



STATEMENT OF INTENT
from
01 July 2021
to
30 June 2022

1.0 Introduction

- 1.1 The Settlors of the Lake Taupo Protection 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 The Settlors identified that water quality in Lake Taupo was declining and agreed to establish a charitable Trust (The Lake Taupo Protection Trust) with the objective of achieving a 20% permanent reduction of the manageable nitrogen entering Lake Taupo through the application of the public fund.
- 1.3 The Lake Taupo Protection Project (the project) was constituted on 9th February 2007. Six trustees were appointed by the Joint Committee through a publicly notified process to oversee the work of the Trust. A few years later the Joint Committee appointed two additional trustees to provide for succession planning.
- 1.4 The Trust achieved the contracted nitrogen (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; staff reduced from two to one. Some parties the Trust acquired N credits from had future dated on farm N reductions to make and they completed at the end of the 2018 calendar year.
- 1.5 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.
- 1.6 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 and a 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 timeline of 30 June 2021.

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 other reports from other agencies.
- 2.2 The immediate governance of the Trust is through the appointment of four trustees who are responsible for fulfilling the requirements of the project in terms of the Trust Deed governing the Trust.
- 2.3 Project transitioning work regarding future governance and management options is ongoing. A decision on the outcome of the funding Councils long term plan consultation process is set to conclude late May 2021 at which time the Settlors acting through the Joint Committee will notify the Trust of its preferred management decision.

Objectives

- 3.1 The Trust will operate in alignment with the Trust and Monitoring Deeds, this Statement of Intent, annual operating targets and in compliance with the provisions applicable to it under the Local Government Act.
- 3.2 The Trust will report the cash flow projection to the Joint Committee.
- 3.3 Continue to administer nitrogen reduction agreements for compliance.
- 3.4 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.

4.0 Nature and Scope of Activities

- 4.1 The nature and scope of activities for the year 01 July 2021 to 30 June 2022 are:

4.1.1 Fund Management:

Review the Trust's Treasury Policy, Delegation, and Sensitive Expenditure Policies by June 2022 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 all contracted parties and with major partners to ensure any issue of contention is proactively settled.
- Where necessary take appropriate action to remedy any contractual failure by any party to reduce Nitrogen.
- 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 and 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
Oversee the financial position of the Trust to meet and maintain a positive cash flow projection.	Cash Flow Projection in place, updated and reported to Trustees quarterly; and Trust operations performed to achieve a positive financial outcome.
Ensure that all nitrogen reduction agreements are being complied with to achieve the overall Nitrogen reduction target of 170,300 kgs and where relevant in conjunction with Waikato Regional Council.	Nitrogen reduction agreements are compliant; any contractual failure is addressed and if relevant, to achieve repatriation of any loss of nitrogen.
Process all incoming correspondence relating to the nitrogen reduction agreements in a timely manner.	No complaints received because of time delays.
Monitor/track that compliance monitoring results are received from Waikato Regional Council on an ongoing basis for Nitrogen reduction agreements.	Monitoring compliance results are received in accordance with monitoring plan timelines; are reported to trustees and results provided to Audit NZ for audit purposes.
Participation 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 project to operate within budget).	Cash flow projection reported to the Joint Committee before balance date.
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.

Actions	Performance Measures
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.
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.	Joint Committee up to date with any Trust monitoring activities undertaken or proposed by way of quarterly reporting.
Keep up to date with the Regional Plan through Waikato Regional Council staff as it relates to the Taupo Catchment to ascertain any impacts on the Nitrogen reduction agreements.	The Nitrogen reduction agreements not compromised because of any review or application of the Regional Plan.
Continue to liaise with Waikato Regional Council staff regarding their use of OverseerFM to ensure there are no impacts that may affect the Nitrogen reduction agreements.	Trustees are kept up to date with any OverseerFM issues that may impact Nitrogen reduction agreements.
Build relationships and work with staff from the partner organisation (that will host the Trust's staff position) for the provision of services identified in the Service Level Agreement (SLA).	The provision of services through the SLA are delivered on time and fulfill Trust requirements.

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 Flow 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.

