



TE ARAWA LAKES TRUST

ANNUAL REPORT

2020

CONTENTS

KARAKIA	1
MIHI	1
OUR VISION AND STRATEGIC INTENT	2
REGISTERED MEMBERS	3
NOTICE OF SPECIAL GENERAL MEETING	5
NOTICE OF ANNUAL GENERAL MEETING	5
MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING	6
TRUSTEES	11
ORGANISATIONAL CHART	14
MEETINGS	15
CHAIRMAN'S REPORT	19
TE ARAWA MANAGEMENT LIMITED CHAIRMAN'S REPORT	21
TE KOMITI WHAKAHAERE CHAIRMAN'S REPORT	23
CHIEF EXECUTIVE'S REPORT	25
HIGHLIGHTS OF THE TRUST	27
FINANCIAL REPORT	29
AUDITED GROUP FINANCIAL STATEMENTS	31
ENVIRONMENT WORK PLAN	53
NOTES	55

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 tāngata
Mai i Maketu ki Tongariro
Ko tātau tēnei ngā uri e mihi nei ki a tātau te hunga ora
Me te tangi ki a rātau kua wheturangitia
Tukua mai ki a piri, tukua mai ki a tata
Tihei Mauri Ora!
Heoi anō, tuatahi ko te wehi ki te Atua
Te tīmatanga ō te whakaaro nui, nō reira
He hōnore, he korōria ki a ia
He maunga rongō ki runga ki te mata o te whenua
He whakaaro pai ki ngā tāngata katoa
Tēnā tātau katoa

OUR VISION

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

OUR STRATEGIC INTENT

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

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

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

REGISTERED MEMBERS

BY AGE GROUP

TE KAWATAPUĀRANGI

UNDER 18	OVER 18	TOTAL
402	4,872	5,274

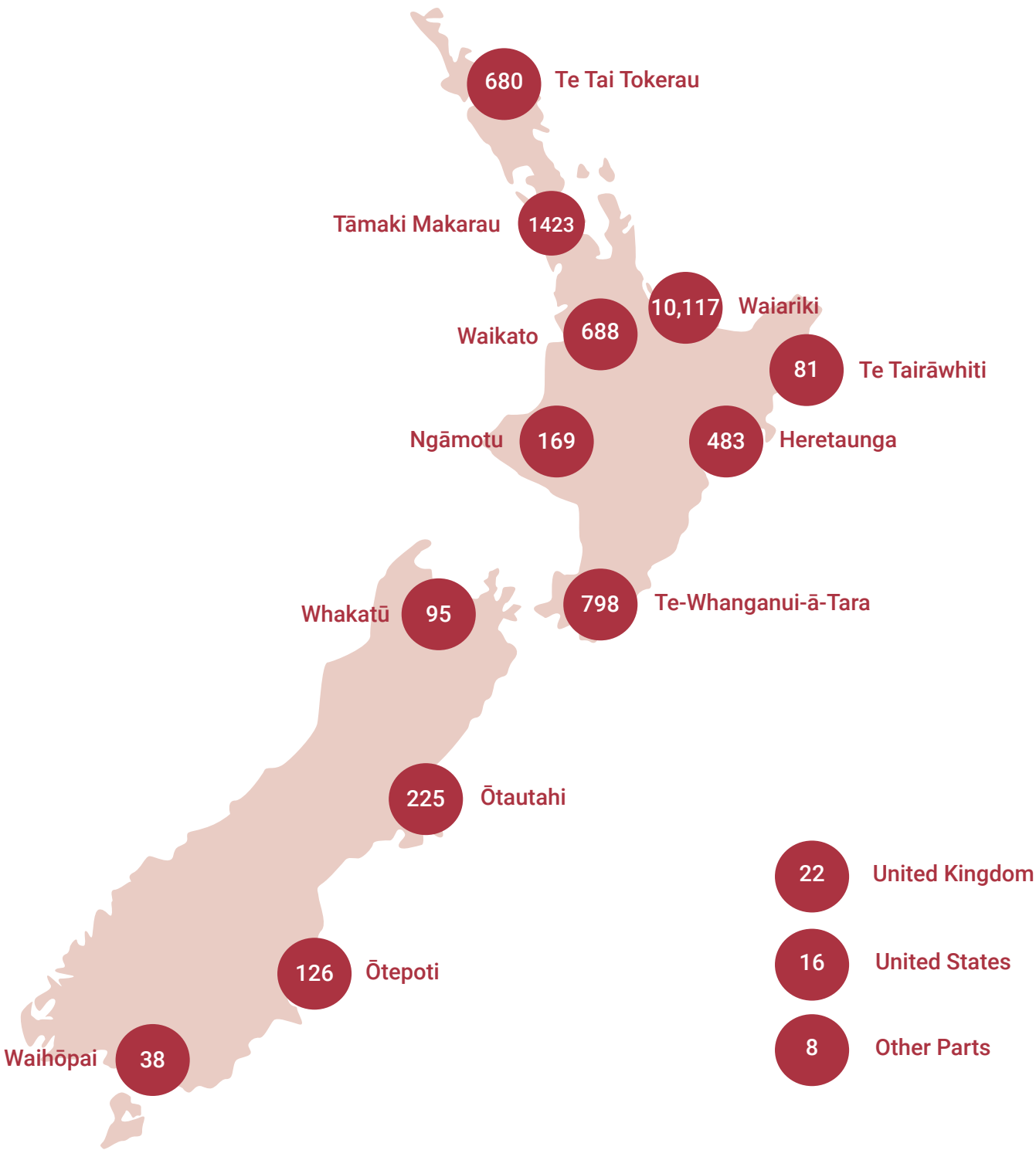
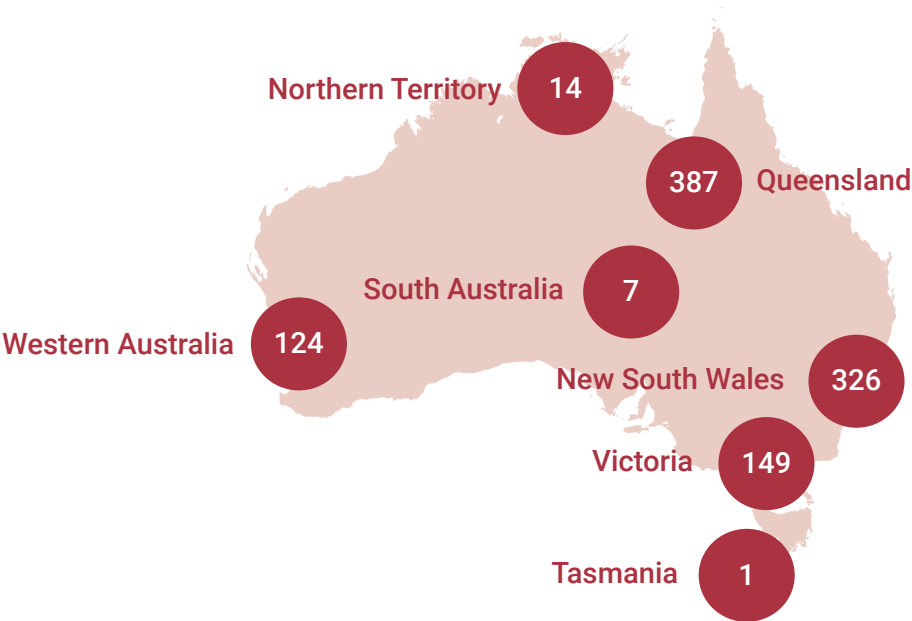
TE URE O UENUKUKŌPAKO

UNDER 18	OVER 18	TOTAL
702	8,356	9,058

TŪHOURANGI

UNDER 18	OVER 18	TOTAL
422	5,889	6,311

BY LOCATION



- 22 United Kingdom
- 16 United States
- 8 Other Parts

AUSTRALIA	GNA	TOTAL REGISTERED MEMBERS 20,643
1,008	4,666	
AOTEAROA	REST OF THE WORLD	
14,923	46	

NOTICE OF SPECIAL GENERAL MEETING

Venue: Te Pakira Marae, Hinganoa Drive, Whakarewarewa, Rotorua

Date: Sunday 6 December 2020

Time: 9.00am – 10.00am

Agenda:

1. Mihimihi
2. Karakia
3. Apologies
4. Consider Amendments to the Deed of Trust to primarily introduce electronic voting and electronic member registrations

For further information please see our website www.tearawa.iwi.nz

NOTICE OF ANNUAL GENERAL MEETING

Venue: Te Pakira Marae, Hinganoa Drive, Whakarewarewa, Rotorua

Date: Sunday 6 December 2020

Time: 10.00am - 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 Komiti Whakahaere Chairman's Report
8. CEO Report
9. Financial Report
10. Resolution – Approve Appointment of Auditor
11. General Business

Nā Tā 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 8 DECEMBER 2019 AT POUNAMUNUI MARAE, ROTORUA

TRUSTEES IN ATTENDANCE:

Tā Toby Curtis (Chairman), Kingi Biddle, Willie Emery, Geoff Rolleston. Nuki Nicholson and Rangitihia Pene arrived later.

DIRECTORS IN ATTENDANCE:

Mana Newton (Chair)

STAFF AND ADVISORS IN ATTENDANCE:

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

1. MIHIMIHI

The meeting opened at 10:06am by Ken Kennedy.

2. APOLOGIES

Resolution:

That the apologies are received and accepted.
Ken Kennedy / Isobel

Tā Toby thanked Ken and the hau kāinga for the welcome and work at Houmaitawhiti. Ken shared the story of Houmaitawhiti who farewelled our people but didn't come to Aotearoa.

3. MINUTES OF THE PREVIOUS TALT ANNUAL GENERAL MEETING

Previous minutes were read and accepted.

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.
Barnett Vercoe / Laurence Tamati

4. CHAIRMAN'S REPORT – TĀ TOBY CURTIS

Tā Toby talked about the skill base of Te Arawa and how we can bring home or tautoko these skilled whānau out around the motu. Honour and award staff/trustees/directors.

Resolution:

That the Chairman's Report be received and accepted.
Mary Stainton / Mate

5. TE ARAWA MANAGEMENT LIMITED REPORT – MANA NEWTON

It has been an exceptional year financially, but we all our work is to enable the cultural and environmental aspirations of our people through TALT. Joint TALT and TAML collaborative approach looking for solid investments socially, cultural, environmental impact.

Spoke last year about the need to grow then we need debt to grow as we need cashflow to grow.

Our business has increased in the past financial year with:

- 12ha Kiwifruit increase
- 3rd Place Café (land and building not the café business)
- Further residential houses

Spoke about the tragedy at Little Waihi and the resources placed into supporting it.

Spoke about the recent purchase of Maketu Pies and overall strategy for Te Arawa – mai Maketu ki Tongariro. Socially, culturally, spiritually, and economic Maketu is an Arawa strong hold and the purchase was about retaining the name and securing jobs in Maketu.

Thanked Glenn and directors, Tā Toby, Karen and Cassandra Crowley, Commercial Manager.

Questions from the floor: What is the plan for Maketu?

Maketu Pies is an example of the non-financial drivers went back to Taiporutu Mitchell as first chair and one of the first things he did was reserve annuity streams to purchase lands in Maketu and rationale of investing £36 into Maketu and the whatukura from Hawaiki two sacred stones.

One is buried at Maketu and the other at Kawhia. Probably at Maketu Kawhia, still protecting us as it did on our journey. Mauri approach to caring for Maketu then rest of Te Arawa will be ok. Engaging with traditional knowledge.

45 still have jobs at Maketu Pie heading into Christmas. It's the job of the commercial arm and the board to get the culture right at Maketu Pies and this will take some time.

Question from Peter:

It pains him to see the cows enjoying the view along with a sewerage treatment plant on Arawa land. Board to consider a developing a place where Te Arawa can enjoy the views and a place or complex to contemplate. Please consider structure for conferences and wānanga and have a cup of tea and Ōkurei Point.

Tā Toby – currently looking at options and talking with Tūwharetoa about how Mai Maketu ki Tongariro becomes real. A whakaaro is to have a Tauihu put on Ōkurei.

Mana – TAML is a vehicle to produce money to enable TALT to fight the battles it needs to for wai and whenua and people. Tā Toby put wero to build a whare wānanga and responded by developing horticulture up to 20ha over the next 3-5 years. This is a matter of timing may be the next generation that benefits. Can see from the last year's results that we are trying to increase our pūtea available to make this a reality more quickly. TAML to connect with Tā Toby regarding the planning.

Question from Blanche Kiriona:

Thanked the board for how far they have come in the past year. How many Maketu Pies whānau are Te Arawa. It was noted that we believe all factory staff are Te Arawa or have spouses who Arawa.

Tautoko the whare wānanga and if we will hear more of the kōrero if we have a whare wānanga and our tāngata are the most important asset, it is not all about money.

Good risks and good results. Mahi all you have it is a big job all the best for the future.

Question from Isobel Morehu:

Question around whether TAML will end up with stranded assets as land use and climate changes and have you modelled duration before climate impacts take effect?

Mana: from a commercial perspective it is almost number one. But have been working with TALT and Nicki retiring wetlands early, buildings being transportable, homes that can move.

Tanira: Modelling pathways and using experts, sharing with the Board. Climate change and rising sea levels. Residential and commercial development houses.

Lots of challenges ahead.

Question from Arapeta:

What can we do now? Can we do a whānau open day?

Resolution:

That a whānau open day be held.

Arapeta Tahana / Peter Staite

6. KOMITI WHAKAHAERE – LAURANCE TAMATI

Laurance acknowledges the passing of two tōtara John and Huru. A decade of work has been done on the bylaws and this last year the bylaws were taken to the Minister. The aim is to have these signed off by Christmas.

Spate of illegal taking of kōura from our lakes.

Five vacancies coming up with the Komiti and TALT will hold elections.

Question from Tarewa Rota:

Thanks, the Komiti for sticking with the kaupapa and mana over our taonga fisheries. Mihi to Ngāti Tarāwhai for joint with the lake with the lake. Why are there five vacancies?

Willie: Two have passed and three have resigned. Noted that illegal take has happened again in the last few weeks. Now working with MPI and Catfish Killers to stop divers. Working to get prosecutions.

Tā: Would like a report to MPI that there is a lack of prosecutions or address the issue with the Minister. Look at the honorary fisheries officers.

Peter: Opposed the settlement because we gave away settlement to the stratum and being about to control our own fisheries.

David: Yes, that is right, and it shouldn't have taken so long, but it has, but things are underway, and progress is being made and owners' rights are not being put into place. Settlement does not include a settlement of water, but it doesn't prohibit us going for it.

Peter: Thanks for the acknowledgement and the ability to move on.

Blanche: Should look at the Tūwharetoa lake example.

David: Clarification that Taupō wai is not owned.

Resolution:

That the Komiti Whakahaere report is received and accepted. Peter Staite / Tanira Kingi

7. CEO REPORT – KAREN VERCOE

Lake Ōkaro returned to TALT and a celebration will be held soon. There is a need to strengthen our operations and want to acknowledge the new Board.

Shared their qualifications, both mātauranga and te ao Pākehā and are connected at home.

Able to do a good job when supported so well.

Also went through staff and their abilities.

Acknowledged Arapeta's short time as a Trustee.

Strength of relationship working with TAML and spoke about Rotorua Lakefront development and understanding history of settlement.

Lakes at the core business and is focussed on the lakes monetising but also the back-office engine powering submissions and high-quality reports from carbon zero to CIA. Then supporting hapū to get the outcomes that they want and the last year focusing on the wastewater mitigation plan. Catfish coordinator has 450 volunteers.

Nicki's first nation whānau visit to the climate change actions.

Lots of Ministerial recognition. For us it is making sure we are the top of peoples list for opportunities and pilots.

Tepora Emery was acknowledged for the past 10years contribution to coordinating the Koeke Matariki Celebration. The TALT office will continue to run this event.

Ngāti Tarāwhai awards at Arawa awards. NZ Biosecurity Supreme and Doc awards.

Question from Tarewa:

What is the bottom line for TALT? Understand there are five hapū who are opposed. Issue with expansion and discharge to lake. Last year Board said will allow hapū to go through the process and develop a hapū lead mitigation plan and then will form the TALT position.

Peter Staite: Are you supporting those who have opposed? What about those who have supported? Where is the balance? Especially those who previously had a lot of harm done because of lake upgrade.

Karen: we support hapū to go through the process and come up with a mitigation hui and have not excluded anything or anyone. Therefore, our process starts from their mitigation plan. We listen to our hapū and work with our partner RLC.

Question from Ken Kennedy:

We are against it and the upgrade and disposal should be different issues. Then spoke about green lake and how the lakes water quality group. Mihi to William for the catfish awards. Felt that the relationship between TALT and the lakes water quality should have been a stronger relationship.

Tā: You need to put out the call and we will come and while we respect what they are doing to our water, our lakes, why are they in there. We named everything, every valley, every stream it is ours.

Arapeta: Lakes quality approached him as a trustee, but it was during leave. Thinks that they could be a good partner. Thinks we can learn from the process and how it was untidy. TALT was at the table and flipped at the last minute. Need to make sure TALT represents all.

Rangitihī: walked the failed technology in the forest.

Blanche: Process in place now is good, enlightens us as to how we can have our say. Are there different ways with a bigger area? Have offered some land.

Resolution:

That the Komiti Whakahaere report is received and accepted. Ken Kennedy / Roku Mihinui

8. FINANCIAL REPORT - GLENN HAWKINS

Glenn presented the financial report and Group consolidated reports from July 2018 to June 2019.

Auditor Fred Cookson provided a clear audit report, good governance, good financial systems, and controls.

Transformation year, this is the 11th AGM and a substantial year.

TAML's leadership and growth:

- 4 residential houses added
- 1 commercial property added
- 4 Kiwifruit added over last few years
- Revaluation has meant a big lift in asset values
- Strong comprehensive revenue
- Diversified properties and the uplift of the balance sheet carried through to the profit and loss statement
- Investment income
- Significant increases in expenses but that matches revenue
- Interest expense is in there for the first time with bank lending. Average interest rate is 4.09%

Overall trends talked about year on year and full break down in the accounts. Talked about Fonterra shares going down but that some years are down and on balance it is up.

Reclassification of some assets from TALT to TAML and then the accounting treatment. Farms up collectively by \$9million and reclassification of contingent assets.

Question from Arapeta:

What is normalised result without the revaluation gain?

Mana: Over \$1million of revaluation due to new assets. Normalised net profit of \$1.1 million. With \$72 million dollars in assets and \$14.6 million dollars in liabilities shows we have seen a 67% jump on equity.

Question from Peter Staite:

Contingent assets were returned from where?

It is the correction of a change in accounting treatment, no change in physical assets or ownership

Question from Arapeta:

How much goes back to hapū and whānau?

Karen: We are looking at how we report it, it is an issue that we are looking at.

Question from Watu Mihinui?

Would you consider a distribution policy?

Tā: This can be considered.

Resolution:
That the Komiti Whakahaere report is receive and accepted. John / Watu Mihinui

9. APPROVE APPOINTMENT OF AUDITOR

Resolution:
That Cookson Forbes & Associates are reappointed as Auditor for Te Arawa Lakes Trust for the 2019/20 year. Blanche Kiriona / Arapeta Tahana

10. GENERAL BUSINESS

Question from John:
Honour to have the Board here. Happy Birthday to Uncle you were our Uncle before you were a Tā. Mihi to him and all he has done for Te Arawa. Koeke are driving force of the waka and should look at a triangle representation model.

Question from Tarewa:
Ngāti Tarāwhai follow up from last year.
Tā: Need to have a discussion between the hapū; Rongomai and Tarāwhai.

Tarawera awa river restoration strategy group and urgent action needs to be taken on the Ngāti Rangitihi settlement.
Tarāwhai and Tūhourangi are only stakeholders not part of the group and why is TPT or TALT not part of the group affects Lake Tarawera catchment.

Question from Angela Tunui:
Endorse the comments from Tarewa, acknowledge the work on tau kōura project. Return of Lake Ōkatarina and when Te Arawa Māori Trust Board has single seat. We had mana want the mana of the seat and want the lake back. Have been working hard on our own governance and organisation capacity and focused on environmental issues. Mihi to Catfish Killas and William. Mihi to the Board for all their mahi.

Question from Isobel Morehu:
Thank you for including climate change and making Nicki available to hapū to use. This has provided us the profile and ability to stand.

Question from Ken Kennedy:
Mākinō take on board composition and the whakapapa shows us where we should sit.

Tā: we have looked at the Board composition. Remember the current board was put together before the current board come on. The old Board Te Arawa Māori Trust was the Board with influence and 19 members and 9 represented all hapū. Meeting costs were much higher due to the numbers. In addressing the concern, we have undertaken work and it needs to be a complete consultation on this and it will be a Special General Meeting to get approval for the costs.

David: Board composition was decided by the Board at the time who were Rangatira not lawyers or advisors. Lake ownership and any devolution were issues at the time.

Peter: Huge issue to miss any hapū out.

Karen: We reviewed past records from the consultation hui. A year after the signing it would be reviewed, and this occurred two years later. Despite this the Board has agreed to undertake a significant consultation of the next two years as it is not a short or easy task.

KARAKIA WHAKAMUTUNGA

Ken closed the hui at 12:47pm.

GOVERNANCE

TRUSTEES



DR SIR TOBY CURTIS TE KAWATAPUĀRANGI TRUSTEE

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.



WILLIE EMERY TE KAWATAPUĀRANGI TRUSTEE

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 Tākaro 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 Mākinoro.

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.



NUKI NICHOLSON TŪHOURANGI TRUSTEE

Ko Nuki Nicholson (nee Royal) tōku ingoa. Ko Mere rāua ko Bill Royal ōku mātua. 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 and completed my Master of Sciences (Geography) in 2020.

I have 40 years of work experience and held Senior Management positions in Tourism, Finance, Forestry, Education, Information and Health. I am familiar with and have a working knowledge of organisational operations, strategies, budgets, and financial plans.

I am Pou Ārahi Taiao – Environment & Key Relationships Manager for Te Arawa River Iwi Trust and a Trustee on Kapenga M Trust and Trustee on Te Arawa Waka Trust.



NIWA NURI TŪHOURANGI TRUSTEE

I am a Fellow Chartered Accountant and Chair the Te Arawa Lakes Trust Finance, Audit and Risk sub-committee.

I am a Director on Toi Ohomai Limited, Chairman of the Waikato Institute of Technology Limited (Wintec), Trustee on Ngāti Tarāwhai Iwi Trust, and hold a Trustee position on Rototuna Primary School (Hamilton).

My professional governance experience means I offer the Lakes Trust skills and capability to enhance the well-being of Te Arawa uri.



RANGITIHI PENE TŪHOURANGI TRUSTEE

Te Arawa Waka, Te Arawa Tāngata, 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. 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.



ROANA BENNETT TE URE O UENUKUKŌPAKO TRUSTEE

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 leadership skills.

As a lifelong advocate for Iwi development, Roana believes Iwi well-being is inextricably linked to the environment. Te Arawa Lakes Trust provides the potential to transform Iwi, hapū and whānau well-being through environmental advocacy and collective action.



KINGI BIDDLE
TE URE O UENUKUKŌPAKO
TRUSTEE

Our lakes are our taonga. 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 tātau: The lakes belong to us as we belong to the lakes.

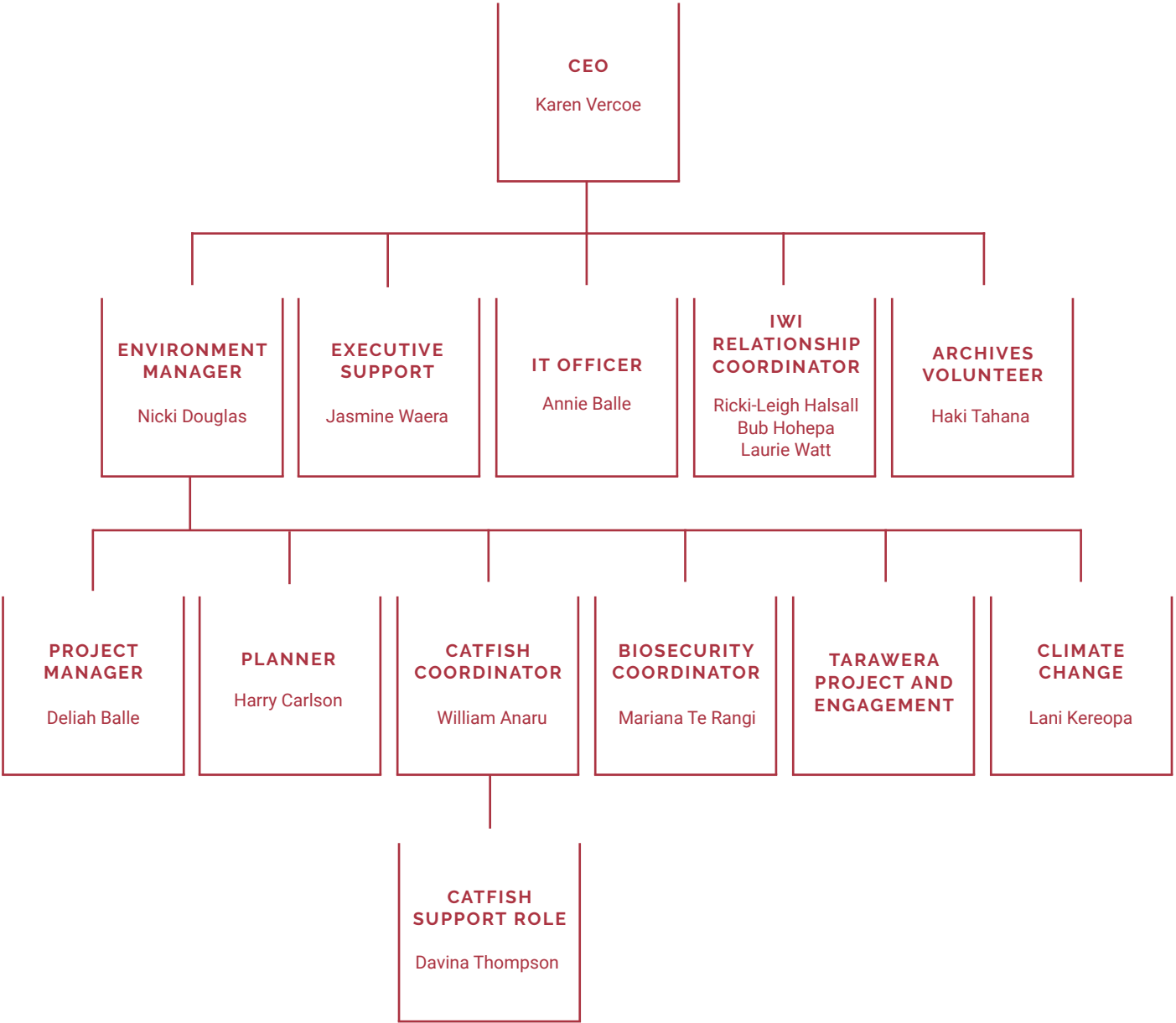


GEOFF ROLLESTON
TE URE O UENUKUKŌPAKO
TRUSTEE

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 taonga. 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.

ORGANISATIONAL CHART



MEETINGS

1. BOARD MEETINGS

Ten board meetings were held during the period 1 July 2019 to 30 June 2020.

NAME	BOARD MEETING ATTENDANCE	TRUSTEES FEES PAID
Dr Sir Toby Curtis (Chair)	90%	\$27,999
Geoff Rolleston (Deputy Chair)	90%	\$15,996
Roana Bennett	90%	\$8,000
Kingi Biddle	50%	\$7,500
Willie Emery	80%	\$6,350
Raina Meha	90%	\$8,000
Nuki Nicholson	100%	\$7,600
Niwa Nuri	100%	\$6,120
Rangitihi Pene	100%	\$7,230
Arapeta Tahana	10%	\$1,500

To note: Willie re-joined board in August 2019 after Arapeta resigned in July 2019.

2. 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 nine meetings during the year.

AUDIT, FINANCE AND RISK	BOARD MEETING ATTENDANCE
Niwa Nuri (Chair)	89%
Geoff Rolleston (Deputy Chair)	78%
Roana Bennett	56%
Nuki Nicholson	89%
Raina Meha	67%

Komiti Taiao held eight meetings during the year.

KOMITI TAIAO	BOARD MEETING ATTENDANCE
Raina Meha (Chair)	75%
Roana Bennett	50%
Kingi Biddle	50%
Nuki Nicholson	88%
Rangitihi Pene	75%
Arapeta Tahana	13%
Willie Emery	13%

To note: Willie re-joined board in August 2019 after Arapeta resigned in July 2019.

3. TE KOMITI WHAKAHAERE (TE ARAWA LAKES FISHERIES MANAGEMENT COMMITTEE)

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

During the period 1 July 2019 to 30 June 2020, four Komiti meetings were held during the year.

KOMITI WHAKAHAERE	BOARD MEETING ATTENDANCE
Laurance Tamati (Chair)	100%
Ken Raureti (Deputy Chair)	50%
John Waaka	75%
Rangitihi Pene	25%
Terry Tapsell	75%
Willie Emery	25%

4. 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 Tākiwaiora (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 Tākiwaiora, Trustees Roana Bennett and Nuki Nicholson.

BLEDISLOE PARK BOARD

Willie Emery, Geoff Rolleston 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:

- Little Waihi / Maketu Working Party
 - Freshwater Sciences Society
 - Te Arawa Freshwater Fisheries Forum
 - Regional Water Advisory Panel
 - Rotorua Te Arawa Lakes Partnership Steering Group
 - Rotorua Te Arawa Lakes Strategy Group
 - Iwi Chairs Forum
 - Toi Oho Mai Institute of Technology
 - Te Arawa Waka Taua Trust
 - Lake Rotorua Catchment Stakeholder Advisory Group
 - Lake Rotorua Recreation Forum
 - Aquatic Pest Coordination Group
- Rotoiti Rotomā Project Steering Group
 - Te Rōpu Manukura (University of Waikato)
 - Lakes Structures Forum
 - Protocols with DOC, MPI and MfE
 - Lakes Water Quality Society Symposium
 - Hunga Tiaki Wānanga
 - RMA Amendment Hui
 - National Climate Change Risk Assessment
 - Essential Freshwater Package Hui
 - Komiti Māori
 - Ngāti Rangiwehehi - Te Tari Taiao

LEADERSHIP

CHAIRMAN'S REPORT



HE MIHI

Te Arawa Waka, Te Arawa Tāngata, ngā Ihi, ngā Tapu, ngā Wehi, ngā Mana, koutou katoa e tiaki, e mau nei i ngā taonga tuku iho; kua waihō, ma tāua, ma tātau katoa, hai manaaki, hai hāpai, hai whakamōhio hoki wā tātau tamariki, wā tātau mokopuna me wā tātau 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 tātau. Otirā, i te mea kua mene mai tātau i runga te karanga o tēnei hui-a-tau, kia kaha ra tātau ki a tātau.

Nā reira, tēnā koutou, tēnā koutou, tēnā tātau katoa.

I present my Chairman's report for the financial year 1 July 2019 to 30 June 2020.

This year has been challenging and unnerving requiring organisations to respond in a humanistic way to the global pandemic COVID-19. As a tribe we have been significantly impacted with the loss of tourism, and employment for our people, many of our whānau have been affected and our people now require leadership, empathy, and aroha.

Te Arawa Lakes Trust was at the forefront of our tribal response for our people and we will continue to support as our tribe looks to recover.

COVID-19

COVID has had a major impact on the World, New Zealand and our own Te Arawa rohe. I was happy when our Board mandated our CEO to lead our Te Arawa response and equally as proud of the success the COVID Hub achieved.

Very rarely has our tribe come together and it was wonderful to witness this during COVID. The COVID Hub members were able to bring our people together in a coordinated and seamless

way for the benefit of our people. Te Arawa Lakes Trust in kind contribution to the COVID Hub was significant however we understood the gravity of the challenge and the importance to have a centralised back office to manage the Hub.

TALT BUSINESS CONTINUITY & DISASTER RECOVERY PLANNING

TALT Board has been instrumental in ensuring our organisation has been fit for purpose and able to operate during times of duress. I was pleased that during COVID our Boards business continuity and disaster recovery plan kicked into action and ensured we could continue to operate.

TALT shut down our offices on Friday 20 of March 2020 prior to the Alert Level 4 Lockdown to ensure our staff remained safe and well.

Our Board had already approved an upgrade to our computer hardware and information systems which proved critical for our staff to work remotely and maintain momentum with limited disruption.

RETURN OF LAKE ŌKARO

In February of this year we achieved a major milestone with the return of Lake Ōkaro. At the time of settlement Lake Ōkaro was vested in the care of Rotorua Lakes Council and although we tried over numerous years to get the Lake returned to us, this did not happen. We have waited 14 years for our lake to be returned to our ownership.

The leadership of our Mayor Steve Chadwick and the support of the Minister of Māori Crown Relationships, Kelvin Davis proved instrumental in the return of our Lake. This prestigious ceremony was held at Te Papaiōuru and was well supported by those hapū with mana whenua. Ngāti Tahu, Ngāti Whaoa and Tūhourangi.

SETTLEMENT RIGHTS

Our CEO has been diligent in ensuring that Te Arawa Lakes Trust receives resourcing required to fulfil our settlement obligations. We were successful in securing at least three years resourcing to allow our staff to implement our settlement obligations through direct funding from the Ministry for the Environment. This has been significant, as previously our commercial entity, Te Arawa Management Limited has had to fund our operations including our work on our Lakes. Congratulations to our CEO for this achievement.

**"I WANT TO ACKNOWLEDGE MY BOARD WHO
HAVE BEEN STEADFAST IN THEIR COMMITMENT
TO OUR LAKES AND OUR PEOPLE."**

POLITICAL INFLUENCE & RELATIONSHIPS

The quality of our work and the results we have achieved has not gone unnoticed and we have had significant engagement with various Ministers and Ministries.

We enjoyed direct relationships with Ministers which resulted in some significant achievements during the year. Our staff have also worked to build relationships at the Executive level which has afforded us direct contact with decision makers regarding our priority kaupapa.

TE ARAWA LAKES TRUST REPRESENTATION MODEL

We mentioned last year that we would research our historical Representation models and other Iwi representation models and come out to the people for feedback as to an appropriate model that ensures all of Te Arawa representation on our Board.

We had proposed to undertake this piece of work in February 2020 however COVID halted our plans. Our Board have developed some models for consideration, and we will be seeking Te Arawa feedback on the models proposed. We are aiming to commence this work in early 2021.

TE ARAWA MANAGEMENT LIMITED

Our commercial subsidiary continues to have steady growth and this year we were pleased with their decision to purchase Maketu Pies. Purchasing a business in receivership is a challenge, however the TAML Board demonstrated their commitment to our people and our rohe through buying Maketu Pies. We understand that Maketu Pies has a long way to go before it is operating where we would like it, however we applaud our commercial entity for making a value based commercial decision.

I want to acknowledge my Board who have been steadfast in their commitment to our Lakes and our people. COVID

challenged our Board to monitor our organisation remotely, whilst also supporting our CEO to undertake the Project Lead role with the COVID Hub. The speed at which my Board were required to support activity was astounding and I thank them for their support to our people.

I also want to acknowledge Raina Meha who resigned this year to pursue her PhD and other opportunities. Raina has been a staunch advocate for our Taiao and her no nonsense approach and sharp intellect will be missed by our Board.

Finally, thanks to our CEO, Karen Vercoe for her management and dedication to our organisation. We continue to achieve significant results under her leadership and direction.

IN CLOSING

A kāti. E ngā Rangatira, kua rahi pea mō tēnei wā.

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

Have a restful Christmas & a Happy New Year.

Ngā mihi uruhau nā,

Dr Sir Tamihana (Toby) Curtis
Chairman
Te Arawa Lakes Trust

TE ARAWA MANAGEMENT LIMITED CHAIRMAN'S REPORT



TĒNĀ KOUTOU KATOĀ

It is very true to say 2019/20 was a year of two halves. The first half saw us continue with the year of our refocused strategy – diversifying our revenue streams and working to improve the assets we have held for some time.

This included us purchasing an additional gold kiwifruit orchard. We also purchased the Maketu Pies business from receivership in November 2019 ensuring the brand and operations stayed within Te Arawa. Any business that ends up in receivership has significant issues in its operating model and profitability.

Not long after the purchase of Maketu Pies, in December 2019 we heard for the first time of COVID-19 and by March 2020 we experienced a nationwide lockdown. It was something none of us had ever experienced.

The efforts to diversify our asset base over the past few years and with no direct exposure to the most affected industries, we were well placed to face the initial economic shocks.

Our key assets of kiwifruit, farming, and now food manufacture, were all classified essential services and our attention was on ensuring staff were safe, jobs protected and regulations adhered to. We also provided some support to TALT in the initial response to setting up its COVID-19 hub response.

"OUR KEY ASSETS OF KIWIFRUIT, FARMING, AND NOW FOOD MANUFACTURE, WERE ALL CLASSIFIED ESSENTIAL SERVICES AND OUR ATTENTION WAS ON ENSURING STAFF WERE SAFE, JOBS PROTECTED AND REGULATIONS ADHERED TO."

Through the nation-wide lockdown we were able to harvest our kiwifruit and keep all other operations moving providing the foundation for a successful year and returns in 2021 but living with uncertainty and volatility has become the new normal at least for the foreseeable future.

We worked through the year with our whānau at Little Waihi and were pleased to offer new licences and leases to residents that extend beyond 2023.

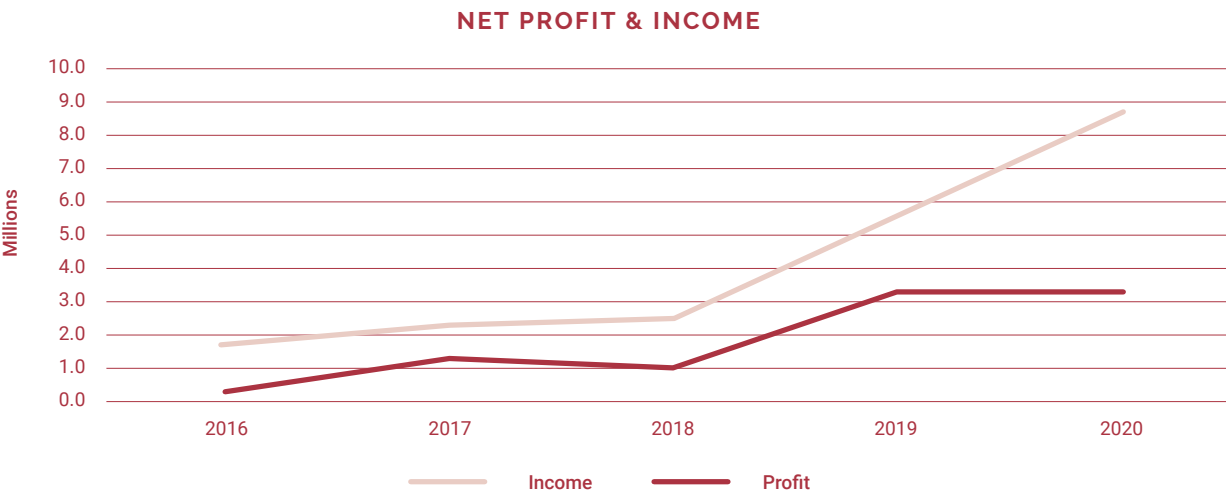
This solution has only been enabled through the close working relationship between village residents and TAML over the past few years and together arriving at a solution that reflects a changing climate and the special character of the village.

We have spent the year considering how to best maximise our commercial property. It remains challenging and this was the asset category most impacted by COVID and the general economic outlook in Rotorua. We have been working to support our tenants through the pandemic in the best long-term interests of both of our businesses but results have been impacted.

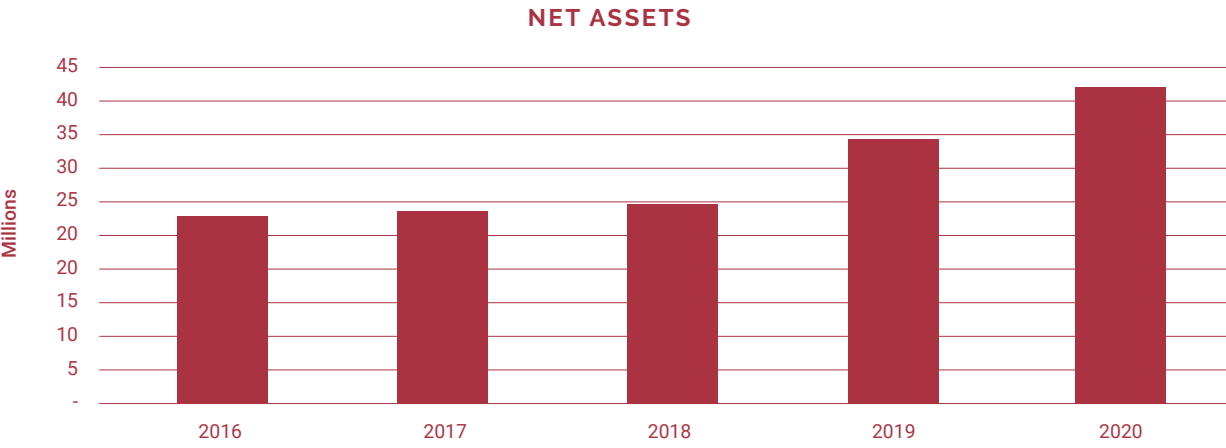
The impacts of COVID-19 were reflected in our financial assets which took some time to recover to the levels seen in 2019, however, at the end of the year our share portfolio sat at \$9.46M only slightly below its pre-pandemic level and up from \$9.28M the year prior. This growth excludes the withdrawals that have been made during the year.

We have also taken on the responsibility of managing the funds used for supporting fishing licences and were pleased to provide TALT with the largest amount of funds for this since the programme was established.

As shown in the graph below, net profit as a percentage of revenue was at 38%, down from the prior year at 57%. This reflects the purchase of a new kiwifruit orchard and Maketu Pies resulting in higher operating costs.



Overall our net assets increased by 13% to \$42.1M. This increase is a combination of our growth strategy, asset performance. It is well below last year as we did not carry out any asset revaluations, which drove a large portion of last year's 60% increase in asset values.



While we managed the initial impacts of COVID-19 well, like many businesses we are still uncertain about what this global pandemic means for our business. From shortages of labour due to our borders being shut to decreased demand for our commercial property or volatile share markets there is a great amount of uncertainty for us to navigate in the years to come.

We continue to partner with Perrin Ag for oversight of our farming operations, APL who manage our residential and commercial property, GHA who managed our accounting function and Craigs Investment Partners and Milford Asset Management 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.

Lastly, I would like to reiterate my thanks to my fellow board members Tanira Kingi, David Tapsell, Geoff Rolleston, Roana Bennett 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 manahau nā,

Mana Newton

TE KOMITI WHAKAHAERE CHAIRMAN'S REPORT



TĒNĀ TĀTOU TE ARAWA WHĀNUI,

It is my privilege to present the 2020 Te Komiti Whakahaere (Te Arawa Freshwater Fisheries Management Committee) Annual Report on behalf of the Board of Trustees.

Te Komiti Whakahaere (the Komiti) 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 taonga fishery is healthy, plentiful, sustainably managed, and Te Arawa have undisturbed possession and access to Te Arawa taonga 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 taonga species. The Bylaws set careful restrictions on the size, quantity and methods for harvesting taonga 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. Taonga species include: kōaro, kōura, tuna, kākāhi, īnanga and morihana.

Last year I reported that the Komiti had reached an impasse with the Ministry in regards to our draft Bylaws but after numerous years of negotiation we finally reached agreement with the Ministry and at a meeting on the 4th November 2019 the Komiti 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.

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 was the first step in the approvals process. It is pleasing to report that the Bylaws were gazetted on the 21 February this year and they came into effect on the 20 March.

On the 24 April 2020 the Minister appointed members of the Komiti for the Te Arawa fisheries area and two additional Poutiriao (a person entitled to issue puka whakamana). The appointments took effect on the 23 March 2020. Unfortunately, COVID 19 restrictions delayed the implementation of the Bylaws.

At the time this report was written the Komiti had finalised the Puka Whakamana (an authorisation for customary food gathering issued by a poutiriao) and an initial Poutiriao familiarisation/training session was held with input from MPI fisheries officers.

The first Puka Whakamana was issued in October and a follow up Poutiriao familiarisation/training session is scheduled for mid- November.

Recently there has been another occurrence of illegal taking of kōura from Lake Rotomā. Through the intervention of local residents, the offenders were identified and reported to MPI Fisheries Officers. An investigation is currently underway.

We currently have vacancies on the Komiti. Now that the Bylaws have come into effect it's important that we have a full complement of trustees at the table. To this end the TALT board are working through a process to fill the vacancies.

In closing, I would like to thank the TALT board, management and staff for their valued support and input into the work of the Komiti. Finally, I would like to thank the members of the Komiti, 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 Komiti Whakahaere

A WORD FROM THE CEO

CHIEF EXECUTIVE'S REPORT



TĒNĀ TĀTAU KATOĀ,

I am pleased to present the Chief Executives Report for July 2019 to June 2020. What a year this has been!

We commenced this year with a clear focus and strategy expecting business as usual

Then, on the 25th of March 2020, Aotearoa NZ went into Alert Level 4 Lockdown and Te Arawa Lakes Trust found itself at the centre of our Iwi response to the global pandemic, COVID-19.

TE ARAWA COVID-19 RESPONSE HUB

Our leadership role within the Te Arawa COVID Hub (COVID Hub) was well publicised and widely known and we were honoured that our people mandated us to lead the response.

I am extremely proud that we were able to assemble a highly capable and competent team from several organisations and hapū who gave willingly of their time and energy to support our Iwi.

We stood up our COVID Hub in four days which included a crisis response structure, website, GIS database, Facebook page and an overarching communications plan.

Over the lockdown period we were able to coordinate a team of volunteers to deliver kai and care packages, wood, blankets, and kai vouchers. Through our GIS database we were able to identify those who needed help and assistance and ensure that we got resources directly to those whānau who needed help.

I also pay special acknowledgement to our Te Arawa hapū who also stood up their own hapū responses.

I also want to acknowledge our funders who supported the COVID Hub, Te Puni Kōkiri, Rotorua Energy Trust, Bay Trust, Geyser Foundation, Office of Crown Māori Relationships and Visions of a Helping Hand.

BUSINESS AS USUAL DURING COVID-19

Whilst a few of our staff were involved in our COVID response the remainder of our organisation continued with business as usual.

We were well prepared for the pandemic due to our Disaster Recovery and Business Continuity Plan and our computer network and information systems upgrade. We were able to continue all existing work remotely without any lost momentum.

TALT was one of only 3% of Rotorua organisations, who were able to work remotely instantaneously. As the CEO I was immensely proud that we had prepared our organisation well to continue through the pandemic.

STRATEGIC GOAL 1 – PROTECTING THE TAIĀO

Our strategic goal protecting the Taiao consists of three core components, our statutory obligations, our Lakes strategy and Te Arawatanga, supporting our hapū as Hunga tiaki on our Lakes. We have continued our growth in these three areas.

Our statutory achievements this year included funding all fishing licences for our Te Arawa beneficiaries, completing our Te Arawa Fisheries Bylaws, a project over 9 years in the making. Significant contributions to local and national policy and planning and an improved consenting process.

During COVID two of our staff were part of the Iwi Technicians who oversaw and gave input into the Fast Track Consents Bill. Our team worked incredible hours at breakneck speed to ensure our recognition as Tiriti partners was included in this new legislation.

It was an incredibly frustrating and trying piece of work, and I want to thank Nicki Douglas, Dave Marshall and Horiana Irwin-Easthope from Whāia Legal for ensuring our rights were acknowledged in this bill.

Our lakes strategy work included our own Huihuinga Rotomoana series which was well received by the public of Rotorua, linking, and working with science and research agencies and our contribution to the Te Arawa Lakes Strategy Group.

This year Lake Ōkaro was rightfully returned to Te Arawa after 14 long years. We especially thank the Office of Māori Crown Relationships and Rotorua Lakes Council for pushing this forward.

Our Catfish Killas programme led by William Anaru and supported by Davina Thompson continues to receive national recognition and as reported last year our team won the Supreme Award at the National Biosecurity Awards, as well as the Supreme Winner at the Local Government Awards with Bay of Plenty Regional Council. William and Davina have been able to recruit over 1,500 volunteers and have culled over 180,000 catfish from our Lakes.

Te Tūāpapa o ngā Wai o Te Arawa won the supreme award at the NZ Planning Institute Awards this year. We congratulate Elva Conroy, the author of our document and Te Arawa whānui on this significant achievement.

Our Te Arawatanga initiatives included supporting our hapū hunga tiaki in various projects. We acknowledge Ngāti Tarāwhai for the successful kōura monitoring project on Lake Ōkaimana and Harina Rupapera leading the Te Arawa Taiaohi Toa project.

During COVID we submitted a joint Te Arawa application to the Jobs for Nature project and were successful in securing funding. We have now employed a team who will be working with land trusts and incorporations to re-store wetlands. This is a significant project in terms of job creation and importantly wetland restoration to support improved water quality in our Te Arawa Lakes and through to the sea – ki uta, Ki tai.

Congratulations to Nicki Douglas and our Taiao team for another great year.

STRATEGIC GOAL 2 – STRATEGIC LEADERSHIP

Our strategic leadership goal includes four main functions, participation at the national Iwi chairs forum, knowledge and insights, political advocacy and strategy and policy.

Our participation at the National Iwi Chairs Forum (NICF) has ensured our team are at the forefront of all national policy setting. We are active members of the Iwi Freshwater Technical Group and Climate Change Iwi Leaders Group and continue to keep up to date with changes in all policy. Our team have been actively engaging within these forums to ensure our voice is included as hunga tiaki of our Lakes and our Taiao.

We continue to support the development of our Te Arawa data hub with Annie Balle our IT officer an integral part of this project. The Te Arawa data hub were able to secure additional funding to roll out the third and fourth phase of the project which places our tribe in a good position to collect and use our own data to make informed decisions and influence strategically.

Our political advocacy has been at the forefront this year with strengthened relationships across the whole of government. These relationships are starting to bear fruit with new and increased resourcing.

STRATEGIC GOAL 3 – SUPPORTING SUCCESS

Our strategic goal supporting success is all about supporting our people. Although our settlement is focussed on our Lakes our Trust Deed enables us to act more broadly and consider our peoples wellbeing, our places of cultural and spiritual significance and the wellbeing of our Koeke.

It has been our honour to continue to support Te Pukenga Koeke o Te Arawa with an annual grant. This year we also supported Te Papa Tākaro o Te Arawa and Te Arawa Taiohi Toa.

The development of our COVID Work Hub is another initiative which supports the success of our people and although it is relatively new has already started to achieve some great outcomes in a short period of time. I acknowledge Regional Commissioner for Ministry of Social Development Mike Bryant and Chief Executive of Lakes DHB, Nick Saville Wood for their secondment contributions to our Work Hub.



The other initiative we have been hugely proud of is our successful Marae Renovation Fund whereby we secured grants for 10 Marae to undertake their Marae renovation.

Although this fund crosses two financial years we were again honoured by our Marae to act as the submitter on their behalf for this exciting opportunity.

IN CLOSING

This has been a challenging year for us all and I thank my Board for their support during this time. In particular, I want to thank my Chair, Tā Toby Curtis and my Chair of Audit, Finance and Risk Niwa Nuri who were both connected to me on an almost daily basis during COVID and post COVID as we sought to keep our organisation moving whilst also responding to our role as Project Lead for our Te Arawa COVID Hub.

Finally, I want to thank my staff. I am blessed to work with an incredible group of professionals who love serving our people and working for our Taiao.

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

Nā,

Karen Vercoe
Chief Executive Officer

HIGHLIGHTS OF THE TRUST
NGĀ HUA O TE TAU

FISHING LICENCES

LICENCES ISSUED IN 2019

283

LICENCES BROKEN DOWN BY TYPE:

SINGLE ADULT

170

WHĀNAU

102

TAMARIKI

9

WHOLE SEASON

2

SUPPORTING SUCCESSES

VOLUNTEERS
RECRUITED

1,500

CATFISH CULLED
FROM OUR LAKES

180,000

LAKE ŌKARO

rightfully returned to Te Arawa

CONTINUE

to support Te Pukenga Koeke o Te Arawa
with an annual grant

SECURED

grants for 10 Marae to undertake
their Marae renovation

TAIAO AWARDS



TE ARAWA CATFISH KILLAS

New Zealand Biosecurity DOC Community Pihinga Award

New Zealand Biosecurity Supreme Award

Society of Local Government Managers (SOLGM)

Te Puni Kōkiri Award for Bicultural Leadership

McGredy Winder 2019 SOLGM Local Government Excellence
Awards® Supreme Award

TE TŪĀPAPA O NGĀ WAI O TE ARAWA

NZ Planning Institute Best Practice Award
(Non-statutory Planning)

HE MAHERE TAIAO MŌ NGĀ WAI O TE ARAWA:

NZPI Nancy Northcroft Supreme Award



2019 DOC Community Pihinga Award Winner with Ben Reddix, DOC



FINANCIAL REPORT

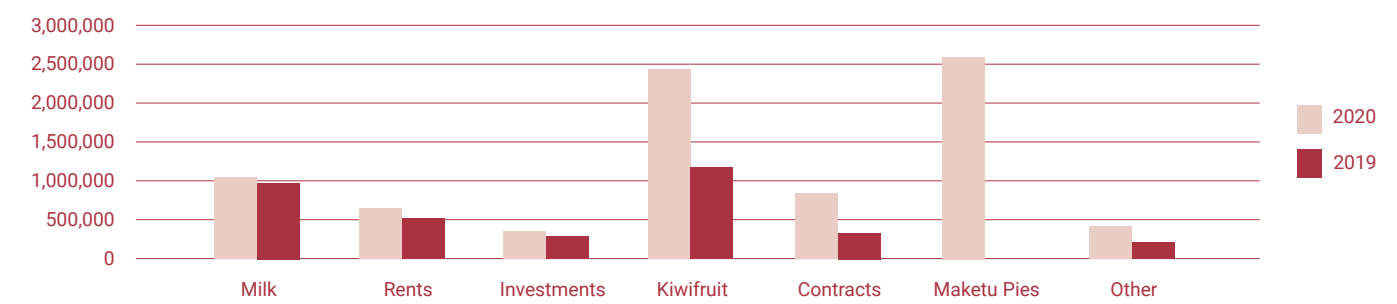
The financial statements are Group accounts and include the Trust, its commercial company Te Arawa Management Limited and Maketu Foods Limited, which is 100% owned by Te Arawa Management Limited. The Trust prepares its financial statements using the Tier 2 Not-For-Profit Public Benefit Entity Accounting Standards. The financial statements are audited by Cookson Forbes & Associates and a clear audit opinion was issued on 24 November 2020.

FINANCIAL PERFORMANCE

	THIS YEAR	LAST YEAR	CHANGE
Revenue	9,762,460	10,038,116	▼ 3%
Expenses	8,361,242	3,740,532	▲ 124%
Surplus	1,401,218	6,297,584	▼ 78%
Revaluation of financial assets	1,161,151	315,656	▲ 268%
Revaluation of Investment Properties	-	18,524,697	
Total Comprehensive Income	\$2,562,369	\$25,137,937	▼ 90%

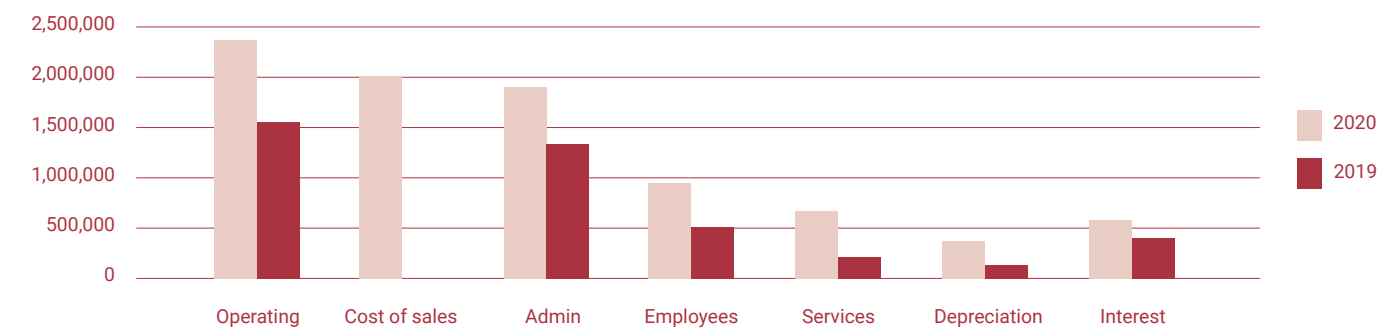
REVENUE

For the year ended 30 June 2020, the Group had total revenue of \$9.8m. This is 3% down on last year's revenue of \$10.0m. While all revenue streams increased across the board, the 3% downturn is due to the \$5.3m revaluation of the investment properties in the 2018/19 year (no revaluation undertaken in the 2019/20 year). The purchase of Maketu Pies in 2019 has resulted in an increase of sales revenue compared to the previous year. The overall breakdown of income, by source, is as follows:



EXPENSES

Total expenses for the year were \$8.4m. This is a significant increase of 124% compared to last year. The increased expenditure reflects the increase in activity across the group, particularly with the acquisition of another Kiwifruit orchard, expansion of the property portfolio and the purchase of Maketu Pies. All expense categories have increased during the past year, with the heightened business activity in 2019/20.



TOTAL COMPREHENSIVE REVENUE AND EXPENSE

The net surplus for the year is \$1,401,218, which is a significant decrease of \$4.9m compared to last year (\$6,297,584). The Other Comprehensive Revenue and Expense category includes the growth in the value of the investment portfolios. In the past year, there was an increase in the value of the portfolios of \$1,161,151 (last year: \$315,656).

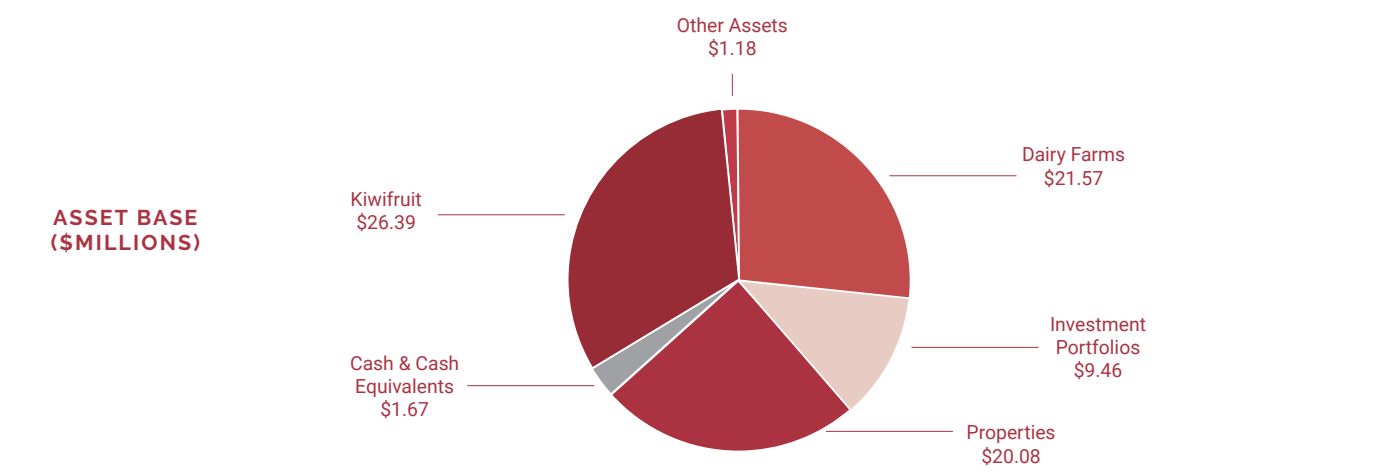
In 2019 a revaluation of the investment properties was completed for the first time since 2016, resulting in an increase in the value of all properties of \$18.5m. No valuations of the investment properties were conducted in 2020, therefore, total comprehensive revenue and expense for this year was \$2,562,369 and 90% lower than the \$25,137,937 achieved in 2019. The overall result from the trading activities (excluding the revaluations) is a 93% improvement on last year's result.

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 companies).

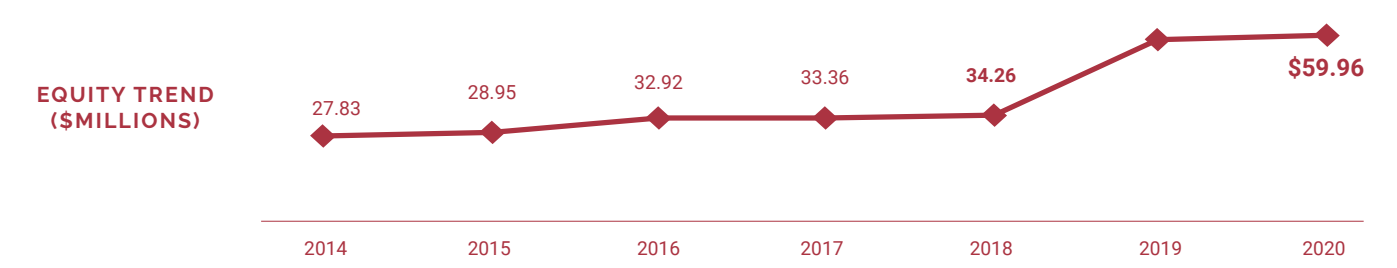
	THIS YEAR	LAST YEAR	CHANGE
Total Assets	80,346,631	71,992,808	▲ 12%
Total Liabilities	20,385,105	14,613,080	▲ 40%
Equity	\$59,961,526	\$57,379,727	▲ 5%

At 30 June 2020, total assets were \$80.35m. Of this, 30% is represented by kiwifruit assets, 27% by the dairy farm properties, 28% in residential and commercial properties and 12% is tied up in investment portfolios. The value of total assets has increased by 12% over the past year. The Group's assets are represented by the following asset categories:



Total liabilities at 30 June 2020 were \$20.4m with the majority of the loan balance being a large facility with Westpac (\$16.6m) 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 \$59.96m. This reflects a 5% increase compared to last year.



Consolidated Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

Contents

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

Directory

Te Arawa Lakes Trust

As at 30 June 2020

Trustees

Te Kawatapuaringi

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 2020

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

Directory

Maketu Foods Limited

As at 30 June 2020

Company Number	7779216
Trading Name	Maketu Pies
Primary Business Activity	Branded food manufacturing
Directors	Cassandra Crowley (appointed 31 October 2019) Tanira Kingi (appointed 31 October 2019) Geoff Rolleston (appointed 31 October 2019) Ngata Tapsell (appointed 31 October 2019)
Registered Office	1194 Haupapa Street Rotorua
Date of Formation	31 October 2019
Shareholders	Te Arawa Management Limited 1194 Haupapa Street Rotorua 3010
Shares	10,000,000 Ordinary shares

Statement of Comprehensive Revenue and Expense

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

	Note	2020	2019
		\$	\$
Revenue			
Exchange revenue	1	6,713,514	2,625,831
Non-exchange revenue	2	861,134	318,432
Investment revenue	3	344,612	286,925
Change in fair value of biological assets	12	1,448,695	1,305,099
Change in fair value of investment properties	14	-	5,286,116
Other revenue	4	394,505	215,712
Total Revenue		9,762,460	10,038,116
Expenses			
Administration expenses	5	1,427,248	953,873
Amortisation	13	289,975	89,578
Cost of Sales		2,005,385	-
Depreciation		65,726	41,350
Employee related costs	6	988,377	510,784
Interest expense		570,406	384,828
Operating expenses	8	2,362,307	1,544,841
Provision of services	7	651,816	215,279
Total Expenses		8,361,240	3,740,532
Net surplus/(deficit) for the year		1,401,220	6,297,584
Other comprehensive revenue and expense			
Change in fair value of available-for-sale financial assets	11	1,161,151	315,656
Change in fair value of PPE	15	-	18,524,697
Total Other comprehensive revenue and expense		1,161,151	18,840,353
Total comprehensive revenue and expense for the year		2,562,371	25,137,937

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


Statement of Financial Position


Te Arawa Lakes Trust Group

As at 30 June 2020

	Note	2020	2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	9	1,670,652	2,331,010
Trade and other receivables	10	912,664	402,935
Stock on hand		151,167	-
Total current assets		2,734,483	2,733,945
Non-current assets			
Biological assets	12	3,113,972	1,665,277
Intangible assets	13	3,504,310	1,699,814
Investment properties	14	17,563,250	17,189,060
Other investments	11	9,458,152	9,276,577
Property, plant and equipment	15	43,710,059	39,276,273
Other Assets		262,406	151,863
Total Non-current assets		77,612,148	69,258,863
Total Assets		80,346,631	71,992,808
Liabilities			
Current liabilities			
Trade payables	16	848,368	273,372
Deferred revenue	17	686,448	458,736
Employee entitlements	18	82,471	19,832
Loans	19	18,767,818	13,861,140
Total Current liabilities		20,385,105	14,613,080
Total Liabilities		20,385,105	14,613,080
Net assets		59,961,528	57,379,727
Equity		59,961,528	57,379,727

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


Trustee


Trustee

Date: 24 November 2020

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

Consolidated Statement of Changes in Equity

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

	Available -for- sale fair value reserve	Accumulated revenue and expense	Total net assets/equity
	\$	\$	\$
Opening balance 1 July 2019	23,883,732	33,495,996	57,379,728
Total comprehensive income for the year	1,161,151	1,401,220	2,562,371
Asset Revaluations	-	19,431	19,431
Closing balance 30 June 2020	25,044,883	34,916,647	59,961,528
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

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 2020

	Note	2020	2019
		\$	\$
Cash flows from operating activities			
Receipts from providing goods and services		7,580,350	3,408,009
Grants and subsidies received		260,095	-
Dividends received		312,720	196,127
Interest received		57,503	100,434
Net GST received/(paid)		(30,248)	36,633
Net Income tax received/(paid)		(61,590)	-
Payments to suppliers and employees		(7,606,151)	(3,611,087)
Total Cash flows from operating activities		512,679	130,115
Cash flows from investing activities			
Sale of property, plant & equipment		-	660,000
Purchase of investments		(1,580,800)	(4,628,260)
Purchase of property, plant & equipment		(4,498,909)	(10,649,092)
Total Cash flows from investing activities		(6,079,708)	(14,617,352)
Cash flows from financing activities			
Repayment of loans		-	(79,221)
Proceeds from bank loans		4,906,678	13,861,140
Total Cash flows from financing activities		4,906,678	13,781,919
Net Increase/ (Decrease) in Cash and Cash Equivalents		(660,358)	(705,318)
Cash Balances			
Cash and cash equivalents at beginning of the year	9	2,331,010	3,036,328
Cash and cash equivalents at end of the year	9	1,670,652	2,331,010
Net change in cash for the year		(660,358)	(705,318)

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 2020 comprise Te Arawa Lakes Trust (the Parent), and its 100% owned subsidiaries Te Arawa Management Limited and Maketu Foods Limited (trading as Maketu Pies).

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.

(f) Inventory

Inventories are stated at the lower of cost and net realisable value.

(g) Consolidation - Purchase Method

The "purchase method" has been adopted in the consolidation of these financial statements on a "line by line" basis with all internal transactions eliminated on consolidation.

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.

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.

Notes to the Financial Statements

Te Arawa Lakes Trust Group
For the year ended 30 June 2020

	2020	2019
	\$	\$
1 Exchange revenue		
Exchange revenue:		
Sales of Milk	1,026,192	981,462
Sales of Kiwifruit	2,447,500	1,139,095
Sales of Avocados	9,375	-
Sales of Pies	2,567,475	-
Rental		
- Commercial	201,649	114,384
- Residential	453,361	380,712
Other exchange revenue	7,962	10,178
	6,713,514	2,625,831

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.

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.

	2020	2019
	\$	\$
2 Non-Exchange revenue		
Non-exchange revenue	861,134	318,432
	861,134	318,432

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.

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

	2020	2019
	\$	\$
3 Investment revenue		
Dividends received	252,496	183,205
Interest received	31,892	90,798
Overseas income	60,224	12,921
	344,612	286,924

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.

	2020	2019
	\$	\$
4 Other revenue		
Koha received	2,350	200
Sundry revenue	132,060	215,512
Grants and subsidies	260,095	-
	394,505	215,712

	2020	2019
	\$	\$
5 Administration Expenses		
Accounting fees	133,160	86,693
Advertising	49,030	-
Administration expenses	32,265	46,724
Audit fees	17,532	14,184
Bad Debts	73,931	3,853
Consultancy fees	223,685	237,320
Communication expenses	107,355	24,307
Contracted services	19,124	1,978
Elections	80,040	47,244
Koha	11,374	1,304
Governance costs	219,715	201,701
Lease expenses	7,603	7,316
Legal expenses	62,563	105,984
Loss on sale of plant, property and equipment	7,377	-
Meeting expenses	31,295	22,888
Other expenses	309,348	109,530
Register/beneficiaries	41,852	42,848
	1,427,248	953,873

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

	2020	2019
	\$	\$
6 Employee related costs		
Wages and salaries	954,403	496,675
Kiwisaver employer contributions	10,819	12,694
Other employee expenses	23,155	1,415
	988,377	510,784

	2020	2019
	\$	\$
7 Provision of services		
Contractor and project expenses	651,816	215,279
	651,816	215,279

	2020	2019
	\$	\$
8 Operating expenses		
Farm expenses	640,583	472,156
Health and safety expenses	14,611	-
Kiwifruit orchard expenses	987,450	678,013
Property expenses	134,003	59,195
Rent and rates	292,248	186,604
Repairs and maintenance	293,413	148,873
	2,362,307	1,544,841

	2020	2019
	\$	\$
9 Cash and cash equivalents		
Cash and bank balances	1,670,652	1,805,388
Short term deposits	-	525,622
	1,670,652	2,331,010

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 2020 was 0.05% (2019: 1.78%).

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% (2019: 8.2%).

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

	2020	2019
	\$	\$
10 Trade and other receivables		
Accounts receivable - exchange revenue	724,849	184,558
Accounts receivable - non-exchange revenue	(8,478)	43,254
Accrued interest	2,732	28,343
GST receivable	34,742	36,480
Income tax receivable	123,382	61,792
Prepayments	35,436	48,509
	912,664	402,936

Trade and other receivables more than 90 days overdue are \$150,124 (2019: \$4,349). There is no doubtful debt provision (2019: \$Nil) and the Trust is not exposed to any other significant credit risks (2019: \$Nil).

	2020	2019
	\$	\$
11 Other investments		
<i>Available-for-sale financial assets</i>		
- Equity securities (New Zealand publicly listed)	1,681,407	4,106,620
- Equity securities (Australia publicly listed)	2,733,424	884,809
- Equity Securities (International Equities)	3,039,772	1,973,393
	7,454,603	6,964,822
 Kowhai private equity	171,250	82,500
Salt long short fund	-	408,782
Fonterra shares	1,224,891	1,260,917
Balance Agri-Nutrients shares	32,918	32,918
Zespri Shares	514,469	463,587
Seeka Limited Shares	52,000	63,050
Eastpack Shares	8,021	-
	9,458,152	9,276,577

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 \$1,161,151 recognised in net surplus/(deficit) (2019:\$315,656 gain).

	2020	2019
	\$	\$
12 Biological assets		
Carrying amount at the beginning of the period	1,665,277	360,178
Gain/(loss) arising from changes in fair value less costs to sell	1,448,695	1,305,099
Closing balance at the end of the period	3,113,972	1,665,277

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.

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

	2020	2019
	\$	\$
13 Intangible assets		
Cost		
Balance at beginning of the period	1,853,701	126,613
Additions	2,094,472	1,727,088
Balance at the end of the period	3,948,173	1,853,701
 Accumulated amortisation and impairment		
Balance at beginning of the period	153,887	64,308
Amortisation	289,975	89,578
Balance at the end of the period	443,863	153,887
 Net book value	3,504,310	1,699,814

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 Sungold kiwifruit licences and Goodwill are 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 (2019: \$Nil)

	2020	2019
	\$	\$
14 Investment properties		
Balance at the beginning of the period	17,189,060	21,823,237
Additions:		
35 Lakes Road	-	633,535
1 Kiokio Place	316,089	405,000
14 Lyndhurst Avenue	58,101	-
92 Town Point Road	-	754,000
14 Whenuariri Place	-	470,000
47 Town Point Road	-	485,000
Total Additions	374,190	2,747,535
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	17,563,250	17,189,060

(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.

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

15 Property, plant and equipment

	Farms & Orchards	Plant and equipment	Motor vehicles	Office equipment	Total
Cost					\$
Balance at 1 July 2019	39,125,259	336,188	1,230	3,521	39,466,198
Additions	3,893,113	599,353	15,638	7,045	4,515,149
Balance at 30 Jun 2020	43,018,372	935,541	16,868	10,566	43,981,348
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
Accumulated					
Balance at 1 July 2019	-	187,864	-	2,060	189,924
Depreciation expense	603	62,243	-	2,880	65,726
Disposals	-	-	15,638	-	15,638
Balance at 30 Jun 2020	603	250,107	15,638	4,940	271,288
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
Carrying value					
At 30 June 2020	43,017,769	685,434	1,230	5,626	43,710,059
At 30 June 2019	39,125,259	148,324	1,230	1,461	39,276,273

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 revenue and expense. 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.

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

	2020 \$	2019 \$
16 Trade and other payables		
Accounts payable - exchange transactions	826,761	256,166
PAYE payable	21,606	17,206
	848,368	273,372
Trade and other payables are reported at their amortised cost. The Group has no other unrecognised contingent liabilities.		
17 Deferred revenue		
Revenue received in advance - provision of services	443,923	159,684
Rent received in advance	242,525	299,052
	686,448	458,736
18 Employee entitlements		
Short-term employee benefits - annual leave accrual	82,471	19,832
	82,471	19,832
19 Loans		
ASB Loans	2,144,818	2,183,640
Westpac Loans	16,623,000	11,677,500
	18,767,818	13,861,140

Summary of borrowing arrangements

ASB

At balance date, Te Arawa Management Limited had a \$2,144,818 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 \$16,623,000 debt facility with Westpac. This facility was used to fund the purchase of residential housing and orchards.

Registered Personal Property Securities

Securities are held by certain suppliers of goods and services to the company and subsidiary and are registered on the Personal Property Securities Register.

The general nature of each security is for "all present and after acquired personal property". Further, up to date information can be obtained by searching the PPSR.

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 2020 financial year.

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

20 Related parties

	2020		2019	
	Revenue/ (Expense) \$	Receivables/ (Payables) \$	Revenue/ (Expense) \$	Receivables/ (Payables) \$
<u>(a) Governance</u>				
Trustee remuneration	(97,347)	-	(82,682)	-
Number of Trustees	10		9	
Directors fees	(90,211)	-	(89,206)	-
Number of Directors	5		4	
<u>(b) Key management personnel</u>				
Salaries, wages and other employment benefits	(355,210)	-	(265,357)	(4,546)
Full Time Equivalent Personnel	3		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 (2019: \$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	
	2020	2019
	%	%
Te Arawa Management Limited	100	100
Maketu Foods Limited (trading as Maketu Pies)	100	100

Te Arawa Management Limited and Maketu Foods Limited have 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 (2019: \$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.

Notes to the Financial Statements

Te Arawa Lakes Trust Group

For the year ended 30 June 2020

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. Six subsequent capital calls totalling \$70,000 were paid during 2020 year (2019: \$22,500). The company's outstanding capital commitment at balance date is \$112,500 (2019: \$182,500). 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 Covid-19

The trustees have considered the impact of the Covid-19 global pandemic on the trust's business activities and consider the threat to be minimal in this regard.

There are no other events after the reporting date that impact the economic outcome of the 2020 financial year (2019: Nil).

26 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	Ōkaimana	Ōkareka
Rotoehu	Rotomā	Rerewhakaaitu
Ngāpouri	Rotomahana	Ngaheua
Tutaeinanga		

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 Entities: Te Arawa Management Ltd incorporating Maketu Foods Ltd

Opinion

We have audited the financial statements of Te Arawa Lakes Trust and the subsidiary entities (together referred to as 'the Group') on pages 6 to 20, which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive revenue & expense, 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 2020, 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/>


Chartered Accountants
96 Waioweka Road
OPOTIKI

24 November 2020

ENVIRONMENT WORK PLAN

OUTCOMES

TE MANA O TE WAI IS UPHELD AND ENHANCED

WAIORA

Water is healthy – Healthy lakes

WAIKURA

The authority (whakapapa, mātauranga, values) of Te Arawa is readily recognised

WAIATA

Te Arawa is well equipped for the journey ahead

INDICATORS

LOOK, FEEL, SOUND, TASTE, SMELL AND WAIKURA

The Principles in Te Tūāpapa are brought to life in all aspects of the management of Te Arawa Lakes

WHAT WILL WE MEASURE?

WHO IS IT FOR?

TE ARAWA HAPŪ, IWI & WHĀNAU

PARTNERS BOPRC, RLC & COMMUNITY

WAIORA

The health and wellbeing of the water and the health and wellbeing of our people are connected

- More plentiful kai at more locations
- Hapū are delivering activity that contributes to their health and wellbeing and the health and wellbeing of the Lakes

- Water quality –TLI is achieved
- Algal Blooms (recreation indicator)
- SPI monitoring

WAIKURA

The connection between Te Arawa whānau, hapū and iwi and our Lakes is enhanced

- Iwi and hapū are involved in decision making
- The principles in Te Tūāpapa guide iwi/hapū, our Partners and the community
- Te Arawa mātauranga and measures inform programme development and delivery

WAIATA

Te Arawa cultural identity is celebrated

- Whānau are undertaking social and cultural activities in, on and around the Lakes
- The presence of Te Arawa is felt, seen and heard around our Lakes

PERFORMANCE MEASURES - TRACKING OUR ACTIVITY TOWARDS THE OUTCOME

TE AU O TE WAI – CONNECTING OUR VALUES TO TANGIBLE ACTIONS

HOW MUCH?

Hapū members involved

Dollars allocated for hapū activity

reduction in structures impacting cultural values

of monitoring sites for taonga ika

of submissions and Iwi Management Plans

of people swimming

HOW WELL?

% increase over time

% of budget spent on Activity

% structures impacting cultural values

of sites where there is an increase in taonga species

of Te Arawa employed in Taiao

increase in swimmable locations

IS ANYBODY BETTER OFF?

- Iwi/hapū/whānau engaged in Taiao

- Whānau share their connection to their Lakes and waterways with others

- Changes to Plans and consents reflect Te Arawa input

- More kai on the table

STATUTORY RESPONSIBILITIES

LAKES STRATEGY ALIGNMENT (LAKES/COASTAL)

TE ARAWATANGA (ENGAGEMENT)

EMBED TE TŪĀPAPA WITHIN THE LAKES PROGRAMME TE ARAWA CULTURAL VALUES EXPRESSED IN TE TŪĀPAPA ARE BROUGHT TO LIFE ALL ASPECTS OF THE MANAGEMENT OF THE ROTORUA/TE ARAWA LAKES

OBJECTIVE

- Meet obligations of Te Arawa Lakes Settlement Act 2006 and the Te Arawa (Fisheries) Regulations 2006
- Apply Te Tūāpapa to all applications for lakes structures and other activities in and on the Te Arawa Lakes
- Whānau and hapū are engaged in RMA and LGA processes that impact the Lakes and waterways

ACTIVITY

- Support development of Iwi Management Plans
- Develop a Te Mana Whakahono-ā-rohe
- Engage in significant planning processes (RMA)
- Engage in legislation reform and national and regional Policy development

OBJECTIVE

- Provide leadership on the RTALSG and associated programme structure
- Te Tūāpapa is embedded within the Rotorua Te Arawa Lakes Programme

ACTIVITY

- Attendance and input to all RTALSG, PSG and Workstream lead hui
- Develop workshops for Council, Research institutions and Crown agency staff to understand and implement Te Tūāpapa

OBJECTIVE

- Te Arawa Iwi and hapū understand the intent and content of Te Tūāpapa, what it means to them and how they will exercise their role as hunga tiaki
- Rangatahi are active hunga tiaki

ACTIVITY

- Implementation of Communications Plan
- Implementation of Engagement Plan
- Iwi Engagement Forum established and operating
- Wai Warriors programme

RESEARCH & MONITORING

TE ARAWA MĀTAURANGA AND MEASURES INFORM PROGRAMME DEVELOPMENT AND DELIVERY

OBJECTIVE

- Whānau and hapū are undertaking consent monitoring on the Lakes and waterways
- Research is undertaken where there are concerns and evidence is applied to decision making

ACTIVITY

- Cultural mapping and impact assessments
- Research programme to implement Mahire Whakahaere
- Monitoring plan for Mahire Whakahaere
- Facilitation of cultural monitoring plans and activity

OBJECTIVE

- Te Arawa researchers are sought after and involved in the Lakes Programme
- A Research Plan that aligns with Te Tūāpapa is developed for the Lakes Programme

ACTIVITY

- Development and implementation of a Research Plan for Lakes Programme by Te Arawa
- Development of measures that align with Te Tūāpapa for the Lakes Programme
- Establish and support a Te Arawa Research network

OBJECTIVE

- Tools are developed to support cultural values assessments and decision-making

ACTIVITY

- Development and implementation of a Research Plan for Te Arawa
- Support Hapū/ iwi research projects
- Development of a Te Arawa Health Index

CAPABILITY & CAPACITY BUILDING

TE ARAWA DELIVER FOR TE ARAWA AND ROTORUA COMMUNITY

OBJECTIVE

- Protocol Partners are meeting their obligations under the Te Arawa Lakes Settlement Act 2006 and contributing to outcomes for Te Arawa and the Lakes
- Whānau and hapū are undertaking their Poutiriao responsibilities
- Fishing Licences are issued and data collected

ACTIVITY

- Te Mana Whakahono
- Undertake compliance training with TALT Trustees, Komiti Whakahaere, Pouturiao and staff
- Policy implementation for Lakes Structures

OBJECTIVE

Te Arawa are delivering programmes of work associated with the Lakes programme

ACTIVITY

- Catfish programme
- Weed control programme
- Wetland Restoration programme
- Tarawera Collective Impact Programme

OBJECTIVE

Te Arawa hapū and whānau are leading activity that deliver their Te Tūāpapa Values

ACTIVITY

- Hunga tiaki forum
- Internships
- Te Urunga o Kea

NOTES



TE ARAWA LAKES TRUST

TEARAWA.IWI.NZ