



STATEMENT OF INTENT

For the financial year ending 30 June 2023

1.0 Background

- 1.1 The Settlers of the Lake Taupo Protection Project (the project) are Taupo District Council (TDC), Waikato Regional Council (WRC), and the Crown acting through the Lake Taupo Protection Project Joint Committee (the Joint Committee) together with representatives from Ngati Tuwharetoa.
- 1.2 Science identified that water quality in Lake Taupo was declining which led to the project being set up. The Settlers put in place 'The Lake Taupo Protection Trust' (the Trust) with charitable status with the objective of achieving a 20% permanent reduction of the manageable nitrogen (N) entering Lake Taupo through the expenditure of a public fund.
- 1.3 The project was constituted on 9th February 2007. Trustees are appointed by the Joint Committee has the responsibility for the appointment of trustees (including succession planning); currently there are four trustees appointed.
- 1.4 In April 2015, a Monitoring Deed was introduced to address future monitoring requirements for the project. Stemming from the Monitoring Deed are the Taupo Catchment Compliance Monitoring Plan, the Lake Taupo Catchment Compliance Framework, and Communications Plan. Performance against the plan actions is reported to the Joint Committee by the relevant partner agencies which includes the Trust.
- 1.5 The Trust achieved the contracted N reduction target of 170,300 kgs in 2015 which was a tipping point for the project - four years earlier than predicted, and ahead of budget which coincided with the retirement of four trustees and staff reduced from two to one. Some parties the Trust acquired N credits from, had future dated on farm N reductions to make which were completed at the end of the 2018 calendar year.
- 1.6 In 2018, a review of the Monitoring Deed resulted in the parties entering a Deed of Variation which provided for the addition of Ngati Tuwharetoa Maori Trust Board as a signatory party effective 1 July 2018. The additions to the Monitoring Deed included minimum reporting requirements for consent compliance and communications, with an additional requirement for the Trust to report to the Joint Committee, on any monitoring activities planned or undertaken in relation to nitrogen reduction agreements.
- 1.7 The Joint Committee confirmed in 2018 an extension to the 'term' of the project from 30th June 2019 to 30th June 2021 to allow time for project transition planning to complete. The 'term' of trustee's appointments was also extended to align with the extension timeline of 30 June 2021.

- 1.8 As the project transition planning process did not complete by June 2021, the Settlers agreed to extend the Trust's operating term for a further two-year period to June 2023 with the requirement that an independent review of the project is undertaken and completes by June 2023.

2.0 Governance

- 2.1 The project governance structure comprises a Joint Committee which meets quarterly and receives reports on financial and operational matters on the Trust's activities together with reports from other agencies.
- 2.2 The immediate governance of the Trust is through the appointment of four trustees who are responsible for ensuring the Trust fulfills its requirements as set out in the Trust and Monitoring Deeds.
- 2.3 The Joint Committee will notify the Trust of its decision as to the Trust's future during the financial year ending 30 June 2023.

Objectives

- 3.1 The Trust will operate in alignment with the Trust and Monitoring Deeds, its annual Statement of Intent, annual operating targets, and in compliance with the provisions applicable to it under the Local Government Act.
- 3.2 Continue to administer nitrogen reduction agreements (the agreements) for compliance and process any incoming correspondence relating to the agreements.
- 3.3 Continue to undertake responsibilities identified for the Trust under the approved Taupo Catchment Compliance Monitoring Plan and generally support the operation of that Plan with other joint parties, including the Trust's support of the Lake Taupo Protection Project's Communication Plan.
- 3.4 The Trust will assist as required in the independent review of the Lake Taupo Protection Project.

4.0 Nature and Scope of Activities

- 4.1 The nature and scope of activities for the year 01 July 2022 to 30 June 2023 are:

4.1.1 Fund Management:

Review the Trust's Treasury Policy, Delegation, and Sensitive Expenditure Policies by June 2023 and implement the policy requirements throughout the ensuing financial year.

4.1.2 Future Direction:

- All policies and operations will be reviewed to match the different and ongoing responsibilities of the Trust.
- Maintain relationships with N contracted parties (to ensure any issue of contention is proactively settled) and with major partners.
- Take appropriate action to remedy any contractual N failure as required.
- Continue to work with key agencies supporting the overall aims of the project; continue to liaise with Waikato Regional Council to consider ways that monitoring can be carried out effectively and efficiently to support the delivery of the Lake Taupo Catchment Compliance Framework Plan as required by the Monitoring Deed.

4.1.3 Administration:

Report six-monthly to the Joint Committee on progress, both financial and qualitative.

5.0 Budgetary Parameters

5.1 The Trust will operate within the budgetary parameters set within the approved annual budget and any approved cash flow projection.

6.0 Accounting Policies

6.1 The accounting policies of the Trust will comply with 'generally accepted accounting practice' (as defined in the Local Government Act 2002). The financial statements of the Trust are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practices NZ GAPP, and NZ IFRS standards.

7.0 Performance Targets

7.1 The following high line governance performance objectives are:

Actions	Performance Measures
Carry out Trust operations out in accordance with the approved annual budget.	Financial statements are reported to trustees quarterly throughout the year; no surprises.
Oversee the financial position of the Trust to meet and maintain budgeted cash flow projection.	Cash Flow Projection in place, updated and reported to Trustees quarterly.
Ensure that all nitrogen reduction agreements are being complied with to achieve the overall Nitrogen reduction target of 170,300 kgs.	Nitrogen reduction agreements are compliant; any contractual failure is addressed and if relevant, to achieve repatriation of any loss of nitrogen.
Incoming correspondence relating to the nitrogen reduction agreements is processed in a timely manner.	No complaints received because of time delays.
Track that annual compliance monitoring letters are received from Waikato Regional Council for farms that the Trust has an interest in.	Monitoring compliance results are received from Waikato Regional Council in accordance with monitoring plan timelines, and the results reported to trustees, and copies provided to Audit NZ for inclusion with the Trust's annual audit.
Participate and assistance in the annual audit of the Trust.	Positive audit result.
Report the cash flow projection to the Joint Committee (to show the ability of the Trust to operate within budget).	Cash flow projection reported to the Joint Committee before balance date.
Keep the Joint Committee up to date with any planned or proposed monitoring activities in relation to the nitrogen reduction agreements as prescribed in the Deed of Variation - Schedule of Changes to the Monitoring Deed.	Joint Committee up to date with any Trust monitoring activities undertaken or proposed by way of quarterly reporting.
Continue to liaise with Waikato Regional Council staff regarding their use of OverseerFM and the regional plan, to ensure there are no	Trustees are kept up to date with any OverseerFM issues that may impact Nitrogen reduction agreements.

Actions	Performance Measures
impacts that may affect the Nitrogen reduction agreements.	
Carry out Trust responsibilities identified in the Taupo Catchment Compliance Monitoring Plan and provide support in the operation of the plan with other joint parties, which includes the Trust's support of the Lake Taupo Protection Project's Communication Plan.	Trust actions completed and the Taupo Catchment Compliance Monitoring Plan is supported on an ongoing basis.
Provide ongoing support as required in the operation of the Lake Taupo Catchment Compliance Framework.	Support provided as required to achieve the aims of the Lake Taupo Catchment Compliance Framework.
Participate in the independent review of the Lake Taupo Protection Project from a project management perspective.	Trustees and staff are engaged in the review process.

8.0 Estimate of Distribution to Shareholders

8.1 No distributions will be made to the Funding Bodies and no payments will be made to the Funding Bodies unless in payment for agreed services.

9.0 Information to be provided

9.1 The Trust will deliver to the Joint Committee a six-monthly report and an annual report on the Trust's operations as follows:

- Within two months of the end of the first half of the financial year a Statement of Financial performance, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows, and a Statement of Service Performance.

9.2 Within three months of the financial year ending, provide the following audited statements:

- a) Statement of Financial performance
- b) Statement of Changes in Equity
- c) Statement of Financial Position
- d) Statement of Cash Flows
- e) Statement of Service Performance including a summary as to how the Trust has performed against achieving its objectives and its prospects for the next financial year.
- f) A report in relation to the Trust's medium to long term plans.

10.0 Purchase of Shares in any Company not the CCO or a Shareholder of the CCO

10.1 There is no intent for the Trust to purchase shares or interest in any company.

11.0 Estimates of Values by Trustees

11.1 All values of assets will be provided based on appropriate valuation methods which are provided by a qualified registered Valuer appointed by the Trust.

