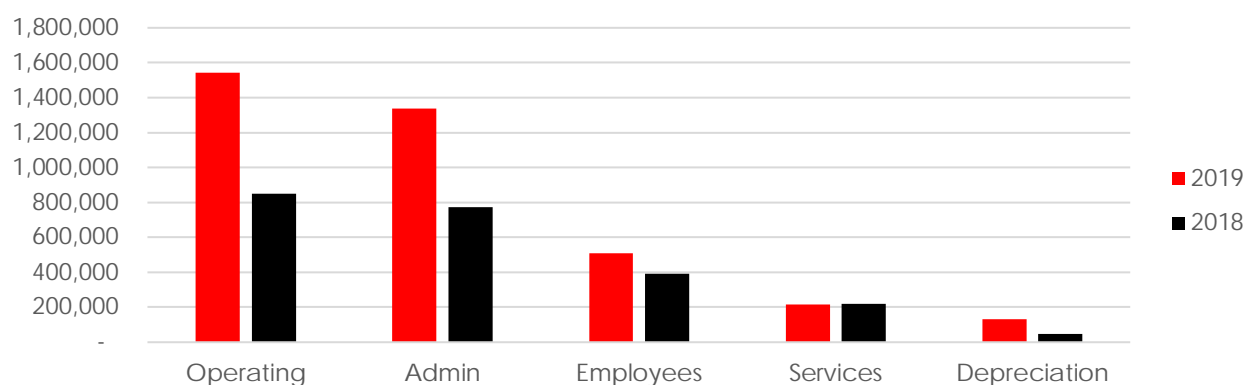
Revenue

For the year ended 30 June 2019, the Group had total revenue of \$10m. This is 265% up on last year's result of \$2.7m. While milk sales dropped by 10% and investments income by 31%, kiwifruit sales increased significantly by 183% with the acquisition of the new kiwifruit orchard in 2019. The overall breakdown of income, by source, is as follows:



Expenses

Total expenses for the year were \$3.7m. This is significant increase of 64% compared to last year. The increased expenses reflect the increase in activity across the group, particularly with the acquisition of the Kiwifruit orchards and expansion of the property portfolio. Operating expenses have increased by 81% due to Kiwifruit orchard expenses increasing by \$600,029.



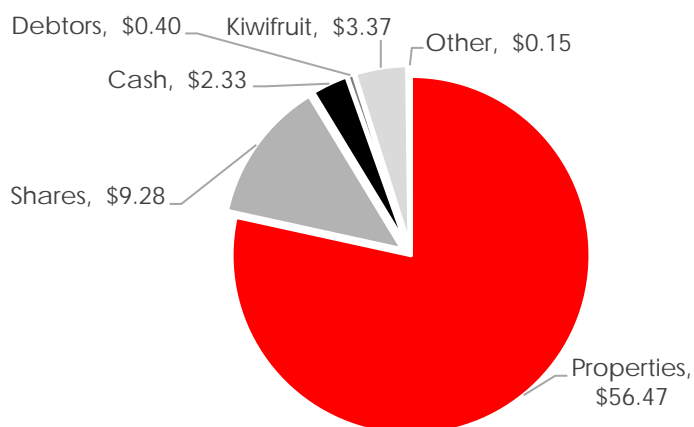
Financial Position

At the end of each year, the financial statements also reflect the current financial position of the Trust. This shows what the Trust owns, how much it owes and its overall value (including the subsidiary company).

	This Year	Last Year	Change
Total Assets	71,992,808	34,835,140	↑ 107%
Total Liabilities	14,613,080	571,555	↑ 2457%
Equity	\$57,379,727	\$34,263,587	↑ 67%

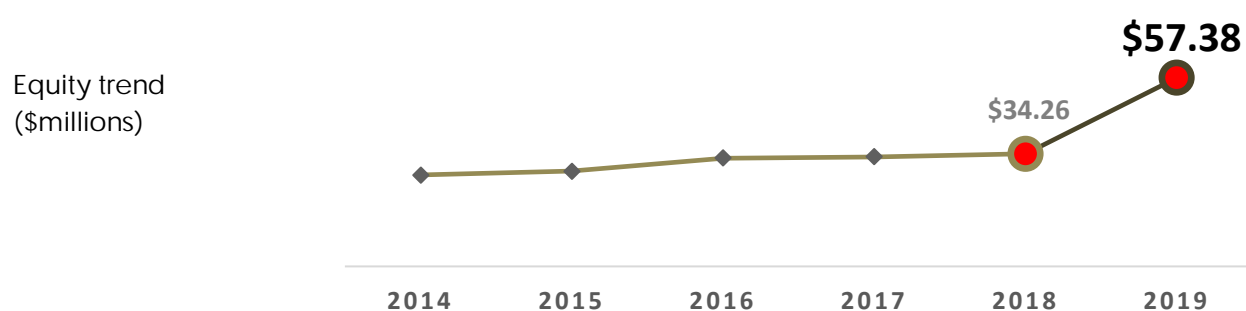
As at 30 June 2019, total assets were \$71.9m. Of this, 35% is represented by the dairy farm properties, 20% in the residential and commercial properties and 13% is tied up in investment portfolios. The value of total assets has increased by 107% over the past year. The Group's assets are represented by the following asset categories:

Asset base
(\$millions)



Total liabilities at 30 June 2019 were \$14.6m with most of the loan balance being a large facility with Westpac (\$11.7m) used to acquire the orchards and investment properties. Other liabilities include money owed to suppliers, deferred revenue and accrued leave entitlements.

The difference between total assets and total liabilities represents the equity value of the Trust which is \$57.4m. This reflects a 67% increase compared to last year.



Audited Group Financial Statements

Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

Contents

3	Directory
5	Statement of Comprehensive Revenue and Expense
6	Statement of Financial Position
7	Statement of Changes in Equity
8	Statement of Cash Flows
9	Statement of Accounting Policies
11	Notes to the Consolidated Financial Statements
20	Independent Auditor's Report

Directory

Te Arawa Lakes Trust

As at 30 June 2019

Trustees

Te Kawatapuārangi

Sir Noble Curtis (Chairman)
Raina Meha
Arapeta Tahana (resigned July 2019)
William Emery (appointed August 2019)

Tuhourangi

Nuki Nicholson
Niwa Nuri
Rangitahi Pene

Te Ure o Uenukukopako

Roana Bennett
Geoff Rolleston
Kingi Biddle

Address

1194 Haupapa Street
Rotorua

Accountants

GHA Ltd
Chartered Accountants
PO Box 1712
Rotorua

Auditors

Cookson Forbes & Associates
Chartered Accountants
PO Box 541
Opotiki

Bankers

Westpac
PO Box 1341
Rotorua

Solicitor

Morrison Kent Limited
PO Box 1742
Rotorua

Charities Services Registration

CC43131

Directory

Te Arawa Management Limited

As at 30 June 2019

Company Number	1862236
Directors	Mana Newton (Chairman) Tanira Kingi Geoff Rolleston David Tapsell
Registered Office	1194 Haupapa Street Rotorua
Charities Services Registration	CC43132
Bankers	Westpac 1228 Amohau Street Rotorua Bank of New Zealand 1176 Amohau Street Rotorua ASB Bank 1166 Amohau Street Rotorua ANZ Cnr Fenton and Hinemoa Streets Rotorua
Accountants	GHA Ltd Chartered Accountants PO Box 1712 Rotorua
Auditors	Cookson Forbes & Associates Chartered Accountants PO Box 541 Opotiki
Date of Formation	Monday, 2 October 2006
Shareholders	Te Arawa Lakes Trust Incorporated 24,554,233 shares As nominees by way of deed of appointment dated 6 April 2018 on behalf of Te Arawa Lakes Trust
Shares	24,554,233 Ordinary shares

Statement of Comprehensive Revenue and Expense

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue			
Exchange revenue	1	2,625,831	1,923,975
Non-exchange revenue	2	318,432	257,391
Investment revenue	3	286,925	418,354
Change in fair value of biological assets	12	1,305,099	92,993
Change in fair value of investment properties	14	5,286,116	-
Other revenue	4	215,712	56,922
Total Revenue		10,038,116	2,749,636
Expenses			
Administration expenses	5	953,873	771,891
Amortisation	13	89,578	12,556
Depreciation		41,350	36,046
Employee related costs	6	510,784	391,873
Interest expense		384,828	1,933
Operating expenses	8	1,544,841	851,793
Provision of services	7	215,279	220,487
Total Expenses		3,740,532	2,286,579
Net surplus/(deficit) for the year		6,297,584	463,057
Other comprehensive revenue and expense			
Change in fair value of available-for-sale financial assets	11	315,656	440,707
Change in fair value of PPE	15	18,524,697	-
Total Other comprehensive revenue and expense		18,840,353	440,707
Total comprehensive revenue and expense for the year		25,137,937	903,764

CF
Audit

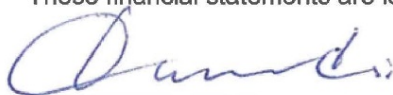
Statement of Financial Position

Te Arawa Lakes Trust Group

As at 30 June 2019

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	9	2,331,010	3,036,328
Trade and other receivables	10	402,935	447,394
Total current assets		2,733,945	3,483,723
Non-current assets			
Biological assets	12	1,665,277	360,178
Intangible assets	13	1,699,814	62,305
Investment properties	14	17,189,060	21,823,237
Other investments	11	9,276,577	8,785,058
Property, plant and equipment	15	39,276,273	320,640
Other Assets		151,863	-
Total Non-current assets		69,258,863	31,351,417
Total Assets		71,992,808	34,835,140
Liabilities			
Current liabilities			
Trade payables	16	273,372	199,576
Deferred revenue	17	458,736	281,187
Employee entitlements	18	19,832	11,570
Loans	19	13,861,140	79,221
Total Current liabilities		14,613,080	571,555
Total Liabilities		14,613,080	571,555
Net assets		57,379,727	34,263,587
Equity		57,379,727	34,263,587

These financial statements are issued for and on behalf of the Board of Trustees:



Trustee



Trustee

Date: 28 November 2019

CF
Audit

These financial statements should be read in conjunction with the notes to the financial statements and the auditor's report.

Statement of Changes in Equity

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

	Available -for- sale fair value reserve	Accumulated revenue and expense	Total net assets/equity
	\$	\$	\$
Opening balance 1 July 2018	2,439,022	31,824,565	34,263,587
Total comprehensive income for the year	18,840,353	6,297,584	25,137,937
Asset Revaluations	2,604,357	(4,626,153)	(2,021,794)
Closing balance 30 June 2019	23,883,732	33,495,996	57,379,727
Opening balance 1 July 2017	1,998,315	31,361,508	33,359,823
Total comprehensive income for the year	440,707	463,057	903,764
Closing balance 30 June 2018	2,439,022	31,824,565	34,263,587

CF
Audit

These financial statements should be read in conjunction with the notes to the financial statements and the auditor's report.

Statement of Cash Flows

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

	Note	2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from providing goods and services		3,408,009	2,093,027
Dividends received		196,127	358,692
Interest received		100,434	70,304
Net GST received/(paid)		36,633	5,164
Payments to suppliers and employees		(3,611,087)	(2,253,991)
Total Cash flows from operating activities		130,115	273,196
Cash flows from investing activities			
Sale of property, plant & equipment		660,000	370
Purchase of investments		(4,628,260)	(426,451)
Purchase of property, plant & equipment		(10,649,092)	(54,550)
Total Cash flows from investing activities		(14,617,352)	(480,631)
Cash flows from financing activities			
Repayment of loans		(79,221)	-
Proceeds from bank loans		13,861,140	-
Total Cash flows from financing activities		13,781,919	-
Net Increase/ (Decrease) in Cash and Cash Equivalents		(705,318)	(207,435)
Cash Balances			
Cash and cash equivalents at beginning of the year	9	3,036,328	3,243,763
Cash and cash equivalents at end of the year	9	2,331,010	3,036,328
Net change in cash for the year		(705,318)	(207,435)

CF
Audit

These financial statements should be read in conjunction with the notes to the financial statements and the auditor's report.

Statement of Accounting Policies

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

1 Reporting entity

The consolidated financial statements of Te Arawa Lakes Trust (the Group) for the year ended 30 June 2019 comprise Te Arawa Lakes Trust (the Parent), and its subsidiary Te Arawa Management Limited.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted. The Trust is eligible to apply Tier 2 standards as they have less than \$30 million annual expenditure and is not publicly accountable.

(b) Measurement basis

The financial statements have been prepared on the historical cost basis except for assets and liabilities that have been measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$) which is the Group's functional currency. There has been no change in the functional currency of the Group during the year. Transactions and balances reported in foreign currencies are translated to New Zealand Dollars at the rate prevailing on the date of the transaction.

(d) GST

Except for trade receivables and trade payables which are stated inclusive of GST, all amounts have been reported exclusive of GST.

(e) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

3 Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are disclosed where applicable in the relevant notes to the financial statements.

Judgements made by management in the application of the PBE Standards RDR that have significant effects on the financial statements are disclosed, where applicable, in the notes to the financial statements.

CF
Audit

Statement of Accounting Policies

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent and subsidiaries controlled by the Parent.

Control is achieved when the Parent has power over the investee and can determine the investee's operating and financing policies, such that the parent can direct the investee to assist it achieving the parent's own financial and public benefit objectives.

Consolidation of a subsidiary begins when a Parent obtains control over the subsidiary and ceases when a Parent loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent gains control until the date when a Parent ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements to bring their accounting policies into line with the Group's accounting policies.

CF
Audit

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

	2019	2018
	\$	\$
1 Exchange revenue		
Exchange revenue:		
Sales of Milk	981,462	1,090,174
Sales of Kiwifruit	1,139,095	401,836
Rental		
- Commercial	114,384	116,972
- Residential	380,712	309,443
Other exchange revenue	10,178	5,551
	2,625,831	1,923,975

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable.

20 Exchange revenue

The Group receives revenue from organisations and individuals in exchange for providing goods and/or services. Revenue is recognised as exchange revenue to the extent that the underlying services have been delivered. Where funding is received in advance of delivering goods or services and there is a requirement to return unused funding or uncertainty around the Group's ability to comply with conditions attached to the funding, the amounts received may be recognised as income in advance.

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

	2019	2018
	\$	\$
2 Non-Exchange revenue		
Non-exchange revenue	318,432	257,391
	318,432	257,391

Non-exchange revenue

The Trust receives revenue from contracts with local Government and central Government agencies in exchange for providing services to the wider community, iwi or hapu. This is classified as non-exchange revenue as the goods or services are not provided directly back to the funding source. Revenue received with no requirement to provide services in exchange for specific performance obligations is also classified as non-exchange revenue and is recognised as revenue at the fair value of the amount receivable except where there are other attached conditions which are not yet fulfilled.

CF
Audit

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

	2019	2018
	\$	\$
3 Investment revenue		
Dividends received	183,205	274,860
Interest received	90,798	59,662
Overseas income	12,921	83,831
	286,925	418,354

Interest income is recognised on the effective interest rate method on a proportion of time method.

Dividend income is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

	2019	2018
	\$	\$
4 Other revenue		
Koha received	200	220
Sundry revenue	215,512	56,702
	215,712	56,922

	2019	2018
	\$	\$
5 Administration Expenses		
Accounting fees	86,693	73,079
Administration expenses	46,724	50,081
Audit fees	14,184	13,480
Bad Debts	3,853	35,814
Consultancy fees	237,320	157,952
Communication expenses	24,307	36,803
Contracted services	1,978	46,070
Elections	47,244	-
Koha	1,304	1,000
Governance costs	201,701	176,867
Lease expenses	7,316	5,222
Legal expenses	105,984	25,996
Loss on sale of plant, property and equipment	-	356
Meeting expenses	22,888	13,002
Other expenses	109,530	79,242
Register/beneficiaries	42,848	56,927
	953,873	771,891

	2019	2018
	\$	\$
6 Employee related costs		
Wages and salaries	496,675	379,290
Kiwisaver employer contributions	12,694	5,572
Other employee expenses	1,415	7,010
	510,784	391,873

CF
Audit

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

	2019	2018
	\$	\$
7 Provision of services		
Contractor and project expenses	215,279	220,487
	215,279	220,487
	2019	2018
	\$	\$
8 Operating expenses		
Farm expenses	472,156	394,332
Kiwifruit orchard expenses	678,013	77,984
Property expenses	59,195	46,290
Rent and rates	186,604	164,745
Repairs and maintenance	148,873	168,443
	1,544,841	851,793
	2019	2018
	\$	\$
9 Cash and cash equivalents		
Cash and bank balances	1,805,388	129,354
Short term deposits	525,622	2,949,747
Bank Overdraft	-	(42,773)
	2,331,010	3,036,328

Cash and bank balances comprise cash and call accounts and other deposits held with financial institutions with maturity dates less than 3 months. Short term deposits include all cash investments with maturities between 3 and 12 months. The average interest rate prevailing on cash and cash equivalents at 30 June 2019 was 1.78% (2018: 3.89%).

At balance date the Trust had a \$100,000 unsecured bank overdraft facility with Westpac repayable on demand. Interest rate at balance date was 8.2% (2018: 8.2%).

	2019	2018
	\$	\$
10 Trade and other receivables		
Accounts receivable - exchange revenue	184,558	207,790
Accounts receivable - non-exchange revenue	43,254	85,171
Accrued interest	28,343	37,980
Provision for doubtful debts	-	(10,000)
GST receivable	36,480	57,965
Income tax receivable	61,792	49,899
Prepayments	48,509	18,589
	402,935	447,394

Trade and other receivables more than 90 days overdue are \$4,349 (2018: \$12,576). There is no doubtful debt provision (2018: \$10,000) and the Trust is not exposed to any other significant credit risks (2018: \$Nil).

CF
Audit

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

	2019	2018
	\$	\$
11 Other investments		
<i>Available-for-sale financial assets</i>		
- Equity securities (New Zealand publicly listed)	4,106,620	3,783,274
- Equity securities (Australia publicly listed)	884,809	2,743,778
- Equity Securities (International Equities)	1,973,393	-
	6,964,822	6,527,052
 Kowhai private equity	82,500	50,250
Salt long short fund	408,782	441,239
Fonterra shares	1,260,917	1,736,029
Balance Agri-Nutrients shares	32,918	30,488
Zespri Shares	463,587	-
Seeka Limited Shares	63,050	-
	9,276,577	8,785,058

Fair value measurement

The above available-for-sale financial assets are traded on an active market and revalued to fair value based on the closing share price at the end of each reporting period. During the current year, this resulted in a gain on revaluation of \$315,656 recognised in net surplus/(deficit) (2018:\$440,707).

	2019	2018
	\$	\$
12 Biological assets		
Carrying amount at the beginning of the period	360,178	267,185
Gain/(loss) arising from changes in fair value less costs to sell	1,305,099	92,993
Closing balance at the end of the period	1,665,277	360,178

Kiwifruit that has been picked are classified as biological assets and measured at fair value through net surplus/ deficit. Fair value is determined based on the estimated net market return less selling costs and costs to market.

CF
Audit

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

	2019 \$	2018 \$
13 Intangible assets		
<u>Cost</u>		
Balance at beginning of the period	126,613	126,613
Additions	1,727,088	-
Balance at the end of the period	1,853,701	126,613
<u>Accumulated amortisation and impairment</u>		
Balance at beginning of the period	64,308	51,752
Amortisation	89,578	12,556
Balance at the end of the period	153,887	64,308
<u>Net book value</u>	1,699,814	62,305

The FM radio broadcast licence has been valued at \$1. A formal process will be undertaken when an appropriate method of valuation that complies with generally accepted accounting practices has been considered and adopted by the Group.

The kiwifruit licence is amortised on a straight-line basis at a rate of 5%.

There are no intangible assets with restrictions to title, nor pledged as security, over the Group's liabilities (2018: \$Nil)

	2019 \$	2018 \$
14 Investment properties		
Balance at the beginning of the period	21,823,237	21,435,320
Additions:		
Arawa Farm House	-	387,917
35 Lakes Road	633,535	-
1 Kiokio Place	405,000	-
92 Town Point Road	754,000	-
14 Whenuariri Place	470,000	-
47 Town Point Road	485,000	-
Total Additions	2,747,535	387,917
Revaluation	5,286,116	-
Reclassification to PPE	(9,669,524)	-
Disposals	(2,996,171)	-
Depreciation	(2,134)	-
Closing balance at the end of the period	17,189,060	21,823,237

(i) Change in fair value

Investment properties are revalued at fair value with changes in fair value recognised in net surplus/(deficit). The fair value of investment properties was determined at 8 February 2019 by TelferYoung (Rotorua) Limited (TelferYoung), an independent external qualified property valuer with recent experience in the location and category of the investment properties being valued.

CF
Audit

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

15 Property, plant and equipment

	Farms & Orchards	Plant and equipment	Motor vehicles	Office equipment	Total
Cost					\$
Balance at 1 July 2018	318,088	300,978	1,230	2,592	622,888
Additions	20,282,474	35,210	-	2,223	20,319,907
Disposals	-	-	-	(1,294)	(1,294)
Revaluation	18,524,697	-	-	-	18,524,697
Balance at 30 Jun 2019	39,125,259	336,188	1,230	3,521	39,466,198
Balance at 1 July 2017	313,342	253,766	5,143	3,995	576,246
Additions	4,746	47,212	-	2,592	54,550
Disposals	-	-	(3,913)	(3,995)	(7,908)
Balance at 30 Jun 2018	318,088	300,978	1,230	2,592	622,888
Accumulated depreciation					
Balance at 1 July 2018	136,518	165,049	-	681	302,248
Depreciation expense	15,022	22,815	-	1,379	39,216
Disposals	(151,540)	-	-	-	(151,540)
Balance at 30 Jun 2019	-	187,864	-	2,060	189,924
Balance at 1 July 2017	119,275	146,941	3,557	3,967	273,740
Depreciation expense	17,243	18,108	-	695	36,046
Disposals	-	-	(3,557)	(3,981)	(7,538)
Balance at 30 Jun 2018	136,518	165,049	-	681	302,248
Carrying value					
At 30 June 2019	39,125,259	148,324	1,230	1,461	39,276,273
At 30 June 2018	181,570	135,929	1,230	1,911	320,640

Items of property, plant and equipment are recognised initially at cost and depreciated over their estimated useful lives (except for land) using the following rates:

Farms & Orchards	0-40% of Carrying Value
Plant & equipment	6-30% of Carrying Value
Motor vehicles	13-20% of Carrying Value
Office furniture & equipment	10-80.4% of Carrying Value

(i) Change in fair value

Orchards are revalued at fair value with changes in fair value recognised in other comprehensive revenue and expense. The fair value of investment properties was determined at 30 June 2019 by TelferYoung (Tauranga) Limited (TelferYoung), an independent external qualified property valuer with recent experience in the location and category of the investment properties being valued.

Farms are revalued at fair value with changes in fair value recognised in other comprehensive income. The fair value of farms was determined at 8 February 2019 by TelferYoung (Rotorua) Limited (TelferYoung), an independent external qualified property valuer with recent experience in the location and category of the investment properties being valued.

CF
Audit

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

	2019	2018
	\$	\$
16 Trade and other payables		
Accounts payable - exchange transactions	256,166	187,970
PAYE payable	17,206	11,606
	273,372	199,576
Trade and other payables are reported at their amortised cost. The Group has no other unrecognised contingent liabilities.		
	2019	2018
	\$	\$
17 Deferred revenue		
Revenue received in advance - provision of services	159,684	3,423
Rent received in advance	299,052	277,764
	458,736	281,187
	2019	2018
	\$	\$
18 Employee entitlements		
Short-term employee benefits - annual leave accrual	19,832	11,570
	19,832	11,570
	2019	2018
	\$	\$
19 Loan		
Fonterra Co-operative support loan	-	79,221
ASB Loans	2,183,640	-
Westpac Loans	11,677,500	-
	13,861,140	79,221

Summary of borrowing arrangements

Fonterra

The loan was fully repaid during the year.

ASB

At balance date, Te Arawa Management Limited had a \$2,183,640 debt facility with ASB. This facility was used to fund the purchase of residential housing.

Westpac

At balance date, Te Arawa Management Limited had a \$11,677,500 debt facility with Westpac. This facility was used to fund the purchase of residential housing and orchards.

Securities pledged by registered 1st mortgage are restricted to the assets of Te Arawa Management Ltd, specifically those assets residential housing and kiwifruit Orchard properties purchased in the current 2019 financial year.

CF
Audit

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

20 Related parties

	2019		2018	
	Revenue/ (Expense)	Receivables/ (Payables)	Revenue/ (Expense)	Receivables/ (Payables)
	\$	\$	\$	\$
<u>(a) Governance</u>				
Trustee remuneration	(82,682)	-	(72,800)	-
Number of Trustees	9		9	
Directors fees	(89,206)	-	(87,667)	-
Number of Directors	4		5	
<u>(b) Key management personnel</u>				
Salaries, wages and other employment benefits	(265,357)	(4,546)	(207,342)	(5,308)
Full Time Equivalent Personnel	2		2	

21 Related parties - continued

Related parties are entities subject to common control, or those entities and individuals (including their close family members) who are able to exert significant control or influence over the group through decision making over financial and operating policies.

Advances made to, and received from, related parties are made interest free and are repayable on demand. No amounts due from related parties are considered past due or impaired (2018: \$Nil).

Other than in their capacity as governance and key management personnel, there were no other material transactions with individuals in these groups of related parties.

22 Group entities

A listing of the Group's significant controlled entities is presented below:

	Ownership interest	
	2019	2018
	%	%
Te Arawa Management Limited	100	100

Te Arawa Management Limited has the same reporting date as the parent entity.

Investments are classified as investments in subsidiaries when the Group has the power to control the investee. This arises normally by the Group holding more than 50% of the equity interest or voting power in the investee, such that the Group can appoint the majority of the governing body members of the investee and direct its operating and financing activities. Investments in subsidiaries are recorded by the Parent at cost less any impairment losses. There are no impairment losses accumulated (2018: \$Nil).

On consolidation, all transactions between the Parent and subsidiaries, and any between subsidiaries directly, are eliminated in determining the consolidated results of the Group.

CF
Audit

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2019

23 Capital Commitments

The company purchased 250,000 Kowhai Private Equity No.1 LP shares on 1 March 2017 at \$1 per Share ("issue price"). An initial subscription of \$0.03 per Share subscribed was paid upon application. Three subsequent capital calls totalling \$22,500 were paid during 2019 year (2018: \$32,500). The company's outstanding capital commitment at balance date is \$182,500 (2018: \$205,000). There were no further capital commitments at balance date.

24 Subsequent events

There were no subsequent events that required recognition or disclosure in these financial statements.

25 Te Arawa Lake Beds

The 13 lake beds listed below were transferred to the Parent 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	Ōkatarina	Ōkareka
Rotoehu	Rotomā	Rerewhakaaitu
Ngāpouri	Rotomahana	Ngaheua
Tutaeinanga		

CF
Audit



INDEPENDENT AUDITORS REPORT

To the Trustees & Beneficiaries of Te Arawa Lakes Trust Group

Report on the Financial Statements

Parent Entity: Te Arawa Lakes Trust

Subsidiary Entity: Te Arawa Management Ltd

Opinion

We have audited the financial statements of Te Arawa Lakes Trust and the Subsidiary Entity (together referred to as 'the Group') on pages 5 to 19, which comprise the statement of financial position as at 30 June 2019, and the statement of comprehensive revenue & expenses, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (Not-For-Profit) (Tier 2 PBE).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Te Arawa Lakes Trust Group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Te Arawa Lakes Trust Group.

Use of this Independent Auditor's Report

This report is made solely to the Trustees and Beneficiaries of the Group as a body. Our audit work has been undertaken so that we might state to the Trustees & Beneficiaries those matters we are required to state to them in the independent Auditors report and for no other purpose.



Use of this Independent Auditor's Report - continued

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees and Beneficiaries as a body for our audit work, this report, or any of the opinions we have formed.

Trustees Responsibility for the Financial Statements

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of the financial statements in accordance with Tier 2 PBE (NFP), 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.

In preparing the financial statements, the Trustees are responsible on behalf of the Group for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditors Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

A large, stylized handwritten signature in blue ink, written over a horizontal line.

Chartered Accountants
96 Waioweka Road
OPOTIKI


3 December 2019

Environment Work Plan

OUTCOMES – TE MANA O TE WAI IS UPHELD AND ENHANCED Water is healthy – Healthy lakes (WAIORA) The authority (whakapapa, matauranga, values) of Te Arawa is readily recognised (WAIURUA) Te Arawa is well equipped for the journey ahead (WAIATA)		
INDICATORS – LOOK, FEEL, SOUND, TASTE, SMELL AND WAIURUA Indicators can be described to suit our different customers		
WHAT WILL WE MEASURE?	WHO IS IT FOR?	
WAIORA The Footprints of the Koura can be seen on the bed of the Lake	TE ARAWA hapū, iwi & whānau	PARTNERS BOPRC, RCL & COMMUNITY
	<ul style="list-style-type: none"> Mauri o meter Kaitiaki Flows Te Arawa Health Index More places I can gather kai More plentiful kai 	<ul style="list-style-type: none"> Water quality –TLI Nutrient Levels Algal Blooms (recreation indicator)
WAIURUA, WAIATA The wellbeing of the relationship between the water, Te Arawa, and the community	<ul style="list-style-type: none"> Te Mana Whakahono rohe – delegations to iwi and hapū Te Tūāpapa is a reference for iwi/hapū and community Funded projects with hapū for delivery and research Increases in traditional use and cultural activities on the lakes Greater investment in lakes infrastructure Increase in number of whānau benefitting from the Lakes 	
PERFORMANCE MEASURES – TRACKING OUR ACTIVITY TOWARDS THE OUTCOME		
HOW MUCH? # SCMAK kits distributed # Dollars allocated for hapū projects # reduction in structures impacting cultural values # of monitoring sites for taonga ika # of sites for swimming increased	HOW WELL? # data sets submitted % of budget spent on projects % structures impacting cultural values # of sites where there is an increase in taonga species # of actions that reflect Te Tūāpapa values	
IS ANYBODY BETTER OFF? Iwi/hapū/whānau participating in local projects Projects completed Changes to Plans and consents reflect Te Arawa input More kai on the table		



TE ARAWA LAKES TRUST

FUNCTION		STATUTORY RESPONSIBILITIES		LAKES STRATEGY ALIGNMENT (LAKES/COASTAL)		TE ARAWATANGA (ENGAGEMENT)	
YEAR 1-3							
EMBED TE TUAPAPA WITHIN THE LAKES PROGRAMME		OBJECTIVE <ul style="list-style-type: none">Council staff understand the intent and content of Te TūāpapaTe Tūāpapa is integral to the lakes structures and activities consent review processEnvironment policies and TALT position is clear and consistent; aligned with Te Tūāpapa PROJECTS <ul style="list-style-type: none">Iwi Management PlansTe Mana WhakahonoMaintain focus on BylawsEngage in significant key planning processes (RMA)	OBJECTIVE <ul style="list-style-type: none">Council staff understand the intent and content of Te Tūāpapa and what it means to their workTe Tuapapa is embedded within the Rotorua Te Arawa Lakes Programme PROJECTS <ul style="list-style-type: none">Action Plan for Te TūāpapaDevelop workshops for Council and other agency staff to understand Te TūāpapaIwi engagement forum established	OBJECTIVE <ul style="list-style-type: none">Te Arawa Iwi and hapū understand the intent and content of Te Tūāpapa, what it means to them and how they can get involved PROJECTS <ul style="list-style-type: none">Develop case studies that exemplify Te Tūāpapa in actionDevelop and implement Engagement PlanCommunications plan and story telling framework for Tūāpapa			
	RESEARCH & MONITORING	OBJECTIVE <ul style="list-style-type: none">TALT can share the unique cultural landscape around the Te Arawa LakesCommunity and hapū/whānau understand the treasures that are around our lakesSpecific cultural values are collated and mapped PROJECTS <ul style="list-style-type: none">Cultural mapping and impact assessments Research programme to implement Mahire WhakahaereMonitoring plan for Mahire Whakahaere	OBJECTIVE <ul style="list-style-type: none">Te Arawa researchers are sought after and involvedThe questions Te Arawa are asking get answered PROJECTS <ul style="list-style-type: none">Stocktake of all research questions for Te Arawa and align with programmeTe Arawa Science roles establishedDevelopment of a Te Arawa Health Index	OBJECTIVE <ul style="list-style-type: none">Tools are developed to support cultural values assessments and decision-making PROJECTS <ul style="list-style-type: none">Hapū/ iwi research projectsDevelopment of a Te Arawa Health Index			
YEAR 1-3							
CAPABILITY & CAPACITY BUILDING		OBJECTIVE <ul style="list-style-type: none">A clear and agreed programme and process is in place for the review of consents for lakes structuresWhānau and hapū are aware of their roles, responsibilities and powers in respect of the lakes PROJECTS <ul style="list-style-type: none">Te Mana WhakahonoUpdate database of technical expertsUndertake compliance training with TALT Trustees, Komiti Whakahaere, Pouturiao and staffPolicy development for Structures and fees	OBJECTIVE <ul style="list-style-type: none">Te Arawa are delivering programmes of work associated with the Lakes programme PROJECTS <ul style="list-style-type: none">Programme development and deliveryResearch and Science panel	OBJECTIVE <ul style="list-style-type: none">Te Arawa hapū and whānau are leading projects that deliver their Te Tūāpapa Values PROJECTS <ul style="list-style-type: none">Hunga tiaki forumClimate Change projects		TE ARAWA LAKES TRUST	

Notes