

Te Puurongo aa-Tau a Waikato-Tainui

WAIKATO-TAINUI ANNUAL REPORT 2023



WAIKATO
TAINUI



He Koorero Naa Te Kiingi

Message from the King

Korooria ki te Atua, te tiimatanga o ngaa mea katoa, te puna o te whakaaro nui, te toka o te aroha. Paimaarire.

Ka tangi tonu te ngaakau ki ngaa mate o te waa. E maha tonu raatou kua riro ki te poo. Haere raa koutou, e moe.

Tihei mauri ora, ki te whei ao, ki te ao maarama.

E te iwi nui tonu, e whai ake nei ko te Riipoata aa Tau o taku iwi, me aana kamupene, aana waahanga katoa.

As you read and consider this report, I offer the following as a context and lens for you to consider its contents.

Waikato is an iwi shaped by the Kiingitanga, it is our past, our present, and our future. Our kotahitanga is founded on being kaitiaki to this taonga that ultimately belongs to the motu. Our tikanga is shaped by all the actions of our tuupuna who have continued to uphold the Kiingitanga as a korowai for Te Iwi Maori nui tonu.

As an iwi we have been in the business of making the impossible, possible for a long time. Together with many of our kaumaatua, we can recall days of serving on our Marae to welcome the motu as they come to offer their support for the Kiingitanga. Iwi entities did not exist, we had no companies – but we made it all happen. The things we could achieve together spoke to our commitment to the kaupapa. With hard work and dedication we demonstrated aroha to the people and maintained the teachings of our kaumaatua. These actions and teachings remain critical to who we are and who we must continue to be. As the hands of time turn, so too does our approach to our duty of kaitiakitanga. Adapting and changing is good, it brings new life for us all. Underneath that change must always be our tikanga, and those core kaupapa that always remain the same. They are a strong foundation for us. As we adapt with the world around us, we do so confident in the teachings of our tupuna.

Every year we measure our achievements, yet there remains so much more to do. The institutions, structures and companies of our iwi are ours - they must serve our dreams and operate according to our tikanga. We can change things to suit us and to ensure we have the best structures for today and tomorrow. I encourage us to embrace change that is good for the people and gives life to who we are as an iwi. Change that remains firm in our tikanga and gives us room to grow is good change.

Growing in wealth must also equal growing in aroha.

Commitment to strategic plans must also equal commitment to tikanga.

Constructing buildings, shopping malls and hotels must also equal constructing papa kaainga, kura, koohanga reo and hauora centres.

How we serve te iti me te rahi is the ultimate measure of success for any iwi. In this report how have we uplifted te pouaru, te pani me te rawakore? How have we strengthened Mana Motuhake and grown the pride of our people? Who benefits from our successful endeavours and feels the impact of our work?

To all the people of Waikato, ngaa kaitiaki o te Kiingitanga; to those who rise early in the morning and travel long distances; to all who cook, clean, teach and share maatauranga; to every member of this iwi who lives and serves Kiingitanga - teenaa koutou. Together let's continue to do great things for the good of the people. Together we live on the foundations of our tikanga, as we adapt and change to be leaders in the world around us.

As we read of the past year, we look forward to the next year.

Kia mau ki te ture, ki te whakapono me te aroha.
Hei aha te aha.

Paimaarire.



Kiingi Tuheitia Pootatau Te Wherowhero VII

Front Cover:
Taupa Edwards & Taupa Erueti, Te Papa-o-Rotu Marae

This page:
View across the Waikato River to Maungatautari



Raarangi Kaupapa

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Whakatupuranga 2050

Vision, Mission & Values

Vision

*Maaku anoo e hanga tooku nei whare
Ko ngaa pou oo roto he maahoe, he patatee
Ko te taahuhu, he hiinau
Me whakatupu ki te hua o te rengarenga
Me whakapakari ki te hua o te kawariki*

I shall fashion my own house
The support posts shall be of maahoe, patatee
The ridgepole of hiinau
The inhabitants shall be raised on rengarenga
Nurtured on kawariki

Mission

*Kia tupu, kia hua,
kia puaawai*
To grow, prosper
and sustain

Ngaa Tikanga Pou

MANAAKITANGA

Ka tautoko i eeteahi atu maa ngaa whanonga maarohirohi, ngaakau pai hoki, aa, maa te whakawhitiwhiti koorero teeteahi ki teeteahi i runga i te ngaakau pai kia aawhina ai taatou i a taatou ki te eke panuku, me te aha, ka eke anoo ngaa whakatutukitanga o te iwi.

WHAKAPONO

He hononga riiraa ki te Kiingitanga ka kitea i oona maatauranga, i oona puukenga me te aahua o ana whanonga ki oona hooa mahi, ki oona kiritaki me te marea i runga i te atawhaitanga, te tuutohutanga me te ngaakau pono me kore noa e whakapono teeteahi ki teeteahi.

RANGIMAARIE

E tau ana, e tuwhera ana anoo hoki te ngaakau ki ngaa koorero whakahoki, aarahi, tautoko hoki a eeteahi atu. Ka mauritau, ka hinengaro tuwhera, ka aata whakaaro hoki i te waa e whakatau ana i ngaa tono me ngaa wero ka paa mai.

MAHI TAHI

E hiahia ana ki te mahi ngaatahi, ki te whakakaha anoo i eeteahi atu ki te mahi ngaatahi me te tuwhera tonu o te hinengaro ki ngaa whakaaro hoo. Ka aawhina ki te whakarite i teeteahi panonitanga manahau, i eeteahi hua whaaiti me teeteahi ahurea kounga.

WHAKAITI

Ka manaaki i ngaa whakaaro o eeteahi atu, tae atu ki oo te iwi whaanui maa te paatai me te whakarongo ki a raatou me te whiriwhiri anoo i ngaa whakaaro o eeraa e paahekoheko ana raatou kia whai akoranga ai taatou i ngaa mahi o mua hei whakaahua ake i ngaa raa kei te tuu mai.

AROHA

Ka whakarite hononga, ka whai kauanuanu hoki puta noa i te rohe o Waikato maa te whakaatu i te ngaakau pono me te haapai i te mana o aa taatou taahuhu koorero. Ka whakatau i eeteahi atu maa te maarama ki oo raatou hiahia me te whiriwhiri tika i ngaa whakaaro 'kia uu tonu ai ki te ara tika.

KOTAHITANGA

E mihi ana, e kauanuanu ana hoki ki too taatou kanorautanga me oona hua maa te whakaatu i oona moohiotanga me toona tuutohutanga ki eeteahi atu. Ka whai waahi hoki ki te whakarite rongooa maa te whakarite i te taiao tika e tapatahi ai aa taatou mahi.

Ngaa Tikanga Pou is an illustration of the Kiingitanga principles. It was designed by Korotangi Paki.



Ngaa Poupou o Waikato-Tainui

Chairs and Chief Executives of Waikato-Tainui

An organisation the size and breadth of Waikato-Tainui requires cohesive, collaborative leadership to drive the change and success that we are seeking on behalf of our people. Ngaa Poupou o Waikato-Tainui is our vehicle to encourage, promote and lead this.

Overseen by the Chair of Te Whakakitenga o Waikato, in FY2023, Ngaa Poupou o Waikato-Tainui comprised the Chief Executives and Chairs of:

- Te Arataura (Executive Board of Te Whakakitenga o Waikato)
- Waikato-Tainui College for Research and Development
- Tainui Group Holdings
- The Office of the Kiingitanga

Ngaa Poupou o Waikato-Tainui is committed to promoting kotahitanga, mahitahi, communication and alignment across the tribal entities. It encourages meaningful collaboration and provides a collective view on the strategic direction of our iwi.

Paimaarire



Parekawhia McLean



Parekawhia McLean
Chair of Te Whakakitenga o Waikato



Tukoroirangi Morgan
Chair of Te Arataura



Hinerangi Raumati -Tu'ua
Chair of Tainui Group Holdings



Marama Muru-Lanning
*Chair of Waikato-Tainui College
for Research & Development*



Donna Flavell
Chief Executive of Te Whakakitenga o Waikato



Chris Joblin
Chief Executive of Tainui Group Holdings



Parekawhia McLean
Chair of Te Whakakitenga o Waikato

Te Puurongo a Te Kaihautuu o te Whakakitenga o Waikato

Report of the Chair of Te Whakakitenga o Waikato

*Piki ake au ki te taumata raa o Pirongia te aroaro o Kahu
Ka whakarongo atu ki ngaa ngaru e ngunguru i waho o Karioi
te paepae tapu o te taihauaauru e!*

*Heke iho au ngaa arahanga tapuwae, kia whai tonu au i te ia o Waipaa
ara raa, ngaa pikopikohanga o taku tupuna tanizha o Tuheitia e!
Tuu whakarehu atu au ki tooku whare tupuna, naana nei te koorero
“Haere mai ki a au ki Te Papa-o-Rotu, ki te au te rena, ki te urunga tee taka
ki te moenga tee whakaarahia!*

Ahakoia iti taku ngohi – he rei kei roto.”

*Kei ngaku whakateitei, kei ngaa whakatiketike teenaa taatou katoa i teenei
wahanga o te tau. Ko Kiingi Tuheitia kei toona ahurewa tapu – ka pai! Huihuia
koutou ngaa mootoi kahurangi ki te taepa o te rangi, okioki atu ai. E kore rawa raa
e mimiti noa te puna oo mihi ki a koutou! Noo reira, aanei raa te puurongo a Te
Whakakitenga o Waikato e whai ake nei.*

Kaati raka, teenaa taatou katoa!

It is with great pleasure that we present the 2022-23 Annual Report on behalf of Te Whakakitenga o Waikato.

This year has been a time of challenges and opportunities for our iwi, so I must acknowledge the leadership and guidance of Kiingi Tuheitia. His unwavering commitment to our people has been instrumental in shaping our direction and inspiring us to strive for excellence.

I would also like to recognise the Chairs of Te Arataura, Tainui Group Holdings (TGH), and the Waikato Endowed College for their invaluable leadership. Working together as a cohesive team has enabled us to make significant progress in fulfilling the aspirations of our iwi.

Within Te Whakakitenga o Waikato, we have a diverse group of members who play a crucial role in representing not only the interests of their respective marae but also taking a collective view on behalf of the iwi. Their dedication and commitment are essential in ensuring that our decisions and actions align with the needs of our people.

Whakatapuranga 2050 continues to guide our efforts in thinking, planning, delivering, and serving our iwi to meet their priorities. Our extensive program encompasses the oranga of our people, incorporating social, cultural, economic, and environmental wellbeing. Post COVID-19, alongside an economy that is in recession, means we must make astute choices about where the iwi allocates its resources. By adopting Puna Whakatapu Tangata, our group investment approach, we are strategically investing to maximise benefits for our people now and in the future.

Throughout the year, we have experienced significant milestones and achievements that deserve special recognition. The Tainui Games held in February 2023 marked a momentous occasion, bringing the iwi together after a three-year absence.

The Kiingitanga Accord Hui, held at Parliament Buildings in August 2022, provided a valuable platform for us to directly present our issues and priorities to the Prime Minister in the presence of Kiingi Tuheitia. These annual hui continue to play a vital role in advocating for the best interests of our iwi.

Furthermore, relativity received in December 2022 will allow us to prioritise its use in the next financial year for marae contributing to their development and wellbeing. These highlights demonstrate our commitment to tangibly benefitting our people and supporting their aspirations.

I would like to take this opportunity to express our appreciation to all our kaimahi across our various entities. Your unwavering dedication and hard work have been instrumental in driving the progress we have made.

I would also like to pay a special tribute to Pokaia Nepia who passed away earlier this year. Uncle Poka has served the iwi for many years, and his exceptional leadership and wisdom has left a lasting impact on so many of us. His guidance, support and aroha has been invaluable, and we are truly grateful for his contribution.

In closing, thank you to our whaanau for their ongoing support and trust in our leadership. Together, we will continue to navigate the challenges and seize the opportunities that lie ahead, ensuring a future that will allow us to grow, prosper and sustain.



Parekawhia McLean
Chair, Te Whakakitenga o Waikato





Ngaa Tohu Framework





Donna Flavell, *Chief Executive of Te Whakakitenga o Waikato*
Tukoroirangi Morgan, *Chair of Te Arataura*

Te Puurongo a Te Arataura

Report of Te Arataura

Iri te rau kawakawa! Iri ki whare aituaa!

E ngaa piki kootuku, e ngaa manu ngangahu koutou kua riro ki tua o pae mahara, ki te kaapunipunitanga o ngaa wairua i roto i te tau kua hori.

E kore rawa e memeha te puna roimata, te puna mihi, te puna aroha moo koutou.

He tuku whakamihi ki te Kiingi e noho mai naa ki runga o te ahurewa tapu – paimaarire!

Ka mutu, he manawa reka he whakamiha ki a koutou katoa ngaa uri o kauweheke maa

Naa raatou i whakatutuki te rerenga koorero nei:

“Ki te moemoeaa ahau ko ahau anake

Ki te moemoeaa taatou ka taea e taatou!”

Maa te atua i te waahi ngaro taatou hei aarahi i roto i te maramatanga.

Aanei noa nei te puurongo a Te Arataura – teenaa taatou!

The theme for this annual report is *kia ngiha te whatumanawa, he karanga tangata*, which challenges us to be bold, fierce and determined and to provide the best we possibly can for our marae and our people.

When I became Chair of Te Arataura not less than 18 months ago I wanted to disrupt the status quo and elevate our strategic direction as an organisation and lift our visibility across the entire landscape.

The December relativity payment allowed Te Arataura to carefully consider how it would apply the \$101.3m settlement to meeting the needs and expectations of our marae.

I am confident we have the capability inside the house to make decisions that will have sustainable and inter-generational impacts for our people.

The relativity amount provides a massive opportunity for our marae to chart a shared pathway towards Whakatupuranga 2050.

Financial Performance

In the year to 31 March 2023, our financial performance enabled us to distribute \$38.8m across a range of priority areas including \$3.15m toward marae dividends.

Tainui Group Holdings results together with returns on tribal assets has resulted in a net profit of \$76m down from \$311m.

Our total liabilities are currently \$445m.

Tribal total assets as a whole have grown by \$229m to \$2.2b and total equity is \$1.77b

The TGH dividend for the 2022-23 financial year result is \$19.7m.

Reform Highlights

It has been an exciting year with a full working agenda underpinned by some significant strategic policy movements in Wellington.

The last 12 months has been spent locking in our position around RMA and water reform. The pressure has really piled on as the government sought to introduce legislation on these very significant kaupapa.

Both of these kaupapa had the potential to seriously impact the sanctity of our treaty settlement and that was simply a step too far for us. Therefore we sat down with Ministers and officials to navigate a way forward in a way that recognised our relationship with our tupuna awa and environment.

Reform is well over-due, and no one will contest the need for clean drinking water and better infrastructure. Our advocacy was a key factor in preserving our position in two of the 10 key districts where we have clear water interests. I remain Chair of Entity A which stretches from the Bombay Hills to the far north while Entity B is now fully representative of the remaining region where we have distinct tribal interests.

While there is no fiscal outcome reflected in our annual accounts, being actively engaged in these nationally significant kaupapa is critical. Our relationship with these two important kaupapa provides the mechanism for us to exercise our mana motuhake consistent with our values.

Agreements

I am really pleased that we were able to land two major relationships with the Crown agencies. Our Mokopuna Ora team signed an historic \$32m agreement with the Crown at the Kiingitanga Accords meeting in Wellington. This is a game changer for our most vulnerable whaanau because it re-connects our children with their whakapapa who sit on the precipice of being institutionalised. We all know how that ends up for the majority of these whaanau and so it is critical Mokopuna Ora leads our collective response in this area.

The other relationship was formalising our Koi Ora strategy with key government agencies. This covenant records a special commitment between Waikato-Tainui and the Government to lift the health and wellbeing of our people.

Treaty pathways

It would be remiss to avoid addressing the issues around the formal Te Matatini poowhiri.

In order to provide context, last year Justice Mathew Palmer released his report about the claim bought by Ngaati Whaatua Ooraakei seeking to establish sole mana whenua status in central Auckland. He declined the application and went further ruling neither the Crown nor Parliament determines mana whenua or ahi kaa, that tikanga he said, is decided on by iwi.

Justice Palmer's direction to the various iwi entities has been crystal clear. Matters of mana whenua status are best left to the iwi to sort out among themselves. He agreed that Ngaati Whaatua Ooraakei has mana whenua in accordance with their own tikanga and tribal narratives but he was clear that it was not exclusive.

Ngaati Whaatua sought to appeal the ruling but have abandoned the action as it would have been an exercise in futility.

Our preferred route was to sit down with our Ngaati Whaatua whaanau however they decided to take a narrow view of the Palmer ruling. It was a desperate attempt to find a positive element in what was essentially a fairly mundane finding.

We have never suggested Waikato has exclusive rights in Taamaki but what Ngaati Whaatua has attempted to do, is use an imported judicial system to extinguish our presence and wipe our history away in the blink of an eye lid. We simply cannot walk away and allow ourselves to essentially become subject to pene raupatu or confiscation by the pen.

Harbours

Our West-Coast harbours settlement process continued over the past year as we have embarked on an ambitious engagement process with our claimants, marae and hapuu. This is the final stage of our raupatu settlement journey with the whenua and river negotiations having been addressed in 1995 and our river settlement in 2010 respectfully.

Te Paina

Last year the Crown identified a key parcel of land in Te Paina which became surplus to requirements. It was administered by the Waikato District Council who proposed that it be returned to Waikato-Tainui consistent with the arrangements in our settlement legislation.

A community engagement process has been underway including with Ngaati Naho, Ngaati Tamaoho and the local community to facilitate its return.

Te Paina is a significant 40ha site for us because it is situated close to where Te Puea began her journey towards Ngaaruawaahia. It was also one of the first places where colonial troops landed to invade Waikato in a desperate and futile effort to suppress the Kiingitanga effort.

Climate Change

Cyclones Hale and Gabrielle has highlighted the need for us to be more active in the climate change space and better understand the ongoing impacts of climate change.

These two weather events caused havoc in our rohe with our West Coast, Puaaha and Taamaki whaanau all significantly affected in the aftermath of the storms.

Our team were quick to rally around and provide help and deploy resources to the most hard-hit areas rapidly. The urgency they applied to the response from our marae was driven largely in part, as a result of the lessons learnt from our COVID-19 experience.

We were able to advocate with all the agencies to get support to the areas that need it most. It has also made us acutely aware of the future and how we might better prepare ourselves as these events become regular occurrences on our collective landscapes.

Five Year Planning

Management and staff began the meticulous process of planning for the next 2024-29 five year work schedule during this financial year.

A significant amount of preliminary work has been underway collecting feedback and data to help inform the strategic direction and organisational workplans. This will go to the house for approval in the next financial year.

Kai Sovereignty

The cost of living crisis has been keenly felt by our people in the last 12 months and indications are that it will continue to play havoc with our communities over the next two years. We acknowledge it is causing increasing stress on our people and their ability to provide for our whaanau.

Kai sovereignty means providing our people with more cost-effective options rather than being subject to the current duopoly that exists in the market. Therefore, in the last 12 months we (alongside other iwi interests) have been exploring ways to partner with overseas producers to introduce competition to the market. We believe a well-structured plan will also pave the way for our food producers to enter other offshore markets and grow their businesses.

Housing

Housing remains a priority for the organisation and the team. It has been frustrating working with government agencies nevertheless we have continued to place pressure on them to ensure our people are provided warm and healthy housing options.

We will bring you more details on our Hopuhopu development masterplan as we lock in arrangements with Crown Ministers and agencies. Our 47-unit Te Mauri Paihere ki Mangakootukutuku housing development was originally mooted over two years ago and consent was granted almost a year later. Navigating through the bureaucracy for the last 12 months has been an extremely challenging experience however we are confident this project will begin breaking soil next year.

Our residential housing developments is run by Tainui Group Holdings and like the rest of the building industry they have faced supply chain issues associated with their projects.

Regional Local Government Elections

We have been a strong advocate for Maaori representation at local and regional government level and so we were particularly pleased that almost every local council in our region adopted to introduce Maaori seats last year.

This is one of those kaupapa that provides for our people to have a seat at the decision-making table on these councils and advocate as equals in local kaupapa that matters. A lot of work went into advocating with councils staff and individual council members and it paid off. There is one remaining council which has agreed to introduce Maaori seats in the next local government elections.

Te Whakakitenga Skills Matrix Results

Te Whakakitenga members expressed interest in participating in projects that are carried out by Waikato-Tainui and fall within members' areas of interest and expertise. To assist with this, an information gathering questionnaire was distributed to members to further understand their areas of interest, expertise, qualifications, and experience.

Responses were received from 44 members across 20 marae. These responses enabled kaimahi to identify the top five areas of interest as being Education, Health, Economic Development, Te Reo and Tikanga, and Climate Change.

Further, an overwhelming 86.4% of responders were interested in participating in focus groups formed to provide submissions to the Crown or other authorities on law and policy reform. The top five areas of interest for these focus groups were Education, Health, Justice, Water, and Climate Change.

Additionally, kaimahi were able to review the members' key skills sets, and identified that of the 44 responses received, 38 members had more than one formal qualification e.g. Bachelors or Masters. The detail in these responses will be used to inform further participation and training opportunity offers.

Paimaarire!



Tukoroirangi Morgan
Chair - Te Arataura



Donna Flavell
Chief Executive Officer



Te Arataura

Board Meetings, Subcommittees and Joint Management Agreements (JMA's) with Councils

Member	Te Arataura Mtgs		Group Audit & Risk		Group Investment		Te Roopuu Wai		Distributions	
	attended	possible	attended	possible	attended	possible	attended	possible	attended	possible
Tukoroirangi Morgan (Chair)	16	17					1	1		
Ngira Simmonds (Deputy Chair, Kaahui Ariki Representative)	15	17								
Donald Turner	16	17			6	7			11	12
Hinerangi Raumati	15	17	6	6						
Huirama Matatahi	12	17					1	1	6	12
Jacqueline Colliar	17	17	6	6			1	1		
Linda Te Aho	17	17					1	1		
Maxine Graham	15	17	4	6	9	13			10	12
Rangitamoana Wilson	14	17							11	12
Tori Ngataki	15	17	3	6						
Vanessa Clark	16	17			13	13				

Notes:

Ngira Simmonds resigned from the GIC Nominations Committee in November 2022.

Huirama Matatahi was appointed to the GIC Nominations Committee in November 2022.

Vanessa Clark attended the GIC Nominations meetings as a temporary alternate for Ngira Simmonds.

Member	Whenua		Appointments		Waikato Regional Council JMA		Waipaa District Council JMA		Waikato District Council JMA		Hamilton City Council JMA		All Council	
	attended	possible	attended	possible	attended	possible	attended	possible	attended	possible	attended	possible	attended	possible
Ngira Simmonds			0	0							4	4		
Donald Turner					3	3			2	2			1	1
Hinerangi Raumati									2	2			1	1
Huirama Matatahi	3	3	0	0					2	2			1	1
Jacqueline Colliar					3	3	1	1						
Linda Te Aho							1	1			4	4	1	1
Tori Ngataki			0	0							4	4		
Vanessa Clark													1	1

Notes:

Huirama Matatahi is the Co-Chair of the Appointments Committee and the Te Arataura Representative on the Whenua Committee

Te Whakakitenga o Waikato Representatives	Whenua		Appointments		Waikato Regional Council JMA		Waipaa District Council JMA		Hamilton City Council JMA		
	attended	possible	attended	possible	attended	possible	attended	possible	attended	possible	
Justine Berryman					0	0					
Sheryl Matenga					0	0					
Ikimoke Tamaki-Takarei					0	0					
Nanaia Rawiri	3	3									
Hori Awa	3	3									
Robyn Roa	3	3									
Karen Wilson	1	3									
Norman Hill							2	3			
Jocelyn Berryman							2	3			
Dale Maree Morgan									1	1	
Barney Manaia											
Carolyn Hopa										3	4
Anaru Adams										3	4

Kaapuia Committee

Kaapuia Hui

attended possible

Parekawhia McLean (Kaapuia Sponsor)	2	3
Tukoroirangi Morgan (Kaapuia Sponsor)	3	3
Tania Martin (Kaapuia Chair)	17	17
Craig Barrett	11	17
Leesah Murray	16	17
Matekino Marshall	9	17
Jeff Green	4	4 ¹
Maxine Graham	12	17
Rangitamoana Wilson	13	17

Notes:

¹ Appointed as a member in January 2023

Dr. Marama Muru-Lanning,
Chair of Waikato-Tainui College for Research and Development



Te Puurongo a Waikato-Tainui College for Research & Development

Report of the Waikato-Tainui College for Research and Development

‘Kia tupu, kia hua, kia puaawai’

‘To grow, prosper and survive’

This report provides an overview of the recent developments and progress made by our College as it emerges from recess. This year, the College has taken several significant steps to strengthen its research capability, improve community engagement, and streamline operational activities.

Budget and Funding - from Te Whakakitenga

The College’s budget for this year was approved, with funding returning with an annual budget of \$720k. This demonstrates Te Whakakitenga’s confidence in the College’s ability to effectively deliver activities for the iwi.

Kaimahi rangahau

- The College is starting to form a rangahau team. We have employed two highly experienced research associates whose expertise will greatly contribute to our new rangahau initiatives.
- Efforts are underway to fill other essential roles within the College to further enhance research capabilities and support research and community activities.

Rangahau -

Programme for Wai Maaori and Hauora Maaori

The College is leading the preparation of several large proposals for programmes and projects in Wai and Hauora. This leadership signifies the College’s commitment to advancing knowledge and making significant contributions to Wai and Hauora for Waikato-Tainui communities. The Government’s review of the Research, Science, and Innovation System - Te Ara Paerangi will lead to new opportunities for Maaori-led research. We are positioning the College to capture these new opportunities for our iwi.

Hauora Maaori

Te Niwha: Infectious Diseases Research Platform is a research partnership established to prepare Aotearoa for future infectious disease threats. The College has been invited to host one of Te Niwha's Strategic Projects titled Lifting Priority Childhood Immunisations. There are several local research and community partners, marae, hauora and health providers within this project. The College will host research leaders for a study design hui in early July.

Wai Maaori

MBIE's 'He Tipu Ka Hua' investment fund is open to Maaori-led organisations to prioritise investment in Maaori-led Research Science and Innovation, maatauranga Maaori and kaupapa Maaori. The College is leading a funding application in partnership with Te Taiao o Kaawhia Moana, the Onepuu Trust, and marae at Kaawhia and Aotea. Our community-based research will bring to life maatauranga onepuu drawing on tangata whenua and tangata moana voices, through maatauranga and puuraakau. Our programme has attracted our own Tainui scientists and scholars (anthropologists, archaeologists, conservation ecologists, geologists, historians, and landscape architects) working at research institutions around the motu. This project brings them back to their whenua and rohe. The project will focus on a number of kaupapa including whakapapa, kaitiakitanga, and how cultural values, and Maaori innovation informs decision-making for onepuu-use and onepuu-systems.

Engagement Plans

We are extending our engagement across research with diverse roopuu and community organisations.

- Waikato Regional Council are supporting our research endeavours by releasing a Research Associate to work on our projects.
- Our professional Maaori researchers are from Te Puunaha Matatini (Centre of Research Excellence for complex systems), Te Whare Waananga o Ootaakou, Te Whare Waananga o Waikato, Waipapa Taumata Rau – University of Auckland.
- Our programme with Te Niwha has led to engagement and partnership opportunities with ESR (Institute of Environmental Science and Research)

Operational Activities

- The College has undertaken a comprehensive review of operational expenditure to ensure efficient resource use.
- The College maintains a positive relationship with the WRLT to support management and remediation of our building.
- To address health and safety requirements and operational efficiency, the College Trustees have approved the purchase of a utility vehicle.
- Furthermore, the College has positioned itself as a research leader, taking an active role in the research landscape rather than relying solely on partnerships.



Waikato-Tainui College for Research and Development, Hopuhopu

Website Update

The College is currently redesigning and updating its website. The revamped website will highlight the history of the College, new research aspirations, achievements, and showcase the expertise and capabilities of the College. The anticipated launch of the updated website is scheduled for later this year.

Financial Sustainability

Sir Robert Mahuta Endowment Fund Investment SIPO - \$19M from the endowment has been invested with our group brokers, while the markets continue to remain volatile, we are confident the funds are being prudently managed. With efficient management, investment objectives and policies in place the investment will help generate financial returns over the long term to support the purpose of the College. The \$19M principal will not be touched for any form of expenditure. We retain \$500K in an ASB fixed term deposit.

Audit - PWC have almost completed the FY22 audit. Baker Tilly, the accounting services consultants, are continually working with the Board Chair and Trustees to put necessary processes in place to identify and sort any issues.

Operational Revenue - includes \$720K approved by the Te Whakakitenga and received this year per the annual budget of the College.

Operational Expenditure - with the College being in recess over the last year, we have identified and reviewed costs like leases, subscriptions, telephone etc for optimum use of resources in a cost-effective manner. We are working with Spark to review and update the technological systems in place beneficial to the College. All the building related costs are being reimbursed by WRLT to the College.

In summary, the College has made significant progress in the last 12 months. With the recruitment of research associates, working towards securing external research funding, engaging the community on research projects, strengthened partnerships, and operational enhancements, the College is well-positioned to establish its reputation as a strong Maaori-led research entity for Waikato-Tainui.

Dr. Marama Muru-Lanning,
Chair of Waikato-Tainui College for Research and Development



Hinerangi Raumati-Tu'ua, *Chair of Tainui Group Holdings*
Chris Joblin, *Chief Executive of Tainui Group Holdings*

Te Puurongo a Tainui Group Holdings

Report of Tainui Group Holdings

Ka tahi he tau panoni te tau

He tau ahurangi te tau

He tau whanokee te tau

Ka rua he tau whakapuioio te tau

He tau aumangea te tau

He tau hakune te tau

Nei raa te mihi i roto i ngaa aahuatanga maha o te waa, ngaa aahuatanga tini o te tau.

2023 marks 20 years since the restructure of Tainui Group Holdings (TGH) into its current form and while there have been ngaa piki me ngaa heke over those two decades, the value of assets owned by Waikato-Tainui has experienced substantial growth.

TGH began with a property endowment valued at \$166m; today that has grown into an asset portfolio with an asset value of \$1.6b, reflecting a compounded annual growth rate of 12%. This growth has been achieved largely by activating strategically located whenua either returned to Waikato-Tainui through the 1995 Raupatu Settlement or purchased for development purposes.

We celebrate our 20th anniversary with improving cash earnings against a backdrop of change both internal and external. TGH's two-year transition into the Chief Investment Officer role to implement the tribal investment framework, Puna Whakatupu Taangata (Puna), was completed just as the global economy stuttered under rising inflation and, consequently, increasing interest rates. And while TGH has enjoyed significant uplifts in asset values in recent years, a much softer outlook is expected with more modest asset growth reported in this year's annual results.

This economic volatility saw several negative impacts including the equity and bond markets experiencing large losses. The effect on all four tribal trusts was significant however the markets have since rallied, and the losses almost fully recovered. Any loss is difficult to accept, but we know that investment in listed equities is a long game that will provide good returns over time. The market volatility experienced in FY23 has confirmed the need for TGH to build a diversified, resilient portfolio that can withstand the unexpected.

FY23 Returns and Distributions of the Waikato-Tainui Funds Managed by the CIO

\$m	Waikato Raupatu Lands Trust	River Initiative Fund	River Co-Management Fund	Sir Robert Mahuta Endowment Fund
Total Assets	1,868	42	23	18
Total Equity	1,436	42	23	18
Equity Growth %	5% / 6%*	-5%	-5%	-5%
Distribution \$	19.7	deferred	deferred	deferred

* Post/Pre payment of FY23 distribution

Interest rates almost doubled during FY23, and this has required a stronger focus on reducing bank debt. Our commercial success has been built by using bank borrowings due to a lack of other funding sources. Refining our asset portfolio through the sale of non-performing, non-strategic property is an option we can and are considering within the framework of Puna and the Te Whakakitenga Whenua Policy, and sale proceeds will be used to reduce debt. Resulting savings in interest payments will go towards annual tribal distribution payments and any property sold will be replaced as required under the Whenua Policy.

Developing our whenua through constructing assets that generate cash earnings must continue to ensure we provide for the future, and avenues to access funding are being explored. Equity partnerships for more building developments at Ruakura Superhub is a funding option that we are pursuing.

As intended, Puna is providing the direction needed as we navigate these times. In the upcoming FY24 year the WRLT fund (managed by TGH) has committed to deliver \$30m of annual cash distribution to fund tribal development. This is lower than the 2.5% distribution target but if market conditions are aligned with our forecast, we expect to have the ability to achieve the full 2.5% distribution (\$32.6m) by the end of FY24 (March 24). The official opening of Ruakura Superhub, the completion and lease of Amohia Ake to ACC, and the impending completion of the Kmart and Big Chill facilities, Ruakura Inland Port and Te Arikini Pullman Auckland Airport Hotel are indicators of our strategy to grow ongoing cash revenues.

WRLT Fund Distributions

\$m	FY22	FY23	FY24
TGH assets contribution	10.5	19.7	24.2
Global Equities contribution	3.5	0	5.8
Total Distribution	14.0	19.7	30.0
Puna distribution %	in Puna transition period		2.3%

We enter FY24 with Puna embedded into the way we grow commercial value, a consolidated and committed board, a skilful and dedicated team, and a clear strategy to ensure the Waikato-Tainui commercial entity is set for continued growth over the next 20 years and beyond.

He mihi nui ki too taatou pou, too taatou Kiingi aa Kiingi Tuheitia, ngaa mema o Te Whakakitenga o Waikato me Te Arataura, ngaa hoa pakihi, me te poari o TGH me aana kaimahi hoki. Teenaa koutou katoa.

Paimaarire.



HINERANGI RAUMATI-TU'UA
Chair



CHRIS JOBLIN
Chief Executive Officer

BUSINESS PERFORMANCE

Chief Investment Officer Review

This section reports on the performance of Tainui Group Holdings as Chief Investment Officer responsible for the management of the four tribal funds, which are the Waikato Raupatu Lands Trust Endowment Fund (includes Waikato-Tainui-owned global equities and assets managed directly by TGH), River Initiatives Fund, Co-Management Fund, and the Sir Robert Mahuta Endowment Fund. These funds are invested according to the requirements of Puna Whakatupu Taangata (Puna).

The now completed two-year transition by TGH to fully implement Puna has included:

- The migration and pooling of investments into a new asset allocation.
- Implementing benchmarking of investment performance.
- Implementing a new legal structure to hold investment assets.
- Restructuring of existing debt and banking facilities.
- Updating TGH policies and controls.
- New reporting on investment performance and compliance.
- Formalising investment management agreements between TGH and Waikato-Tainui.
- Employment of new kaimahi and building capability.

The period to 31 March 2023 will be remembered as one of the most turbulent years in market history. Among the many sources of volatility over the year, the most significant was the rapid and widespread increase in inflation to multi decade highs. Governments and Central Banks responded quickly by withdrawing COVID related stimulus packages and raising interest rates to engineer an economic slowdown. The rapid change in the interest rate outlook saw the equity and bond markets take on significant losses during the year, bottoming out around October 2022 before staging a strong (but not complete) recovery toward the end of the FY23 financial year.

The impact of the changing cycle was initially felt by the listed bond and equity exposures across all four trusts. At its lowest point during the year, the equity and bond holdings across the trusts were down \$46m (-14%) before recovering to be down \$17m (-5%) at year end. Although it is unfortunate to have experienced such a volatile period so early in the implementation of Puna, we remain focused on the long-term horizon and the accepted investment principle that asset classes such as listed equities, will return more than cash and term deposits, over the long term.

Later in the year, the increased interest rate environment and economic slowdown impacted our Real Estate and Natural Resources portfolios. Our debt interest costs increased, and some real estate assets were revalued downwards. Lower commodity and higher labour costs have further impacted our natural resources assets, also leading to some lower valuations.

Although it is appearing more likely that the interest rate cycle has peaked, we expect to continue to experience operating in a higher interest rate, higher cost environment for some time.

The Waikato Raupatu Lands Trust Fund increased its equity value by 6% in FY23 pre-distribution and 5% post the \$19.7m distribution being paid. A more detailed breakdown of the Fund returns is shown in the table below and discussed in the TGH Asset Manager Review section.

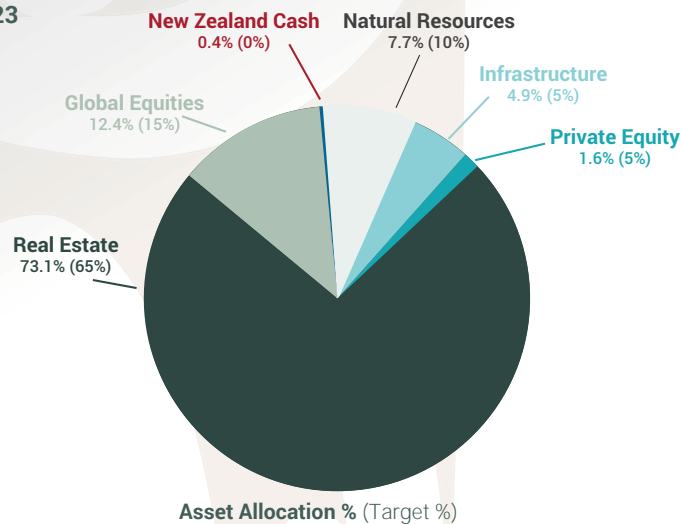
The River Initiative Fund, Co-Management Fund and Sir Robert Mahuta Endowment Fund have all fallen by 5% due to the listed equity and bond performance over the period.

FY23 WRLT Asset and Equity Values

\$m	FY22	FY23	Variance	%
Real Estate	1,123	1,365	245	22%
Global Equities	239	232	-7	-3%
Natural Resources	154	143	-10	-7%
Infrastructure	49	92	43	88%
Private Equity	33	29	-4	-12%
Cash	57	7	-54	-89%
Total Asset Value	1,655	1,868	213	13%
less Liabilities	284	432	148	52%
Total Equity	1,371	1,436	65	5% / 6%*

* Post/Pre payment of FY23 distribution

WRLT Asset Allocation at 31 March 2023



Looking ahead to the FY24 year, it will continue to be challenging for our investments but will likely be less volatile. Our focus will be on ensuring that we hold the right assets to deliver the investment objectives of Puna. This will require TGH to recommend changes to the portfolio through the sale of non-performing, non-strategic property assets in order to reduce debt. We will also need to partner with external capital to develop the remaining whenua at Ruakura. Both these actions will create significant improvements in the ability of our portfolio to deliver cash, which is required to sustainably meet the growing expectations of distribution payments under Puna.

In recent years our past portfolio growth has been underpinned by strong capital gains in our Ruakura development. Further, strong, capital gains will become more challenging to deliver until interest rates revert to more normal levels, which looks unlikely to occur in the FY24 financial year.

TGH Asset Manager Review

This section reports on the performance of Tainui Group Holdings as asset manager with responsibility for commercial assets, excluding global equity investments. The results presented below include Tainui Group Holdings Limited and Waikato-Tainui Fisheries Limited.

NGAA HUA AA-TAAHUA Financial Performance

Despite rapid changes in the macro-economic environment impacting asset values, FY23 saw a strong return of TGH's underlying operating results to near pre-COVID levels. Net Profit after tax of \$98.2m whilst a strong result, is down \$173.7m on the previous year and reflects the impact that increasing interest rates had on most properties, with softer growth compared with previous years.

FY23 Financial Summary*

\$m	FY23	FY22	Variance
Asset Value	1,636	1,415	220
Total Debt	336 / 21%	215 / 15%	121 / 5%
Operating Profit	35.2	4.7	31.0
Net Profit After Tax	98.2	271.9	-173.7
Return on Equity	6.5%	31.7%	-25.3%
3-Year Return on Equity annualised	17.2%	14.8%	2.4%

* Includes Waikato-Tainui Fisheries Limited

Operating profit of \$35.2m (up from \$4.7m in FY22) was driven by strong rent reviews, a one-off settlement at The Base, and hotel assets resuming normal operations. This supported TGH's ability to fund \$19.7m of distribution to Waikato-Tainui from TGH's activities, \$3.7m more than expected, and up \$6m on FY22. TGH also provides in-kind support services and rent abatements to Waikato Raupatu Lands Trust and Rivers Trust valued at \$0.5m.

Debt continued to be the primary source of capital to grow value in TGH's Real Estate asset class, funding the build of new assets Kmart, ACC, Big Chill, infrastructure at Ruakura, and Te Arikiniui Pullman Auckland Airport Hotel. Each asset class has a permitted level of debt under Statements of Investment Policy Objectives (SIPOs) and TGH sets additional control limits to ensure the company has the necessary liquidity if required. This is especially important during times of economic uncertainty.

TGH Directly Managed Asset Class Debt Levels FY21 to FY23

\$m	Debt FY23	Debt FY22	Debt FY21
Real Estate (Debt limit of 35% of Real Estate assets)	330.6 (24.2%)	211.0 (18.7%)	130.8 (16.8%)
Natural Resources (Debt limit of 25% of Natural Resources assets)	3.5 (2.5%)	3.5 (2.3%)	Nil
Infrastructure (Debt limit of 25% of Infrastructure assets)	Nil	Nil	Nil

WHENUA Real Estate

The real estate portfolio includes Ruakura Superhub, hotels, The Base and Centre Place, commercial and Crown leased buildings, and residential subdivision developments, and is valued at just over \$1.1b. Clearly the largest asset class, our heavier weighting in real estate is a natural result of the early beginnings of TGH as a property developer and the strategic advantage gained from the property that was included in the Raupatu settlement.

Whenua is our most valuable asset category and leveraging value from it is central to how we continue to grow. Capitalising on the iwi-Crown partnership to secure long-term, quality tenancies (eg ACC, NZ Police), refining and elevating the portfolio with higher quality properties, negotiating maximum rental rates as multi-year perpetual leases become due, and using external equity to continue to develop and own buildings at Ruakura are enabling us to maximise this asset category and increase cash earnings.

FY23 highlights include:

- Ruakura Superhub officially opened for business.
- Global shipping and logistics company Maersk announces 16,000m² cold store.
- Australasian retail giant Kmart announces 40,000m² national distribution centre.
- Waitomo Service Centre and food outlets opened.
- Cambridge Police Station opened.
- Amohia Ake (ACC building) completed.
- Novotel Tainui Auckland Airport Hotel and Ibis Tainui Hamilton Hotel refurbished and reopened following end of Managed Isolation Facility duties.
- Residential subdivision works at Tuumata Rise and Te Hiringa commenced.
- Te Wetini Drive extension completed at Rotokauri Rise.



New riparian fencing to protect the waterways at Hangawera Station

AHUWHENUA Natural Resources

The Ahuwhenua portfolio includes dairy and drystock farms, forestry, and fishery assets, and is valued at \$143.3m. Tribally affiliated kaimahi make up 67% of this team.

Ngaa Paamu - Farms

Te taiao commanded a strong focus from our farm teams with unusual weather patterns bringing almost double the annual rainfall and resulting in pasture and infrastructure damage, preparation for incoming regulatory compliance for greenhouse gas emissions, and continuing riparian fencing with over 10km of new fences built and 28,000 native trees planned for planting by July 2023. The benefits of this fencing and planting mahi are two-fold – to protect the wai and offset emissions.

Ngahere - Forests

Kawaroa Forest has reached maturity and so far 54ha has been harvested. Consultation with mana whenua preceded harvesting and managing environmental impact plus ensuring kaimahi safety are priorities. Replanting is scheduled for August 2023.

In March this year Kawaroa received certification by the Forest Stewardship Council (FSC) recognising international environmental best practice. At Onewhero Forest a silviculture pruning and thinning programme is continuing. TGH has contracted a tribal-owned business, whose employees include 42% tribal affiliated kaimahi, for this mahi.

Hii Ika - Fisheries

Fishing quota managed by TGH on behalf of Waikato-Tainui includes Deepsea, Inshore, Mussels, Scampi, Crayfish, and short and long fin Tuna. Quota lease durations are between 1-5 years. Inshore is leased by Moana Seafood and Deepsea is leased by Sealord. Waikato-Tainui has income shares in Moana Seafood, which owns 50% of Sealord. These shares are held in Waikato-Tainui Fisheries Limited (WTFL) and are fair valued annually. A portion of the inshore quota is also leased to Kaawhia fishermen and tribal members Ali Brooks and Leon Lawrence.

HANGA WHAKARERE Infrastructure

The Ruakura Inland Port is a joint venture with Port of Tauranga who will manage the daily operations of the port when it opens later this year. Construction is expected to be completed mid-year with demand for the port facilities increasing as the Maersk and Kmart facilities come on stream. The port is expected to move 30,000 containers in its first year.

WHAI PAANGA Private Equities

Our private equity portfolio consists of holdings in three private equity funds (Pioneer Fund II & Fund III and Waterman III) as well as a direct equity investment in Waikato Milking Systems. The inflationary environment and adverse impact of New Zealand-based weather events put pressure on many of our invested businesses over the year. Overall, the value of our Private Equity holdings (including distributions received during the year) finished the year at \$28.8m. On 21 May 2023, shortly after year end, TGH completed the sale of Waikato Milking Systems. This asset sale will be recorded in the FY24 financial year.

HE MANAWA AA WHENUA Sustainability

We understand the priority for business to tread lightly on Papatuaanuku. TGH's sustainability strategy, which is anchored by the He Manawa aa Whenua framework, is in development and will be launched next year.

Ruakura Inland Port with the Maersk, Kmart, PBT and Big Chill buildings beyond.



AAWHINATIA TOO TAATOU IWI

Supporting our Iwi

- Social procurement and supporting tribal businesses is a long-term strategy for TGH. In FY23 TGH spent over \$7.5m on goods and services provided by tribal businesses directly and indirectly.
- Engagement with Te Whakakitenga and Whenua Committee members on Puna implementation and transition, and strategic issues like pathways to performance and sources of capital funding.
- Engagement with mana whenua and Ruakura Tangata Whenua Working Group on cultural considerations pertaining to developments including tikanga, karakia and cultural advice.
- Paataka Kai – provided to 43 marae.
- Kaupapa supported include poukai (Paataka Kai), Tainui Games (kaimahi), Tuurangawaewae Regatta (stall).
- Te Ohu Amorangi governance programme – Michelle Kemp (Ngaati Mahuta, Ngaati Makirangi) appointed.
- TGH kaimahi: 52% are Maori; this includes 39% of all TGH kaimahi who affiliate to Waikato.

Harden Up Concrete is one of several businesses owned by tribal members that is benefitting from social procurement. Owner Lance Mihinui (Raakaunui Marae) at left with rangatahi kaimahi.



'He kuuwaha i whakapuaretia ki te Punakai raaua ko te Puna Tangata Ka ora teetehi mea, ka ora teetehi mea . . .'

Investing in our people

The following statistics provide a snapshot of support provided to tribal members and marae across a range of kaupapa between April 1, 2022 – 31 March 2023.

Top Koha Statement:
Participate
at my marae



Housing

Tribal members by age*

Age	Count
0 to 5	789
5 to 10	1,691
10 to 20	9,101
20 to 30	16,418
30 to 45	25,059
45 to 60	17,430
60 to 80	13,061
80 to 90	1,631
90+	576
Total	85,756

* As at 31 March 2023

364

tribal members attend
Tooku Nei Whare workshops

42

households partake in the
Home Repairs Programme

22

Marae participate in the
Papakainga Workshop

Employment

101

tribal members supported
with Mahi Readiness

158

received pastoral care
support in their jobs

190

tribal members supported
into employment

\$19k

distributed to tribal
members through Te
Tomokanga Tool Grant

Business & Partnership

50

Pakihi attend
Puna Pakihi Event

25

tribal members secured
into apprenticeships

10

secured into
internships

15

employment
opportunities secured

Education & Grants 2022-23



6,008
Total grants paid out

The oldest applicant was

99



2,531
were male



3,477
were female



4,667
Kaumaatua Grants in total

Top 3 Kaumaatua Grant uses were for



GP/ Pharmacy



Dental

Optometry



600
Tertiary Grants



107

Tumate Mahuta Grants
(Masters & Postgraduate)



25

Doctoral Grants



9
Tikanga Ora Reo Ora Ake Grants



216

Kia Haere Tuu Grants
(Driver Licensing)



243
Sports Grants



121
tribal member attended Taiao training courses



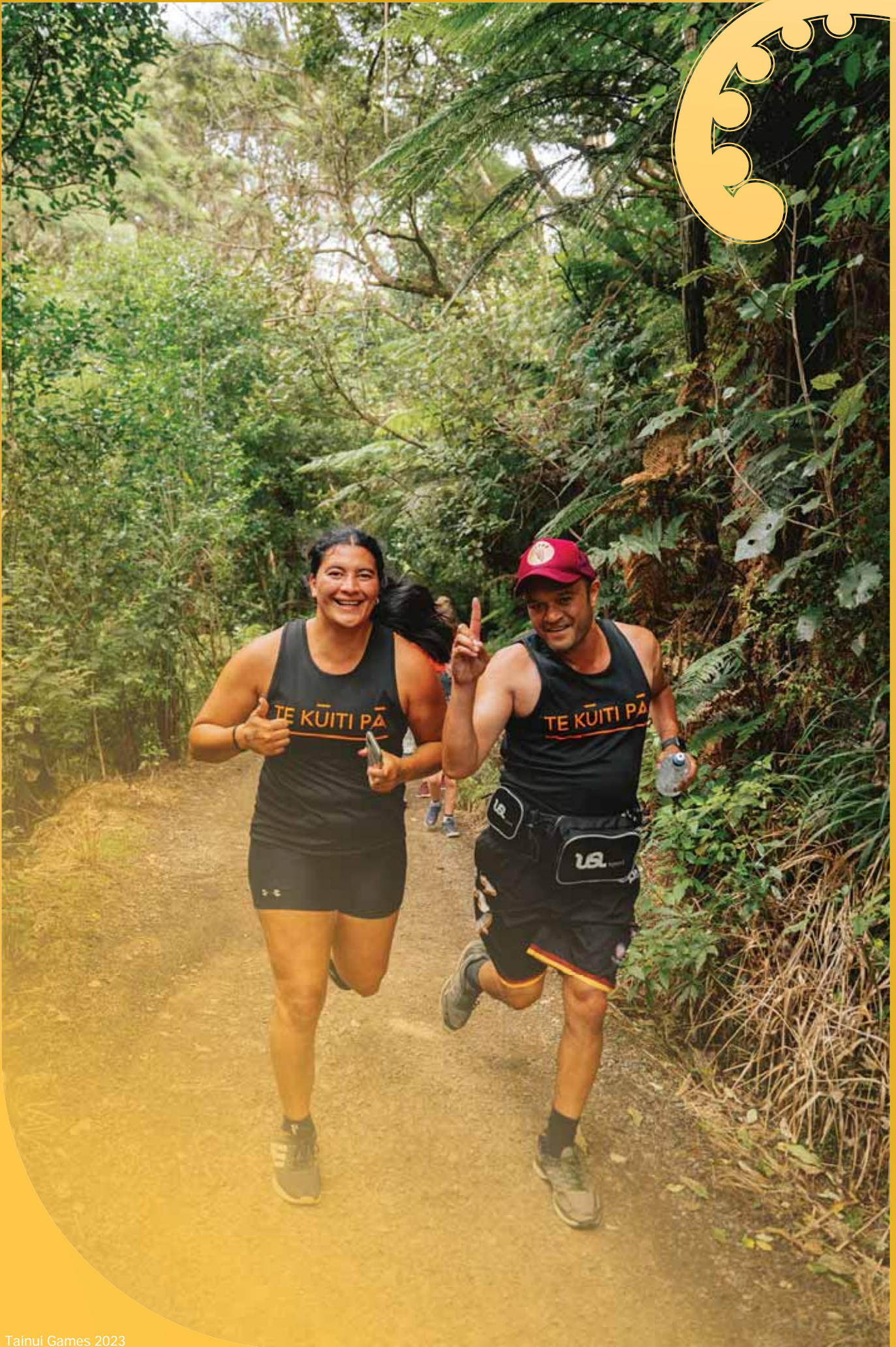
16
Koiora Grants



12
Poukai Grants







NGAA TOHU HAPORI

Social Signposts

**Kia tupu ki te hua o te rengarenga,
kia pakari ki te hua o te kawariki**

*To grow a prosperous, healthy, vibrant,
innovative and culturally strong iwi*

Te Ara Whakatupuranga Initiatives:

- Support the development and growth of commercial and social enterprises for tribal members and marae
- Creation of opportunities across the housing continuum
- Creation of home ownership opportunities
- Creation of papa kaainga or communal living opportunities
- Grow education and career pathway partnerships to improve quality learning
- Establish Waikato-Tainui wellbeing standards and monitoring unit for hauora and social wellbeing
- Manage gaps or misalignments with health and wellbeing service delivery
- Supporting tribal members into individual career pathways



VHS Digitisation

The Archives Team acquired two VHS and Audio digitisation machines to get a jump start on their digitisation activity. The systems have been procured via a relationship with Ngaa Taonga Sound & Vision to protect and restore digital Taonga.

With an average life span of 20 years, many whaanau may be holding onto VHS and audio tapes at home that could be due to expire or succumb to dust and mould.

The team currently had approximately 140 tapes to digitise. By end June, we successfully digitised 70 video tapes. An intern was also brought in to assist with this mahi, supporting a tribal videographer of many Poukai over a span of 30 years, Anaru Thompson from Ngaatira Marae.

In collaboration with Anaru, this is a pilot for working with marae and other tribal members to save and restore their whaanau memories before their VHS & Audio tapes deteriorate.

Archives Manager, Charles Willison says the quality of tapes being digitised currently are astounding and is testament to the taonga that they are for future generations.

Ruku Kai Waananga

The Heritage & Identity Team completed their second Ruku Kai Waananga with all participants completing their free dive and scuba certifications.

The programme began in 2021 to support tribal members nominated by their marae to complete their certifications and provide techniques to dive safely. The programme has also created a network of tribal members passionate about diving and they catch up regularly to support kaupapa around the rohe.

Programme Lead, Mahana Toka, says it's been a privilege to spend time with these whaanau who keep our marae ticking along.

Tooku Nei Whare Workshops

The Tooku Nei Whare workshops recommenced in November of last year to empower and uplift our tribal members to a greater understanding of the journey to home ownership.

The workshops were held online to provide a safe space to learn, ask questions and grow. With seven workshops completed between November 2022 – March 2023, we had 250 registrations.

We have been fortunate to have two new facilitators lending a wealth of knowledge around home ownership to our tribal members. Both with strong education backgrounds, our tribal members have been thriving and learning.

‘The Matua (facilitator) that took the workshop brought up a few topics that I have not put much thought into and they definitely make a lot of sense in wanting that big step of being a home owner come true’.

- Tribal member feedback



Taonga Tuku Iho

The Raupatu boundary has multiple developments occurring. This means when multiple taonga are found, it triggers the Tribal Taonga and/or Koiwi Protocols.

Our Taonga Tuku Iho Team meet regularly with the Ministry of Culture & Heritage to support the identification and preservation of finds, and implement a care plan for each taonga in consultation with Marae representatives.

A training programme has also been initiated for six interns to be able to complete initial conservation techniques such as checking the PH level of treatment water.

Mahinga Kai Waananga

All marae take pride in being able to present their signature dishes at important events. The slaughter, processing, handling and storage of the meat involved has been a traditional part of marae kitchens for generations.

These activities provide moments of interaction between rangatahi and kaumaatua, tuakana and teina, in sharing knowledge, whakapapa and marae specific narratives, as well as providing opportunities to re-connect with the whenua.

From a Waikato-Tainui worldview, communal living practices such as kai gathering improves the mental and spiritual health of individuals, ensuring the legacy and succession of traditional practices for generations to come.

Traditional kai gathering techniques have a unique ability to trigger positive memories and moments which has also been acknowledged as a deterrent for neuro-degenerative diseases for our kaumaatua Alzheimer's, Parkinson's, etc.

In September 2022 we ran our second Mahinga Kai Waananga for the year. The waananga included upskilling and educating 12 tribal members on efficient and safe meat processing and handling practises, as well as equipping them with the necessary tools of the trade – a sharpening steel, new set of knives and a pouch for storage. All participants achieved their Mahinga Kai Badge (pictured top right) and will help ensure marae have confident and competent meat processors, ensuring food is handled in a safe and sustainable manner.

Information regarding future waananga will be sent out to all marae, to nominate their two representatives to attend.

Solar Energy

In December, Solar Sense and Waikato-Tainui worked together to deliver a solar energy waananga to our marae and whaanau as an education piece for those interested in solar power as a renewable energy source for their marae, whaanau, whenua or whare.

The overwhelming interest and swift uptake for this waananga with tribal members, proved a genuine interest in learning about renewable energy solutions and finding solutions unique to their individual wants and needs. The purpose of these waananga is to bring in various specialists within the energy space to breakdown solar, hydro and wind configuration to ensure whaanau understand how it works as well as identifying possible opportunities and configurations that might work for them. Hinerangi Pene, Energy Navigator at Waikato-Tainui, says the Energy sector is vast, complex in many ways and at times difficult to navigate.

“Our whaanau have demonstrated a desire to participate in the sector whether for commercial gain or to create energy distributions solutions/sharing amongst their whaanau. Marae need to feel secure in making informed and educated decisions about their energy choices and supported to do so. We acknowledge our marae and whaanau hold the solutions to their energy aspirations and we seek to support these aspirations by ensuring they are equipped with the knowledge needed to make their aspirations a reality. As our nation moves towards decarbonising economies, I hope we can yield the opportunities that come from this for the betterment of our people and encourage participation from our tribal members threaded throughout all levels of the industry. By doing so we will be able to ensure a more equitable and accessible energy sector that contributes to better health outcomes for our people”.





Puna Pakihi

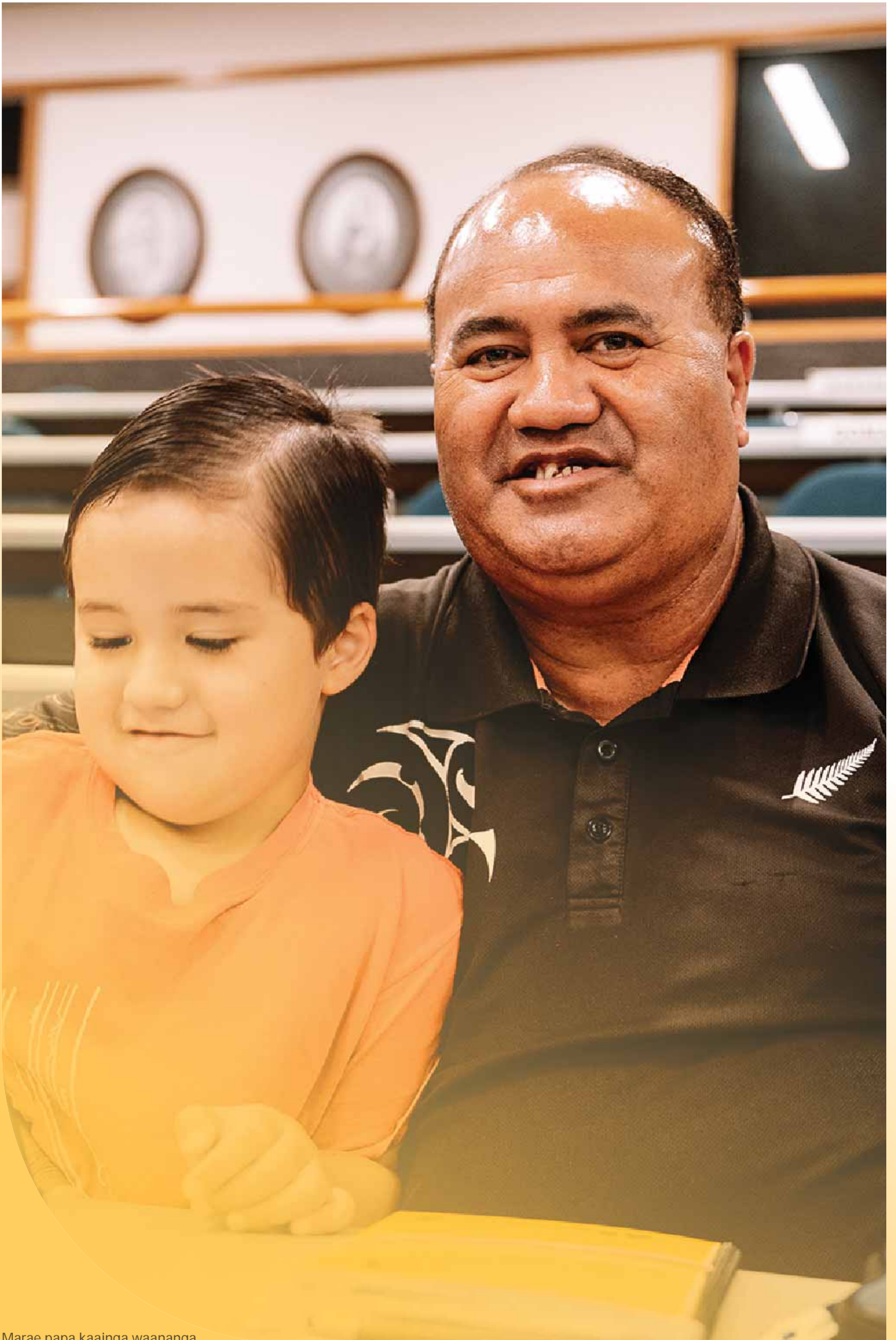
In February, the Whanake Team hosted an event for Puna Pakihi – our tribal business network. The event was well attended with over 50 of our tribal businesses coming along to participate. Our last event had less than 10 businesses in attendance – so, our business network is clearly growing!

The intention of the event was to bring together our tribal business network to strengthen their relationships firstly as whanaunga and secondly as business owners. We kicked off the event with an informative presentation by our GM – Rights and Interests, Taipu Paki, covering our entrepreneurial history. We then invited the key business support providers in the region including Te Puni Kookiri (TPK), Ahikomako, Soda Inc and Poutama Trust to share what value they could provide to our network. We then had Michelle Paki from MBIE (and the owner of Buy Maaori Made) present on the opportunities in the Maori economy.

From that event, we collected insights through a survey to understand how we can better support our Puna Pakihi. Those insights will feed into a capability programme for our Puna Pakihi that is being funded by TPK.

We had great feedback from our Puna Pakihi and look forward to hosting the next quarterly event in partnership with Tainui Group Holdings to promote social procurement opportunities.





Marae papa kaainga waananga

Marae Papa Kaainga Waananga

In March, the Whanake Team held a Papakaainga Waananga that brought together representatives from 22 marae, as well as presenters from Te Puni Kookiri, Ministry of Housing and Urban Development (HUD), Waikato District Council and the Maori Land Court.

With over 60 attendees, the event was a resounding success, and the initial presentation by tribal business; Te Puna Wai Tours proved to be a highlight, inspiring others to pursue their Papakaainga aspirations. The team looks forward to working with whaanau and stakeholders to create further opportunities for Papakaainga Waananga in the future.

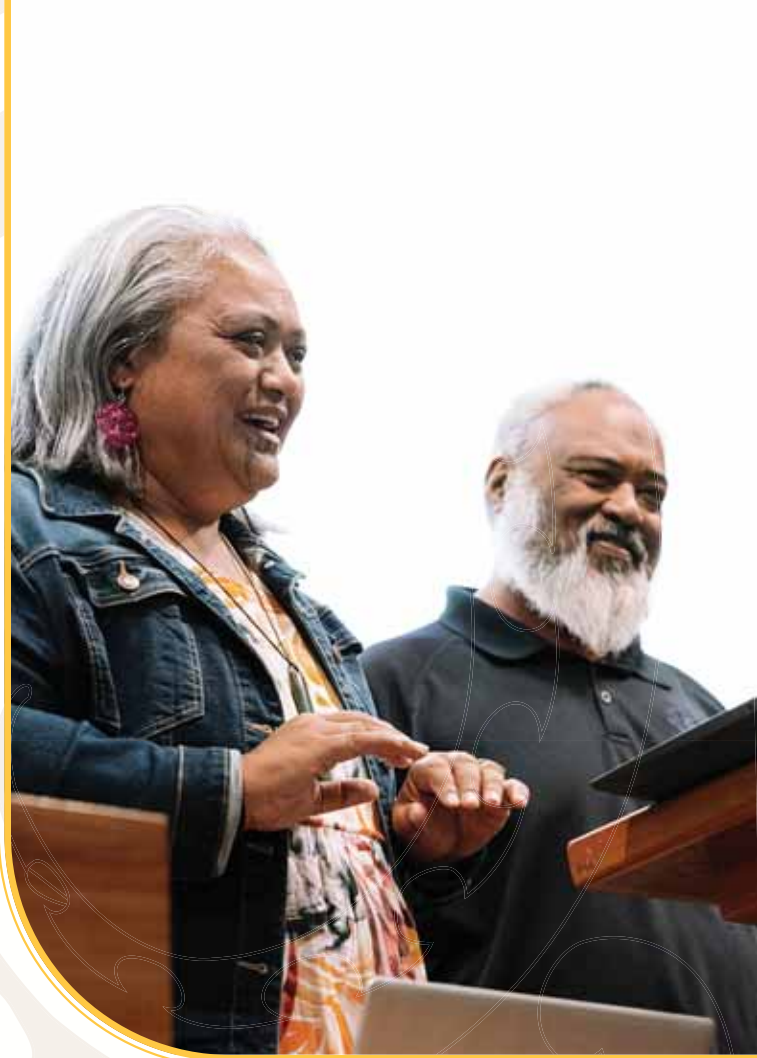
Pou Whirinaki

Our Pou Whirinaki project is an exciting move towards empowering our iwi members within their own communities. It is currently being funded for 12 months through a Kawenata struck between Waikato-Tainui, Ngaati Tuuwharetoa, Ngaati Raukawa and the Crown. This Kawenata, He Puna-wai-nui, He la-rere-roa, seeks to resource marae, hapuu and iwi to realise their own educational aspirations.

Currently we have engaged 12 Pou Whirinaki representing various marae and hapuu across our rohe. Each bringing to the table their respective marae's education plans and strategies to advance their moemoeaa moo oo raatou whaanau whaanui.

As the name suggests each individual Pou Whirinaki supports their marae, hapuu and iwi needs, in some instances brokering relationships between marae and schools. These develop into ongoing partnerships and dialogue which ensures a mana whenua voice is heard within the school. Sometimes this can be as simple as incorporating hapuu history into a waiata linking it into that school's curriculum.

We are working hard to secure multi-year funding via the Kawenata which would allow us to extend the duration of the project and potentially grow it to bring on other marae, hapuu and iwi.



Home Repairs Programme

Waikato-Tainui have been partnering with Habitat for Humanity to deliver a Housing Repairs Program, providing tribal members an opportunity to repair their homes in the pursuit of a warm, dry, safe whare.

Since the expressions of interest (EOI) originally went out to tribal members late 2021, we had an overwhelming response from tribal members who owned their own whare and were interested in home repairs assistance. The EOI came in at just over 400 individual whaanau.

To be eligible for this programme, repairs needed to be urgent, preventative or necessary repairs. When the funding round officially opened in early 2022, we had an average of 40 eligible full applications from whaanau, of which, 33 of those applications were successful. Since repairs officially commenced, rolling repairs have continued.

In December, Habitat for Humanity selected two of our whaanau to receive additional repairs over and above the normal framework of the programme, at no additional cost. These whaanau are based in Ngaaruawaahia (Ooraeroa Marae) and Horotiu (Te Kaharoa – Aramiro Marae). These additional repairs included painting and/or minor renovations such as building a deck or ramp. From the 33 successful whare receiving repairs, we have been able to positively impact the lives of 130+ tribal members.



NGAA TOHU KAUPAPA

Cultural Signposts

Tooku marae, tooke tuurangawaewae

Our marae are vibrant and self-sufficient

Te Ara Whakatupuranga Initiatives:

- Support marae to develop Oranga Marae Plans (Marae Development Strategy)
- Development of a strategic approach to maintenance and build projects across 68 marae
- Deliver Waikato-Tainui reo and tikanga programmes at tribal member, marae, and hapuu level
- Engage our marae to co-design, develop and deliver systems to connect tribal members to their marae and improve overall marae engagement
- Support the gathering of maatauranga and safe recording and storage of our taonga, waahi tapu and waahi tuupuna
- Support marae and whaanau to protect their taonga as kaitiaki of their waahi tapu and waahi tuupuna

Marae Digital Connectivity

The Tribal Connection Team in collaboration with Te Puni Kōkiri and Crown Infrastructure Partners supported marae to apply for the Marae Digital Connectivity Programme, giving marae free access to broadband and other resources for five years.

With a number of marae already on the scheme, the engagement ensured those marae can successfully roll over to the next five-year programme and ensure other marae not already on the programme can get the information needed. As of Quarter Two, 51 out of 68 marae have applied, and 45 are connected.





Kaumaatua Celebrated at Matariki Ball

Kaumaatua celebrated at Matariki Ball

Maanawatia a Matariki!

Matariki Hunga Nui!

Matariki Taapuapua!

In June, we were excited to hold yet another successful Matariki Ball for our Kaumaatua, hosted at the Hamilton Gardens.

Although Kiingi Tuheita was unable to attend last year, over 240 guests attended from 45 of our Waikato-Tainui marae.

The Ball is a chance to recognise the significant contributions kaumaatua make to their marae, hapuu, iwi and wider communities.

Guests enjoyed a delicious three-course meal whilst being entertained by the very talented Krissy Knap and Brown Brothers, who had our kaumaatua singing and dancing.

This prestigious event whilst held mid-winter celebrates the advent of the constellation known as Matariki, signalling the Maori new year - it also celebrates our kaumaatua, in recognising their unwavering support and aroha for their own marae, hapuu and iwi but also to the Kiingitanga. The annual Matariki Kaumaatua Ball allows them to enjoy an evening out, being dined and entertained for all that they do!

Me mihi ka tika ki te hunga maataapuputu, mei kore ko koutou kua kore e tutuki ngaa kaupapa huhua o te marae, o Te Kiingitanga anoo hoki!

Ngaa Rau Puutohe

The Heritage & Identity Team piloted a ten-week internship programme (Ngaa Rau Puutohe), concentrating on the cultural and heritage sector.

Six interns spent time across the Archives, Collections and Taonga Finds initiatives, getting a broad understanding of the many pathways available for tribal members within the sector. The programme ended with a trip to Wellington to meet a number of partner agencies including the Ministry of Culture & Heritage, Te Papa Tongarewa, Heritage New Zealand, Archives New Zealand and the Turnbull Library.

Glenda Taituha, General Manager for Heritage and Identity said the rangatahi had a whirlwind look into the heritage and cultural sector in Wellington and its many pathways. "They are now very aware of how much the sector wants and values rangatahi Maori with an inherent commitment to their reo and tikanga."

The programme will be rolled out again later this year in collaboration with Ngaa Wharekura o Waikato.

Ngaa Ringa Whao

The Carving Team are progressing well on all their cultural footprint projects and have supported cultural design and installation for Novotel Tainui, Te Arikini Pullman, NZ Police, ACC, Tuumata Rise and the Tainui Group Holdings brand refresh.

Of significance also is the University of Waikato Paa Project. Senior Carver, Renata Te Wiata, has been a part of the conceptual design and installation of the new facility which the University hopes will transform the on-campus experience of students, staff, visitors and the broader community.

Tribal taura and staff with Heritage New Zealand staff at Matangireia, from left to right: Mahana Toka, Dean Straker, Glenda Taituha, Karipori Watene- Wilson, Ngaakau-Aio Kihi, Ellen Andersen, Jasmine Hemi, Arihia Kihi, Anaru Thompson, Dean Whiting and Ngaroto Moana (kneeling).





Conservation Workshops

In December, 12 tribal members came together for their second conservation workshop, which covered practical steps to take in the care, handling, storage, and display of whaanau collections.

Examples of these include whakapapa books, paipera tapu, manuscripts, photo albums or framed photographs of tuupuna.

The workshops are held with the hope of equipping our 68 (and other) marae, hapuu and iwi members with the conservation and preservation tools to protect and tiaki their own and their marae taonga.

As part of this workshop, participants made a conservation box or folder for their own taonga.

Vicki-Anne Heikell (Te Whaanau-a-Apanui) is a field conservator at the Alexander Turnbull Library and facilitated this workshop. Vicki has a Bachelor in Applied Science in Conservation of Cultural Materials from the University of Canberra, specialising in paper and works with iwi, hapuu and whaanau on the care of their documentary heritage collections.

Designed for whaanau who care for collections in their own home or marae, the aim is that they will be able to utilise the knowledge gained to share with their whaanau and whanaunga. Haareata Poutapu, Taonga Advisor for Collections, says every workshop held to date has been an inspiring experience.







Tainui Games 2023

Kia ngiha te whatumanawa he karanga tangata

Let the home fires be lit to call the people to assemble

The home fires were reignited once again after three years of COVID-19 restrictions – calling over 25,000 of our people to come together once again to participate in our biggest event on the tribal calendar.

Over the two weekends organisers had to endure severe weather conditions and with the imminent arrival of cyclone Gabrielle caused a re-scheduling of all of our finals which allowed an early finish to the Games but also allowed our whaanau to return safely home in a timely fashion, before the cyclone hit.

Our tribal members competed in 16 sports and activities, which included Whaaingarua (Raglan) hosting whakaheke ngaru (surfing), the Ngaaruawaahia Golf Club hosting our hahau pooro (golf) and crossing over to Tuurangawaewae Marae which served host to whai kiingi (chess) and piirori-aa-roto (indoor bowls). Sadly due to the inclement weather teenehi (tennis), waka-ama and kii-o-rahi were all cancelled.

“Ahakoa te aha, i tutuki pai ngaa whaainga o ngaa haakinakina nei, araa, ko te whakakotahi i te iwi otiraa ngaa marae maha i raro i te mana o Te Kiingitanga . . .”





NGAA TOHU WHAI RAWA

Wealth Signposts

Ki te kaapuia, e kore e whati

Maximising our collective strength
to achieve our aspirations

Te Ara Whakatupuranga Initiatives:

- Continue to diligently pursue and settle outstanding settlement claims
- Review and refine Waikato-Tainui's investment management framework, including SIPO and investment parameters
- Leverage strategic investments (H2A, tourism, cultural) to create investment opportunities
- Investment in and protection of our 'Waikato-Tainui' brand and identifying marks
- Establish a collaboration network that connects tribal members to business, innovation and education ecosystems



Social Procurement Strategy

Our Social Procurement strategy's aim is to support tribal members and tribal businesses to participate in and benefit from opportunities available through our iwi. This includes opportunities to tender for contracts as well as for training and employment. It is a Group Strategy and implementation of the strategy was kicked off in early 2022.

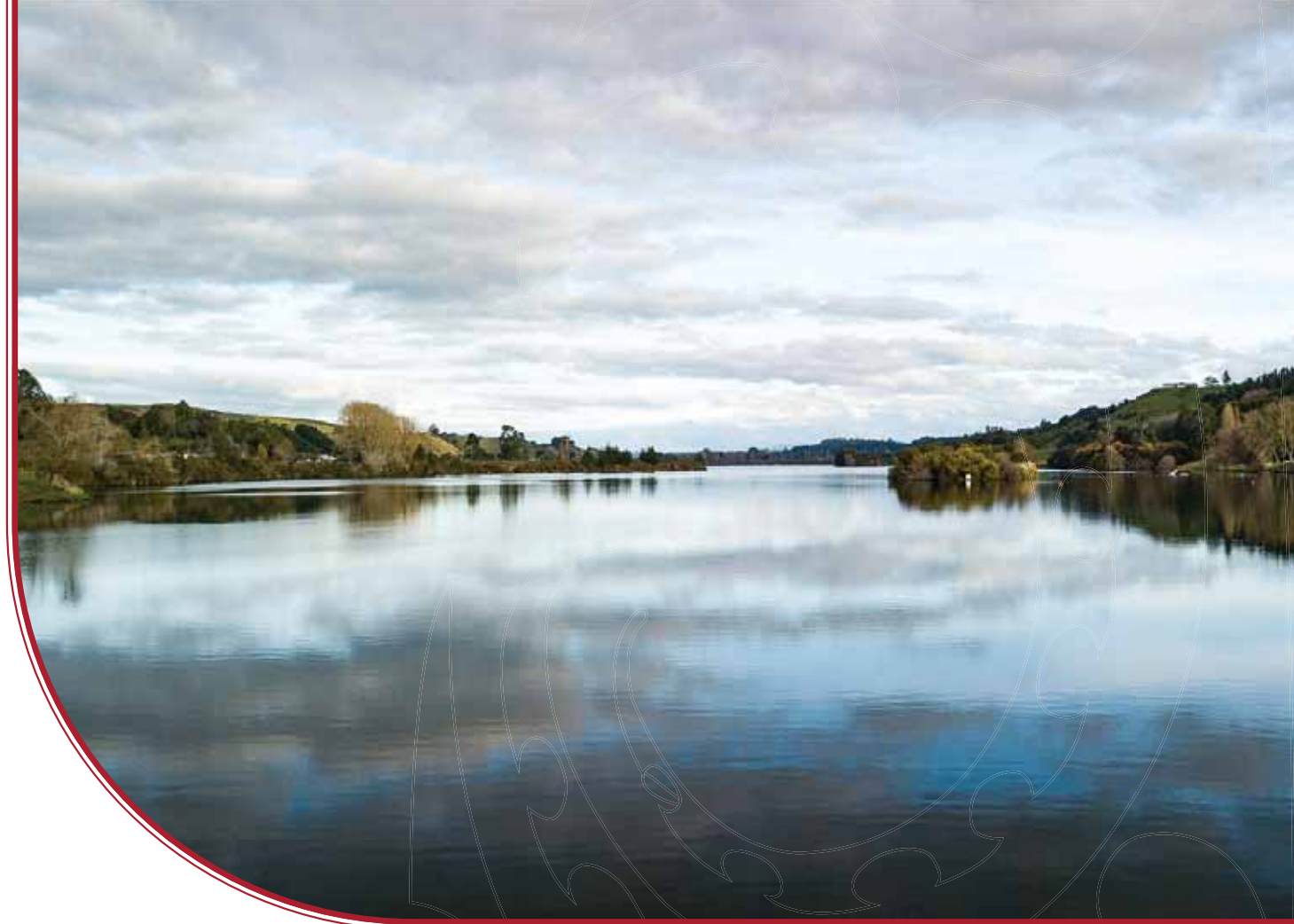
Since being approved we have made large strides to implementing the strategy to benefit our whaanau & hapuu. Data collated tells us that we have 191 tribal businesses and a number of tribal members who have found mahi with the support of our Employment and Pathways team and through our procurement agreements. Our team will continue to look for these opportunities and are particularly excited to see the progress being made at Ruakura. Tribal businesses and individuals who have not yet registered for Te Rau Mahi or Puna Pakihi can go to waikatotainui.com to do so or alternatively, call 0800 TAINUI and ask for the Whanake team (if you are a business) or the Employment and Pathways Team (if you are a tribal member).

Te Paina Vesting

The journey for the return of whenua in Te Paina has continued and we have made significant progress in the right direction.

Engagement with hapuu – Ngaati Tamaoho and Ngaati Naho will continue – as we work collectively with the Department of Conservation (DOC) and Waikato District Council (WDC) to follow the necessary steps it takes for the whenua to be returned. We reached an important milestone in late September, with a hearing held following the public submissions process. This hearing saw perspectives shared from Waikato-Tainui, Ngaati Tamaoho, Ngaati Naho – WDC, as well as various Te Paina/Mercer locals and the Mercer Community Committee.

The hearing panel compiled their findings into a report and presented this to the Minister of Conservation, Hon. Poto Williams. We now wait to hear the final outcome – with the goal of having this whenua returned by years end.



Third Relativity Payment Received

In December, we received our third relativity payment from the Crown; a form of additional redress following the 1995 Raupatu Settlement.

Waikato and Ngaai Tahu are the only iwi in New Zealand to have relativity clauses included in their settlement, with Waikato receiving \$101.5 million.

The 1995 Raupatu Settlement was negotiated at a time of the 'fiscal envelope' concept - the idea that all historical Treaty settlements would be settled within a budgeted figure of \$1 billion, updated for inflation.

Te Arataura Chair, Tukoroirangi Morgan, affirmed that as a result of being one of the first iwi to settle a Treaty of Waitangi claim, we needed assurance that the value of its redress (\$170m) would be protected against any future settlements to come.

“The relativity mechanism provision enables us to claim additional redress if the total value of the settlement redress exceeds \$1 billion in 1994 present value dollars. Once it is triggered claims can be made for payment to maintain the value of the original settlements at 17% of the total value of settlement redress.”

“At the forefront, always, are our people. This is an opportunity to remind ourselves that the ultimate decision making around how we might apply the relativity funds rests with the tribe. Our strategic tribal blueprint Whakatupuranga 2050 will form the basis of further decision making, ensuring that this puutea will be invested wisely for the benefit of this generation and future generations to come.”



Wai 30 Outstanding and Remaining Claims Special Factors Presentation

In March of this year Raahui Papa and the Waikato-Tainui Negotiations Team (pictured left) presented to the Minister for Treaty of Waitangi Negotiations, the Hon Andrew Little at Parliament House in Wellington on the special factors for the Wai 30 outstanding and remaining claims.

These factors are negotiated with the Crown to formulate a quantum figure for settlement.

The Wai 30 outstanding and remaining claims are unique in a number of ways. Kaawhia Moana in the first instance is a focal point for Tainui iwi being the resting place of the Tainui waka at Te Tumu o Tainui, and home to a number of other culturally significant waahi and taonga that must be recognised and protected like Tangi Te Korowhiti and Te Papa o Karewa. Settlement negotiations seek to reinstate mana motuhake, mana whakahaere and te mana me te mauri o te moana. Key breaches of te Tiriti o Waitangi were canvassed – one being the opening up of Kaawhia Moana in 1883 where the Crown assumed ownership and control of Kaawhia Moana against the will of the people which to Waikato was a further act of raupatu.

Kiingitanga is the foundation upon which these claims sit and are being progressed. Land loss following raupatu in 1863 (mechanisms outside of confiscation) is a unique factor of these settlement negotiations including the various ways by which land was alienated post raupatu, the amount of land loss, economic opportunity loss, and more contemporarily the effects of climate change for our marae.

Another unique aspect which we don't believe has been addressed in our existing settlements is the consequences/ effects of raupatu on the people socially, culturally and economically.

The Wai 30 settlement negotiations are broad reaching and will look to environmental, social, cultural and economic issues. Kaawhia Moana is the first point of negotiations, with Aotea, Whaaingaroa and Manukau Harbours to follow. It was made clear to the Crown that the nature of these settlement negotiations are unorthodox and must be considered outside of the Crown's standard Treaty settlement model. The Minister acknowledged this and the need for a creative approach to quantum and Treaty settlement redress. Negotiations will progress, and the team are working towards reaching a Record of Commitment in the near future to cement the principles that have been reached to date.

The hearing panel compiled their findings into a report and presented this to the Minister of Conservation, Hon. Poto Williams. We now wait to hear the final outcome – with the goal of having this whenua returned by years end.



Waikato Waipaa River
Tuna Trap and Transfers

NGAA TOHU TAIAO

Environmental Signposts

Ka whakamiri noa i toona aratau, e tia nei he tupu pua hou

Working towards the restoration and enhancement of our wai and whenua to the state in Kiingi Taawhiao's maimai aroha.

Te Ara Whakatupuranga Initiatives:

- Secure water rights
- Develop and operationalise Iwi Environmental Standards consistent with Tai Tumu, Tai Pari, Tai Ao
- Implement a five-year programme of investment to improve wai (including Kaawhia, Aotea, Whaingaroa and Manukau harbours) and whenua
- Training and support for our tribal members so that they can lead Taiao initiatives
- Support our whaanau to respond to climate change impacts (and other environmental challenges) on their marae

Beyond the Surface

In 2022, tribal pakihi Deep Dive Division undertook the first stage of their Beyond the Surface project.

By utilising our Taiao Grant, Deep Dive were able to undertake the scanning of strategic areas of our awa that are frequented by our whaanau.

The ultimate goal of their multistage project is to identify and remove rubbish that has been disposed in our tupuna awa for many years.

The scanning process involved using technology and their many years of commercial diving experience to identify objects and rubbish in the river. A preliminary report suggested there are over 18+ cars, multiple electric scooters and other refuse littered in the limited catchment in which they had scanned.

We look forward to supporting our tribal pakihi further, not only for their growth but for the betterment of our Taiao, Hauora, Taangata.

Rangatahi Voice on Climate Change

Tauira from kura within the Waikato Regional Council (WRC) catchment have been learning to be advocates for the awa and moana and their unique environment with the effects of climate change.

Waikato-Tainui and WRC co-invested a position to run a programme to advance maatauranga Maaori in partnership with key internal and external groups and organisations on climate change.

Part of the programme, Kura Waitii Kura Waitaa River to Moana schools programme was developed and run by Te Toki Voyaging Trust which combines waka and maatauranga Maaori kaupapa.

The first phase of learning was Kura Waitii. The programme was funded by WRC and was launched last year, involving seven kura in the WRC region.

“This type of koorero will help our rangatahi look at what’s been happening and hopefully get them to be advocates for the river, for the moana, the taiao and for our people.” – Te Toki Voyaging Trust founder Hoturoa Barclay-Kerr.

Jordan Luttrell and Niketi Toataua from NIWA, shared a game called Marae-opoly, designed to help whaanau navigate complex climate adaptation challenges in a way that everyone – whether or not you’re an expert in climate change – can understand. Marae-opoly represents a simplified version of the real-world challenges faced by marae while retaining the key elements of real-world decisions. The game supports marae (players) to identify and cost our options, and to make trade-offs between one choice and another.

Playing the game with rangatahi was an opportunity to compare different views and approaches between whaanau groupings, in a fun and non-threatening way. The game tries to reflect reality and make reasonable assumptions.

The schools that took part in Kura Waiti last year were Te Whare Kura o Kirikiriroa, Te Kura Kaupapa Maaori o Bernard Fergusson, Te Koopuku High, Te Whare Kura o Manaia, Te Whare Kura o Maniapoto and Tai Waananga.

“Our solutions don’t have to be world changing, they just have to be our world changing.”

Celeste Rakena, (Aramiro Marae).



Waikato Waipaa River Tuna Trap and Transfers

The upstream trap and transfer programme began in December and ran through to March 2023.

All elvers were transferred into locations identified by the river iwi into catchments above the dams as well as areas that were traditionally known for their tuna abundance.

During the tail end of the upstream transfers, it was time to prepare for the fast-approaching downstream phase of the programme. Three flood pump catchments had been identified and hiinaki had to be modified to improve health and safety requirements by no longer needing to enter the water / drains to set and empty the hiinaki. It also ensured the hiinaki can adequately catch tuna in wider and deeper drains.

The first downstream trap and transfer was carried out over 3 nights. Hiinaki were set in the Te Kauwhata – Whangamarino Wetland area in and around council owned flood pumps as part of the Waikato Regional Councils 'Pathways to the Sea' programme. This is a programme jointly developed to identify and test fish friendly flood pump options to improve fish passage of taonga species within the Waikato flood control scheme.

The team targeted the pumps that historically have records of high tuna mortalities or known to have caused tuna mortalities.

During this early trial we managed to catch and transfer 27 short finned migrant tuna into the lower Waikato River, to assist their migration out to their spawning grounds. This first downstream fishing showed that the modified hiinaki worked really well.

Based on these trials with the modified hiinaki, a hui was organised with the only known commercial hiinaki – fyke net maker in NZ to discuss customising more hiinaki for our upper river iwi undertaking the downstream trap and transfers within their own rohe.

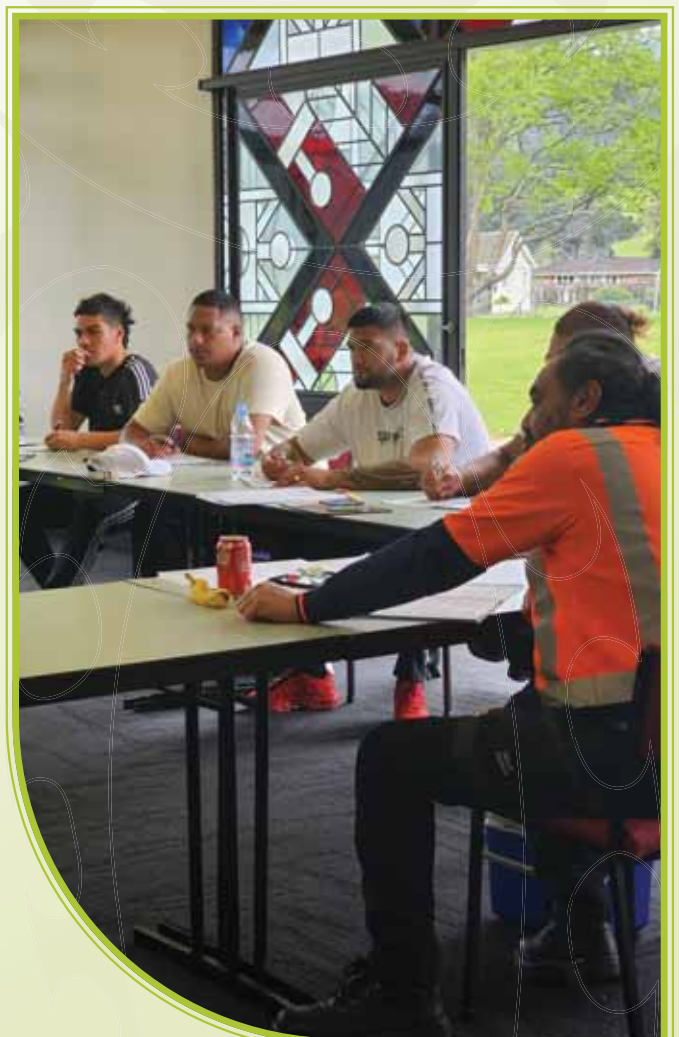
The hui was a success, and now that we have established our own relationship, we can gear up and be ready for next year's trap and transfer season and well into the future.

Certifications Offer New Employment Opportunities

A total of 19 tribal members attended and gained certifications in a 4X4 Safety Course, LUV (Light Utility Vehicle) Safety Course and Entry Level Chainsaw training with Forestry Training New Zealand.

Our trained tribal members now have the key qualifications needed for taiao restoration mahi that has assisted them to gain employment opportunities in restoration projects as well as enabling whaanaau to take on contracts as a self-employed tribal contractor like tribal owned pakihī - Te Papatipu Planting Ltd from Te Puuaha oo Waikato, who are now leading restoration projects in collaboration with Waikato River Authority and our Waikato-Tainui Accord and JMA partners.

These training courses are fundamental to excelling in the taiao restoration sector, practical skills that contribute and support our roles as tiaki for our wai, whenua, te ara rangi to protect the health and wellbeing of our taonga and our people.





Restoring our Tribal Farm Waterways

Waikato-Tainui, Tainui Group Holdings and Mana Whenua from our tribal farms have been successful in securing Waikato River Clean-up funding from Waikato River Authority for two restoration projects on two of our tribal farms in Tauhei, a combined project total of \$1.16M.

This initiative has been jointly designed with the input from our Mana Whenua roopuu, Ngaati Wairere, Ngaati Maahanga and Waahi Whaanui Trust from the onset, and draws on Waikato-Tainui's Accord with Department of Conservation, Joint Management Agreement with Waikato Regional Council and industry partners like Mercury who all supported this project with co-funding, alongside Tainui Group Holdings contribution that included land retirement for the betterment of our taiao.

The greatest outcome of this collaborative partnership is our commitment to restoring our wai and whenua which in turn creates enhanced, healthier habitats for our taonga species within our farm waterways, while providing real opportunities back to our tribal members.

The two projects will restore and protect our farm waterways while providing capability building and employment opportunities for mana whenua.

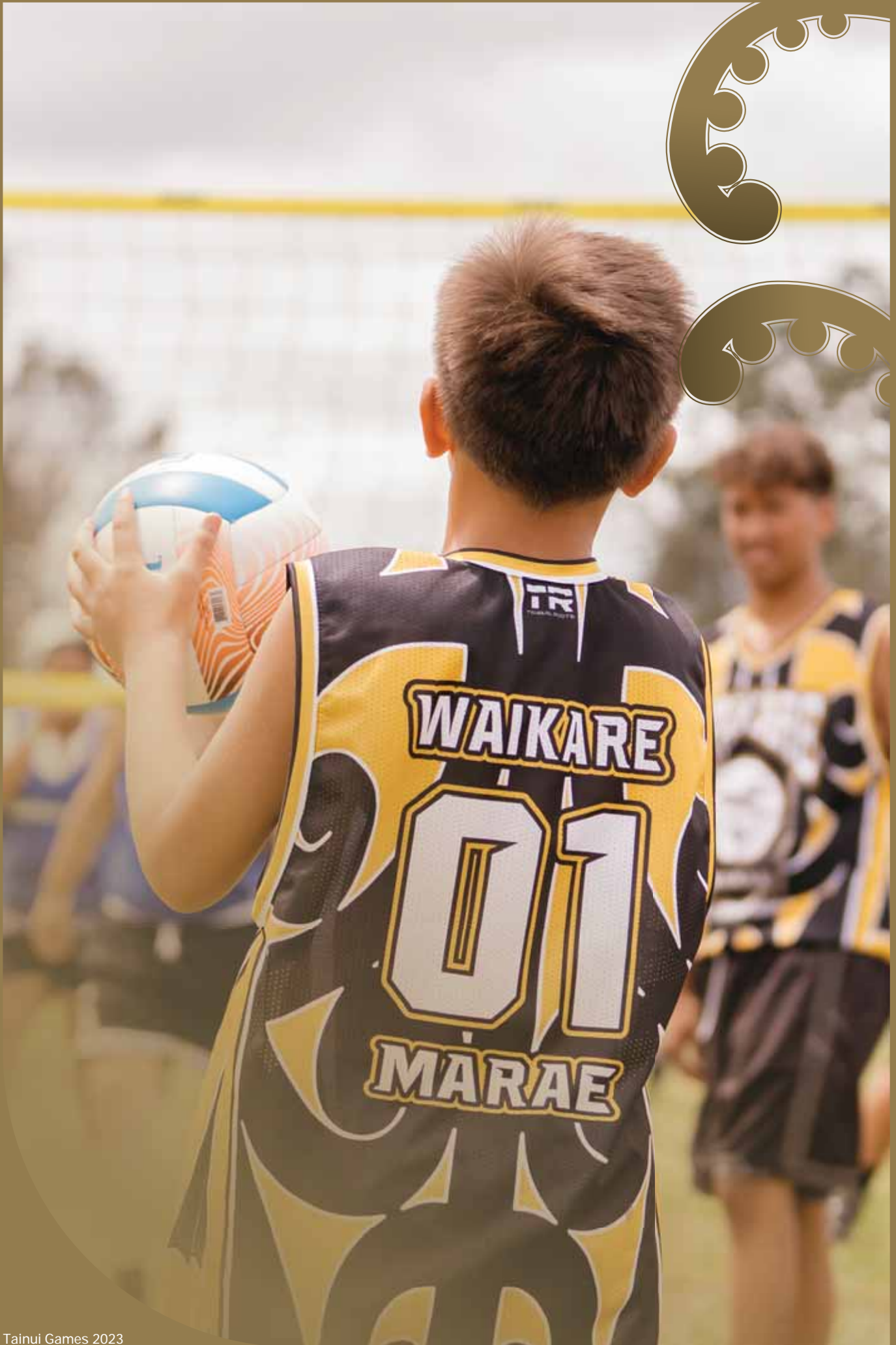
Real Time Water Monitoring

Through the Waikato-Tainui and Mercury Partnership, we have installed a continuous water monitoring device from Adroit who specialise in IoT technology; monitoring solutions that deliver critical environmental data to a range of industry sectors, including agriculture, aquaculture, construction, worksites and environmental management.

Adroit water monitoring solutions can provide real-time, continuous monitoring of nitrates, TSS, pH/ ORP, turbidity, temperature, conductivity, salinity and dissolved oxygen. This data is measured via highly accurate and factory calibrated sensors connected to a Libelium data controller.

The monitoring device has been installed in the Mangatea Stream, to monitor and provide evidence on how well our farms are protecting our waterways while capturing valuable data to guide and support how we improve water quality and catchment restoration planning on our tribal farms. It will also alert our teams if something is going wrong in the waterways and improve our response times to locate any issue on our farms or neighbouring farm. This kaupapa demonstrates great partnership working together for the betterment of our wai.





NGAA TOHU MAHI TONU

Ongoing Work Signposts

**Mehemea he mahi pai moo
te tangata, mahia**

A high performing organisation making an impact

Te Ara Whakatupuranga Initiatives:

- Fast-track the capture of relevant tribal member and marae data
- Develop and deploy a suite of digital solutions to support the needs of tribal members, marae and our organisations
- Review current service delivery model and adjust to ensure successful delivery of outcomes
- Take stock of the current organisational capability and culture
- Tailor and deploy Waikato-Tainui innovation capability (culture, people systems, processes, partnerships) to our marae and Waikato-Tainui enterprises

Tribal Register Reaches 85,000 Tribal Members

In a historic moment, the tribal register has officially reached 85,000 registered members.

The tribal register was compiled in 1993 to gain a mandate for the historic Waikato-Tainui Raupatu Settlement. At the time, the register had between 12,000 and 14,000 registered members. Following the settlement in 1995, the register almost doubled to about 24,000 and has continued to grow steadily since then.

Today, with over 85,000 registered members, we have come a long way since the compilation of the Tribal Register. It is a vital tool for the tribe, acknowledging our identity and whakapapa, as well as providing opportunities and entitlements to our people.

As we look to the future, CFO, Sheree Ryan says that this will keep us in great stead for the next reiteration of data collection and reporting.

"The processes that the Data Governance team have put in place will guide the next succession of kaimahi having the honour to administrate and care for our iwi taonga."

This significant milestone is a reminder of the importance of whakapapa, who we are as a people and the role that each and every tribal member plays in ensuring the success and prosperity of the iwi.



People Platform Launched

In 2022, our new People Platform, IntelliHR, was launched.

IntelliHR enables people leaders to track and manage performance, engagement, and wellbeing of kaimahi, while providing HR, SLT and the Board with real-time analytics for our compliance and decision making.

The system introduces new and improved processes across the kaimahi life cycle, including induction, onboarding, training and development, succession planning, compliance matters, performance improvement and management, and offboarding. Digitisation and automation are part of Te Ara Whakatupuranga 2050 and our aspirations to create excellent services and efficiencies across the organisation.

This powerful platform will supply rich and current data to track goal progress, business performance, and deliver intelligent workforce insights more tightly at the click of a button. The launch and product have been so successful that we are currently exploring ways to extend some of these features to the onboarding and offboarding of our governance members.

Marae Portal

The recently developed Marae Portal provides Marae Committees with access to live interactive data, reporting capabilities, and future forecasting.

The purpose of the portal is to enable Marae Committees to have better access to demographic and member listing information. The project started in March 2022 as part of the Enabling Marae Tohu/Mana Motuhake initiative and has already been tested with two marae.

It is now awaiting the go-ahead to invite the rest of our marae to join. During the testing phase, the team received valuable feedback from the marae.

When launched, Marae Committees will need to attend in-person training and sign up through the website to access the portal.



Internships Offer New Opportunities for Rangatahi

Two interns have been introduced to the Governance of Enterprise and Information Technology structure currently embedded within Waikato-Tainui.

One of the first projects our interns led was the asset audit of hardware across Waikato-Tainui, testing and tagging the “blue wire” and led the “port to kaimahi” programme enabling transparency to support our kaimahi.

Jayden Randall (Aramiro, Kaitumutumu, Umupuia Marae) welcomes a new experience in the ever-growing world of IT and a chance to prove himself whilst developing his skillset.

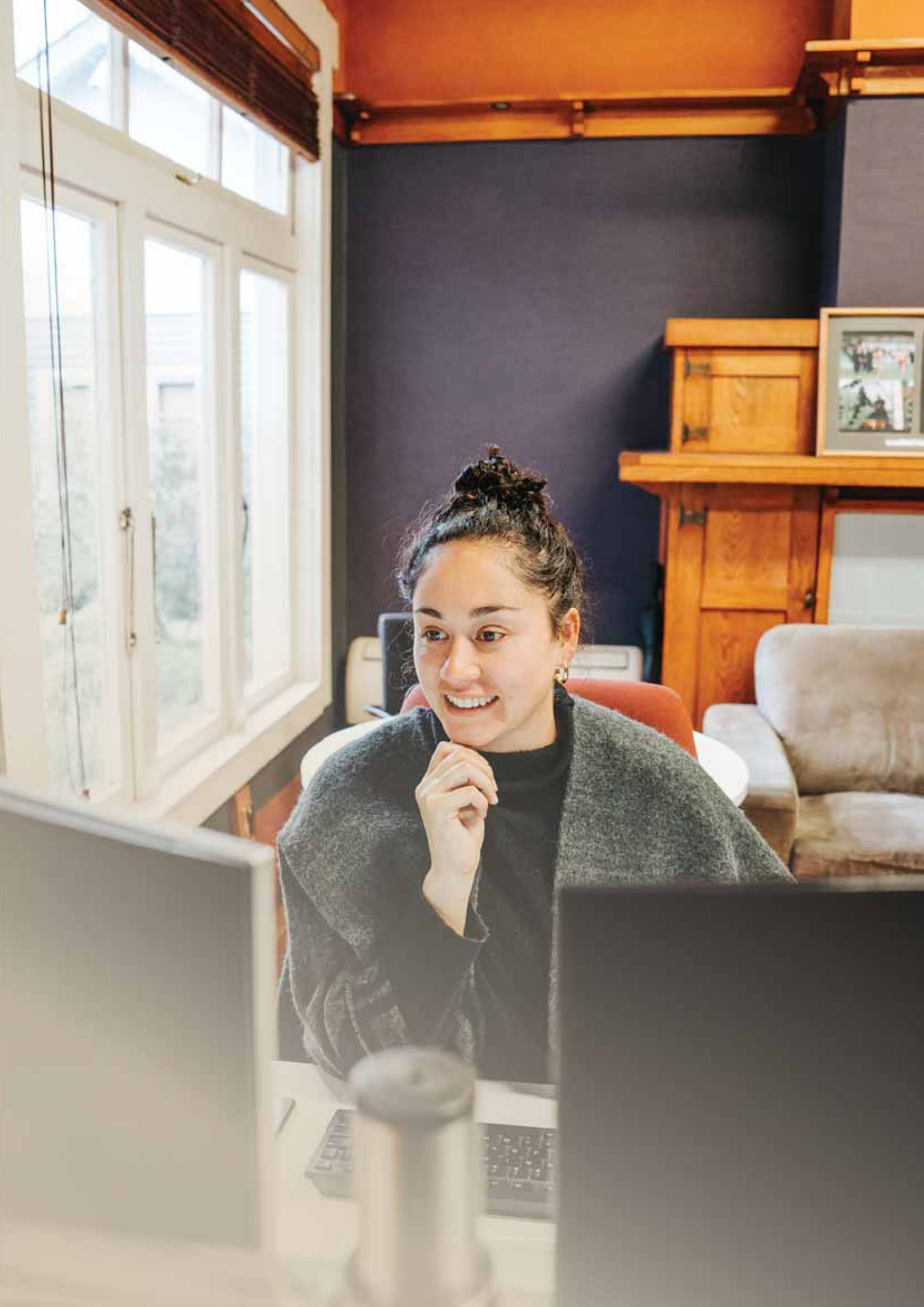
“I’m really looking forward to gaining experience that can’t be taught in a classroom, creating connections across this industry and with other kaimahi. It’s great to be able to do my part for our people.”

Reuben Haereroa-Martens (Mangatoatoa Marae) hopes to increase his skills in the IT sector and develop connections with kaimahi whilst doing so.

“I look forward to being able to apply my knowledge to help further Waikato-Tainui in achieving their goals whilst also learning and adding those teachings into my own kete.”

CFO Sheree Ryan noted how pleased she was to have them join the team.

“A great enthusiasm from our interns and the way which they have entered into their work program has been inspiring. They are our future. Our rangatahi are natural born leaders in the technology and digital space, inquisitive natures – we have seen that innovation and future possibility through the eyes of both Rueben and Jayden.”





Staff Training Programmes Proving Successful

One of our Whakatapuranga 2050 aspirations is to create a high performing organisation that delivers for our people. As part of a series of training and development initiatives, we have rolled out a number of training opportunities with many of these being secured at little to no cost.

A 10-part computer literacy programme has been provided to our Maintenance and Functions Teams, facilitating connection in a digital world. Feedback was fantastic and we are working to enhance the digital capability of our teams across all staff.

Our Nursery, Carving and members of our Archives Teams will have an opportunity to complete this programme next year. This was an opportunity secured through Literacy Aotearoa, at no cost to the organisation.

For our predominantly computer-based and administrative roles, a Hiko Digital Essentials training was delivered. The CFO partnered with Microsoft and Tupu Toa to offer a Te Ao Māori-based digital learning framework to our kaimahi. A pilot was run and 15 kaimahi have now completed this training. It is intended for this initiative to expand to opportunities in analyst skills, information technology, and other Microsoft offerings.

An initiative born off the 2021 Kaimahi Engagement Survey, our people leaders are being supplied with the tools and a space to explore best practice management techniques. This has included workshop-style learning focused on easy-to-use models for establishing clear expectations, building rapport, dealing to performance issues, and facilitating high performing teams. We have also supported the designing of personalised pathways, exploring capability and skill growth opportunities not limited to mentorship programmes. A leadership development schedule has also been prepared to bring in unique perspectives and subject-matter experts across a range of strategic topics. This initiative named, He Poutama Koorero, creates a place and space for our people leaders to come together and find ways to elevate our thinking and expand our knowledge base as it is relevant to our different functions.

While there have been some interruptions to our training and development programme this year due to COVID-19, where it is possible, we continue to upskill and train our kaimahi and seek out cost-effective ways to do so.





Ngaa Puurongo aa-Tahua

Waikato Raupatu Lands Trust Consolidated Financial Statements for the year ended 31 March 2023

DIRECTORY

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Waikato Raupatu Lands Trust *Directory*

For the year ended 31 March 2023

DIRECTORY

DATE OF ESTABLISHMENT 10 November 1995

TRUSTEE Te Whakakitenga O Waikato Incorporated

AUDITOR PricewaterhouseCoopers
Private Bag 92162, Auckland 1142

BANKERS Bank of New Zealand
Westpac Banking Corporation
ANZ Bank New Zealand Limited
Bank of Tokyo Mitsubishi Australia
Industrial and Commercial Bank of China
(New Zealand) Limited

POSTAL ADDRESS PO Box 648, Hamilton 3240

TELEPHONE +64 7 858 0430

WEBSITE waikatotainui.com



Independent auditor's report

To the Trustees of Waikato Raupatu Lands Trust

Our opinion

In our opinion the accompanying general purpose financial report of Waikato Raupatu Lands Trust (the Trust) and its subsidiaries (the Group), presents fairly, in all material respects, the financial position of the Trust as at 31 March 2023, and its service performance, financial performance and cash flows for the year ended on that date in accordance with Public Benefit Entity Standards issued in New Zealand (PBE Standards).

What we have audited

The general purpose financial report which comprises:

- The consolidated financial statements (the financial statements), including:
 - the consolidated statement of financial position as at 31 March 2023;
 - the consolidated statement of comprehensive revenue and expense for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.
- The service performance information for the year ended 31 March 2023.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). The audit of the service performance information was conducted in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) (ISAE (NZ) 3000 (Revised)).

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the general purpose financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Independence and Quality Management

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm carries out other services for the Group in the areas of tax compliance, tax advice, the provision of general training materials, executive remuneration benchmarking, regulatory and electricity sector advice, and agreed upon procedures in relation to statements of operating expenditure provided to tenants. The provision of these other services has not impaired our independence as auditor of the Group.



Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, but does not include the general purpose financial report and our auditor's report thereon.

Our opinion on the general purpose financial report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the general purpose financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The service performance information presented for the corresponding year ended 31 March 2022 is unaudited.

Responsibilities of the Trustees for the general purpose financial report

The Trustees are responsible, on behalf of the Trust, for the preparation and fair presentation of the general purpose financial report in accordance with PBE Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements and service performance information that is free from material misstatement, whether due to fraud or error.

The Trustees are also responsible, on behalf of the Trust, for identifying performance measures and/or descriptions to report in the general purpose financial report that are a faithful representation of the Group's service performance and that are relevant, understandable, timely, comparable and verifiable.

In preparing the general purpose financial report, the Trustees are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the general purpose financial report

Our objectives are to obtain reasonable assurance about whether the general purpose financial report, as a whole, is 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), ISAs or ISAE (NZ) 3000 (Revised) 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 economic decisions of users taken on the basis of this general purpose financial report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the general purpose financial report, including performing procedures to obtain evidence about and evaluating whether the service performance information is a faithful representation of the Group's service performance and that is relevant, understandable, timely, comparable and verifiable.

As part of our audit, we perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.



A further description of our responsibilities for the audit of the general purpose financial report is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-13>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Richard Day.

For and on behalf of:

A handwritten signature in black ink that reads 'Richard Day'.

Chartered Accountants
11 July 2023

Auckland



Translation note

This version of our report is a translation into te reo Maaori, using the writing protocols of the Waikato-Tainui iwi, from the original, which was prepared in English. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Ko teenei tuhinga o taa maatou puurongo he whakamaaoritanga o te tuhinga taketake i tuhia ki te reo Paakehaa ki te reo Maaori, maa te whakamahi i te reo aa-tuhi o Waikato-Tainui. I aata whaaia kia tika te whakamaaoritanga o te tuhinga taketake. Heoi, i ngaa take o te whakawhitinga reo, aa-koorero nei, aa-whakaaro nei raanei, ka mana te tuhinga taketake o taa maatau puurongo.

Te Puurongo a Te Kaitaatari Kaute Motuhake

Ki ngaa Poutarahiti o Waikato Raupatu Lands Trust

Oo maatou whakaaro

E whakatau nei maatau ko te puurongo ahumoni koronga whaanui a Waikato Raupatu Lands Trust (te Tarahiti) me oona turuki (te Roopuu), he whakaaturanga tookeke, aa-meka nei, o te tauaakii tuunga ahumoni o te Tarahiti i te 31 o Maaehe 2023, o ana mahi whakatutuki, o ana whakahaere ahumoni, aa, kapewhiti anoo hoki moo te tau i mutu i taua raa i runga anoo i ngaa Paerewa Hinonga Painga Tuumatanui (Paerewa PBE).

He mea taatari e maatou

Te puurongo ahumoni koronga whaanui, kei roto ko:

- Te whakatoopuutanga tauaakii ahumoni (ngaa tauaakii ahumoni), tae ana ki:
 - te whakatoopuutanga tauaakii o te tuunga ahumoni i te 31 o Maaehe 2023;
 - te whakatoopuutanga tauaakii o ngaa moniwhiwhi me ngaa whakapaunga whaanui moo taua tau;
 - te whakatoopuutanga tauaakii o ngaa panonitanga ki te whai tuutanga moo taua tau;
 - te whakatoopuutanga tauaakii kapewhiti moo taua tau; me
 - Ngaa kupu tiipoka ki te whakatoopuutanga tauaakii ahumoni, tae atu ki ngaa kaupapahere mahi kaute hirahira me eetahi atu koorero whakamaarama.
- Ngaa koorero whakatutuki moo te tau mutu i te 31 o Maaehe 2023.

Te puutake o te whakatau

He mea taatari kaute e maatau ngaa tauaakii ahumoni i runga anoo i ngaa International Standards on Auditing (Aotearoa) (ISAs (NZ)) me ngaa International Standards on Auditing (ISAs). I taatarihia ngaa koorero whakatutuki i runga anoo i te paerewa o te Assurance Engagements (Aotearoa) 300 (Putanga Whakahou) (ISAE (NZ) 3000 (Putanga Whakahou)).

He whakamaaramatanga anoo moo aa maatau kawenga i raro i eeraa paerewa kei te waahanga o *Ngaa kawenga o te kaitaatari kaute ki te taatari i te puurongo ahumoni koronga whaanui*.

E whakapono ana maatau he rawaka ngaa taunakitanga i roto i a maatau kia puta taa maatau whakatau.

Te motuhaketanga me te whakahaere i te Kounga

E noho motuhake ana maatau i Te Roopuu i runga anoo i te paerewa ngaio, matatika 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (Aotearoa) (PES 1) naa te New Zealand Auditing and Assurance Standards Board me te *International*



Code of Ethics for Professional Accountants (including International Independence Standards) naa te International Ethics Standards Board for Accountants (IESBA Code), aa, kua tutuki i a maatou te waahi ki ngaa kawenga matatika i runga anoo i eenei paerewa.

Ka uu maatou ki te Paerewa ngaio, matatika 3, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, e kii nei kia hoahoatia, kia tukuna, kia whakahaerehia e maatou teetahi puunaha whakahaere kouna kei roto ko ngaa kaupapa here, ngaa tukanga moo te whai i ngaa paerewa matatika, ngaa paerewa ngaio me ngaa ture haangai.

Ka whai waahi anoo too maatou kamupene ki mahi kee atu maa Te Roopuu i te aahua ki ngaa tikanga taake, ngaa tohutohu taake, te taha ki ngaa rawa whakangungu, te paerewa utu whakahaere, ngaa tohutohu raangai hiko, me ngaa tukanga i whakaaetia moo ngaa tauaakii o te whakapaunga puutea ki ngaa kairiiri. Kaaore i whai paanga te whakaratonga o eenei mahi kee atu ki te motuhaketanga hei kaitaatari kaute moo te Roopuu.

Eetahi atu moohiohio

Noo ngaa Poutarahiti te haepapa moo eeraa atu o ngaa moohiohio. Ko eeraa atu o ngaa moohiohio ko ngaa moohiohio kei te puurongo aa-tau, engari ehara ko te puurongo ahumoni koronga whaanui me te puurongo a taa maatou kaitaatari kaute. E whakapae anaka puta te puurongo aa-tau ki a maatou whai muri atu i raa ka puta te puurongo kaitaatari kaute.

Kaaore e kapi i taa maatou whakatau moo te puurongo ahumoni koronga whaanui moo eeraa atu moohiohio, ka mutu kaaore aa maatou whakatau aa-taatari kaute, whakauutanga raanei moo eeraa.

I te aahuatanga ki taa maatou taatari kaute i te puurongo ahumoni koronga whaanui, ko taa maatou he paanui i eeraa atu moohiohio, aa, ka whakatau meenaa he rerekee raanei i te puurongo ahumoni koronga whaanui, i ngaa maatauranga i riro i a maatou i te taatari kaute, aa, e hapa ana raanei te takoto. Mena raanei naa runga i ngā mahi kua oti e maatou ki runga i eera atu moohiohio i riro i a maatou i mua i te raa o teenei riipoata taatari kaute, e whakatau ana maatou kei reira he hapa whaikiko i te takotoranga oo eera atu moohiohio, he mea here teena kia riipoata i taua hapa. Kaare kau he riipoata me tuku moo te kaupapa nei.

He Take Anoo

Kaaore ngaa koorero moo ngaa whakatutukinga moo te tau i mutu i te 31 o Maehe 2022 i whai waahi ki te taataranga kaute.

Ngaa haepapa o ngaa Poutarahiti

Noo ngaa Poutarahiti te haepapa, maa te Tarahiti, ki te whakarite me te whakaatu tookeke i te puurongo ahumoni koronga whaanui i runga anoo i ngaa paerewa PBE, ka mutu, te whakahaere raaroto ki taa ngaa Poutarahiti i whakaaro ai he tika kia pai ai te whakaritea o ngaa tauaakii ahumoni me ngaa koorero mahi whakatutuki kaaore rawa atu nei, ahakoa naa te hara taaware, naa te hapa raanei.

Noo ngaa Poutarahiti hoki te haepapa, maa te Tarahiti, ki te tautohu i ngaa whakatutukinga me ngaa whakaahuatanga pono hei whakakoorero i ngaa mahi a te Roopuu e haangai ana, e maarama ana, i te waa e tika ana, e taurite ana i te puurongo ahumoni koronga whaanui

I te whakaritenga o ngaa puurongo ahumoni whaainga whaanui, noo ngaa Poutarahiti te haepapa ki te aromatawai i te aaheinga o te Roopuu kia haere tonu hei pakihi hei aronga, te whaaki, ina haangai ana, i ngaa take moo te aronga me te whakamahi i te kaupapa kaute o taua pakihi rawa, maana, kei te piirangi ngaa Poutarahiti kia turakina te Roopuu, kia katia raanei te whakahaerenga, kaaore he koowhiringa raanei i tua atu i te peeraa.



Ngaa kawenga o te kaitaatari kaute ki te taatari i te puurongo ahumoni koronga whaanui

Ko aa maatou whaainga he rapu i runga i te tuuturutanga meenaa e waatea ana te tauaakii ahumoni i ngaa koorero hapa, ahakoa naa te hara taaware, te hapa, te hee raanei, me te tuku i te puurongo a te kaitaatari e takoto ai taa maatou whakatau. Ko te whakatuuturu whaitake he whakatuuturu taumata teitei engari ehara i te kii taurangi maa te whakahaere i te taatari kaute e ai ki ngaa ISA (NZ), ki ngaa ISA, ki ngaa ISAE (NZ) 3000 (putanga whakahou) raanei ka kitea i ngaa waa katoa he hapa meenaa kei reira teetahi. Ka hua mai pea ngaa hapa i te hara taaware, i te hee raanei, aa, ka meangia he whaikiko meenaa, ahakoa takitahi, ahakoa hiatonga, ko te tuumanako kia whakaaweawetia ngaa whakatau ohaoha a ngaa kaiwhakamahi i muri i te paanui i teenei puurongo ahumoni koronga whaanui.

Ko te taatari kaute te whakahaere i ngaa haatepe e kitea ai he taunakitanga taatari moo ngaa puutea me ngaa whaaki i te puurongo ahumoni koronga whaanui, tae ana ki ngaa haatepe whakatutuki e kitea ai he taunakitanga, kaatahi ka arotakehia meenaa he whakaaturanga tuuturu ngaa koorero whakatutuki o ngaa whakatutuki a te Roopuu, aa, e haangai ana, e maarama ana, e tika ana aa-waa nei, e pai ana kia whakatairitehia, kia whakatuuturuhia anoo hoki.

I te taatari kaute, ka whakahaerehia ngaa haatepe e kitea ai he taunakitanga, kaatahi ka arotakehia ngaa hua i puurongohia meenaa e haangai ana ngaa puurongo ki ngaa whakatutuki ki te taumata e tika ana, e haangai ana, e tuuturu ana, e maarama pai ana kia whakatairitehia anoo hoki.

He whakaahuatanga anoo moo oo maatou haepapa taatari kaute i te puurongo ahumoni koronga whaanui kei te paetukutuku a Te Kaawai Aarahi Puurongo Moowaho:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-13>

He waahanga teenei whakaahuatanga o taa maatou puurongo taatari kaute.

Te hunga maa raatou teenei puurongo

He puurongo teenei ki ngaa Poutarahiti, aa-roopuu nei. I whakahaerehia taa maatou taatari kaute kia puurongohia e maatou eeraa take e tika ana kia puurongohia e maatou i te puurongo taatari kaute rawa. Ki te taumata e ai ki te ture, kaaore maatou e whakaae, e tuku i te mana ki teetahi atu i te Tarahiti me oona Poutarahiti, aa-roopuu nei, moo aa maatau mahi, moo teenei puurongo, moo aa maatou whakatau raanei.

Ko te kaitono o te taatari kaute naana i hua ai teenei puurongo taatari kaute motuhake ko Richard Day.



Statement of Service Performance

for the year ended 31 March 2023

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The following section reports on **Strategic Direction**

Waikato Raupatu Lands Trust is the leading tribal organisation responsible for developing and implementing initiatives which improve iwi outcomes in the areas of education and training, employment, tribal preservation, marae development, health and wellbeing, environmental and resource management.

Whakatupuranga 2050

A blueprint for our cultural, social and economic advancement.

It is a fifty-year long development approach to building the capacity of our iwi, hapuu and marae. Whakatupuranga 2050 will be our legacy for those who come after us.

Waikato-Tainui is working towards honouring Whakatupuranga 2050 which is about helping our people to be successful in all areas of their lives, enabling our tribal members to fulfil their potential, supporting our Marae to achieve their aspirations to be a high-performance organisation that delivers for our people.

Te Whakakitenga

Maaku anoo e hanga tooku nei whare

Ko ngaa pou oo roto he maahoe, he Patatee

Ko te taahuhu, he Hiinau

Me whakatupu ki te hua o te rengarenga

Me whakapakari ki te hua o te kawariki

I shall fashion my own house

The support posts shall be of maahoe, Patatee

The ridgepole of Hiinau

The inhabitants shall be raised on rengarenga

Nurtured on kawariki

- Kiingi Taawhiao

Kia tupu he iwi whai hua, whai ora, whai tikanga taakiri ngaakau, taakiri hinengaro
To grow a prosperous, healthy, vibrant, innovative and culturally strong iwi

Te Ahunga
Mission

Kia tupu, kia hua, kia puaawai
To grow, prosper and sustain

Te Ahunga
Values

Underpinned by the unifying Principles of Kiingitanga

Whakaiti

Humility

Whakapono

Trust and Faith

Aroha

Love and Respect

Rangimaarie

Peace and Calm

Manaakitanga

Caring

Kotahitanga

Unity

Mahitahi

Collaboration



Ngaa Whaalinga Matua

Primary Goals

Kia tiaki i te Kūingitanga

Kia mau i ngaa taonga tuku iho

Kia eke ki ngaa taumata tiketike

Kia whai i too taatou mana motuhake



Strategic Objectives

Kiingitanga

“Whaiaa ko te mana motuhake”

The King Movement is the unifying korowai of Maaori. Kiingitanga was established in 1858 to unite all tribes under the leadership of Pootatau Te Wherowhero. Its primary goals were to cease the sale of land to Paakehaa, stop inter-tribal warfare, and provide a springboard for the preservation of Maaori culture in the face of Paakehaa colonisation. As it has done for the past 150 years, the role of Kiingitanga will still be the unifying thread of all Iwi, under the seventh monarch, Kiingi Tuheitia.

- 1. To retain our historical role as Kaitiaki o te Kiingitanga**
- 2. To ensure Kiingitanga remains an eternal symbol of unity**

Tribal identity & Integrity

“Ko Tainui te waka, ko Taupiri te maunga, ko Waikato te awa, ko Pootatau te tangata Waikato taniwharau, he piko he taniwha, he piko he tanwha”

Our strategic direction charts a course of significant developments to protect our tribal identity and integrity. The development of a core strategy designed to provide maximum support for our kaumaatua, the caretakers of our maatauranga, and experts of our reo and tikanga, is a key priority. Our whenua, rivers, lakes and other waterways are living embodiments of our tribal identity. The necessity to forge a partnership with the Crown is vital to the preservation and protection of ‘te taiao’, our environment.

- 3. To preserve our tribal heritage, reo and tikanga**
- 4. To grow our tribal estate and manage our natural resources**

Tribal success

“Ki te moemoeaa ahau ko ahau anake; ki te moemoeaa taatou ka taea e taatou”

Priorities in this context are focused on building capacity in all our endeavours at all levels. Coupled with research as a key priority to keep the tribe abreast of all local and global shifts and developments, generations hereafter will be well equipped to enjoy success in all sectors of society. There is recognition however, that success is short term without succession, so growing leaders through succession planning and mentoring programmes are key priorities.

- 5. To succeed in all forms of education and training**
- 6. To be global leaders in research excellence**
- 7. To grow leaders**

Tribal Social & Economic Wellbeing

“Kia niwha te ngaakau ki te whakauu, ki te atawhai i te iwi”

Priorities in this context are focused on building capacity in all our endeavours at all levels. Coupled with research as a key priority to keep the tribe abreast of all local and global shifts and developments, generations hereafter will be well equipped to enjoy success in all sectors of society. There is recognition however, that success is short term without succession, so growing leaders through succession planning and mentoring programmes are key priorities.

8. To develop self-sufficient marae

9. To advance the social development of our people

10. To develop and sustain our economic capacity

Five-Year Plan

The Five-Year Plan commonly referred to as Te Ara Whakatupuranga, are five-year allotments to ensure we meet the 2050 aspiration. Waikato-Tainui have designed he anga whakamua, which is an outcomes framework which monitors progress and provides updates over the specific five-year plan. This outcome framework provide reporting under Tohu streams, namely:

1) Taiao



2) Hapori



3) Kaupapa



4) Whai Rawa



5) Mahi Tonu



The five-year plan contains various focus areas for each of the Tohu streams. In compiling the Group's Statement of Service Performance report, Management has made judgements in relation to which outcomes and outputs best reflect the achievement of our performance for the focus areas of the Tohu streams.

For each Tohu work stream we have presented our role in carrying out service performance activity for that workstream, and the strategic focus for the work stream. The statement also presents social investment expenditure and direct distributions to iwi members and marae for each Tohu stream, presented as Social Investment in the Consolidated statement of comprehensive revenue and expense. We present a reconciliation of the amounts presented in the statement to the consolidated statement of revenue and expense below. We have also presented the budget for each workstream approved by Te Arataura within each workstream.



Social Investment	2023	2022
	\$'000	\$'000
Taiao	1,914	1,370
Hapori	13,283	7,438
Kaupapa	5,910	5,177
Whai Rawa	4,703	5,055
Mahi Tonu	6,193	4,695
Externally funded*	6,806	12,238
Total	38,809	35,973

Given the intergenerational outlook of the Group under Te Whakatupuranga 2050, social investment expenditure on the achievement of intermediate service performance outcomes under certain focus areas has not had a corresponding outcome presented.

*the externally funded amounts have not been included in the below narrative.

Taiao

Ka whakamiri noa i toona aratau, e tia nei he tupu pua hou

Working towards the restoration and enhancement of our wai and whenua to the state in Kiingi Taawhiao's maimai aroha.

OUR ROLE

IMPLEMENT / ADVOCATE / FACILITATE

Utilising our Taiao specialists and Environment Plan to produce clear, measurable standards for our wai and whenua which we can monitor and enforce.

STRATEGIC FOCUS

- Secure and protect our environmental rights and interests for the benefit of our taiao and tribal members.
- Enhance the capability of our whaanau to contribute to the restoration of our wai and whenua.
- Lead the community in setting and meeting tribal environmental standards across our own wai and whenua.

AROTAHI Focus Area	HAANGAI AA-TAU HIWA Relevant annual activities	FY23 Actual \$'000	FY23 Budget \$'000	FY22 Actual \$'000
Protecting and leveraging our rights and interests	Deliver an investment plan for wai and whenua, aligned to Whai Rawa initiatives	368	366	148
	Operationalise and deliver the tribal nursery business strategy	29	64	21
Supporting our tribal members to restore, enhance and protect our wai and whenua	Deliver a climate change programme aligned to reforms	93	104	64
Restoration and enhancement of our wai and whenua	Develop and implement environmental standards	144	198	101
	Develop and implement a training plan for Taiao	255	283	160
Residual Taiao spend	Various activities	25	-	437
Taiao – direct distributions	Assist tribal members to build capacity to practise kaitiakitanga, to assist marae and tribal environmental practitioners in the planning and implementation of environmental aspirations	1,000	1,000	439
Total Taiao distributions and social investment		1,914	2,015	1,370

Supporting our tribal members to restore, enhance & protect our wai & whenua

2023 Metrics

No activity for this focus area for the year ended 31 March 2023.

*2022 Metrics
(unaudited)*

In October 2021, Minister Mahuta announced the Government will create four publicly-owned water entities to manage delivery of water, wastewater and storm water (Three Waters) services in New Zealand.

The Native Nursery has successfully grown to accommodate the business strategy implemented in FY22 enabling us to leverage the tribe's relationships to help grow the industry, support training and development as well as pathways to employment and work experience.





Supporting our tribal members to restore, enhance & protect our wai & whenua

2023 Metrics

A total of 19 tribal members attended and gained certifications in either 4X4 Safety Course, LUV (Light Utility Vehicle) Safety Course or Entry Level Chainsaw training with Forestry Training New Zealand.

During this financial year our tribal pakihi Deep Dive Division undertook the first stage of their Beyond the Surface project. By utilising our Taiao Grant, Deep Dive were able to undertake the scanning of strategic areas of our awa that are frequented by our whaanau.



2022 Metrics (unaudited)

There are no comparatives for the year ended 31 March 2022.

Hapori

Kia tupu ki te hua o te rengarenga,

kia pakari ki te hua o te kawariki

To grow a prosperous, healthy, vibrant, innovative and culturally strong iwi.

OUR ROLE

ADVOCATE / INFLUENCE / FACILITATE

Leveraging relationships with service providers and third-party funders to manage socio-economic gaps and provide opportunities for our tribal members.

STRATEGIC FOCUS

- Kia whai i too taatou mana motuhake

AROTAHĪ Focus Area	HAANGAI AA-TAU HIWA Relevant annual activities	FY23 Actual \$'000	FY23 Budget \$'000	FY22 Actual \$'000
Supporting tribal members into meaningful and sustainable career pathways through social and commercial enterprise	Full service Koiora model and prototype (including data collection, workforce development)	858	885	400
Supporting our tribal members into warm, safe, secure and dry homes	Housing Strategy refresh, new projects instigated	-	-	-
	The development of a papa kaainga support programme	302	317	423
	Continued support to tribal member housing aspirations	-	-	-
Supporting peepē, tamaiti and Taiohi into education pathways and support a fit for future workforce	Full service Koiora model and prototype (including data collection, workforce development)	-	-	-
	Social Sector Accord	353	357	420
	Marae collective impact implementation	-	-	-
Supporting the health and wellbeing of our tribal members	Full service Koiora model and prototype (including data collection, workforce development)	366	366	390
Supporting tribal members into meaningful and sustainable career and education pathways	Continued iwi capability and workforce development	520	948	280
Residual Hapori spend	Various activities	4,035	-	-
Hapori – direct distributions	Distributions to assist with the health and well-being of kaumaatua to the educational grants of our iwi members	6,848	8,560	5,525
Total Hapori distributions and social investment		13,282	11,433	7,438



Supporting our tribal members to restore, enhance & protect our wai & whenua

2023 Metrics

The Tooku Nei Whare workshops recommenced in November 2022 to empower and uplift our tribal members to a greater understanding of the journey to home ownership.

In December 2022, Solar Sense and Waikato Raupatu Lands Trust worked together to deliver a solar energy waananga to our marae and whaanau as an education piece for those interested in solar power as a renewable energy source for their marae, whaanau, whenua or whare.



Waikato Raupatu Lands Trust have been partnering with Habitat for Humanity to deliver a Housing Repairs Programme, providing tribal members an opportunity to repair their homes in the pursuit of a warm, dry, safe whare.

2022 Metrics

(unaudited)

Te Mauri Paihere ki Mangakootukutuku (Weaving Life Principles), is a unique partnership which reflects the vision of Kiingi Tuheitia Pootatau Te Wherowhero VII, alongside Waikato Raupatu Lands Trust, Kaainga Ora – Homes and Communities and Ara Poutama Aotearoa – Department of Corrections.

Following the completion of houses built within Te Kaarearea by Habitat for Humanity earlier this year, the not-for-profit organisation has signed a relationship agreement with Waikato Raupatu Lands Trust to help broker more home ownership opportunities for tribal members.





Supporting the health & wellbeing of our tribal members

2023 Metrics

Over the course of the year, we have met with Southern Cross to confirm the next iteration of the grant offering and continue to work on a tribal member and staff package.

2022 Metrics

(unaudited)

The Acting CEO and Deputy CEO took part in a Virtual Launch to sign the Relationship Agreement with Southern Cross and begin the rollout of the Health Essentials package as part of the 2022 Kaumaatua Grant. The initiative is a part of an organisational focus identifying opportunities where impactful investment can be made to ensure our tribal members can live healthy lives, and work towards living and breathing Whakatupuranga 2050.



Supporting tribal members into sustainable & meaningful career & education pathways

2023 Metrics

The Career Pathways team assisted two work ready programmes this financial year. These two programmes were in partnership with BCITO (Building Construction Industry Training Organisation) which ran another Te Waharoa programme, and the second programme was the Fulton Hogan Infrastructure Skills Centre (ISC). Both programmes provided pathways, employment and apprenticeships for our whaanau into these industries

The Heritage & Identity Team organised their second Ruku Kai Waananga this financial year with all participants completing their free dive and scuba certifications. The programme began in 2021 to support tribal members nominated by their marae to complete their certifications and provide techniques to dive safely.





2022 Metrics (unaudited)

Education and Pathways. Our collaborative Kawenata with the Tuuwharetoa Charitable Trust, Raukawa Charitable Trust and Waikato Raupatu Lands Trust was signed on April 28th, 2021 at Waihi, Tuuwharetoa with the Ministry of Education. He Puna-wai-nui, He la-rere-roa is an opportunity as a Te Tiriti/Treaty partner to give effect to Te Tiriti o Waitangi and is pivotal to how we will move forward and serve aakonga and whaanau.

Waikato Raupatu Lands Trust has partnered with tribally owned recruitment company Kiwi Staff, to deliver employment programmes that better prepare whaanau to transition into mahi. The Hamilton-based recruitment specialist will work with our Education & Pathways team to deliver the tribe's "Work Readiness" programme including pastoral care services to ensure support systems are in place for tribal members and their whaanau once in employment.

A draft social procurement strategy across the wider tribal group has been finalised and signals a new beginning in how Waikato Raupatu Lands Trust procures services and products in the very near future. Over the past year, Waikato Raupatu Lands Trust and Tainui Group Holdings have worked together to develop a draft strategy and operational model for social procurement that will be adopted across both entities.



Kaupapa

Tooku marae, tooke tuurangawaewae

Our marae are vibrant and self-sufficient.

OUR ROLE SUPPORT

Our role is to support marae to develop their own Oranga Marae Plan (Marae Development Strategy) so that their marae whaanau and facilities are “fit for purpose” and “fit for future”.

STRATEGIC FOCUS

- Protecting ngaa taonga tuku iho, ngaa waahi tupuna me ngaa waahi tapu for the benefit of future generations (New).
- Preserving our tribal heritage, reo and tikanga.
- Strengthening our connection to our kaumaatua who are the expert repositories of our tribal tikanga, kawa, hiitori and maatauranga.
- Kia whai i too taatou mana motuhake and develop self-sufficient marae and assets and enriching our culture.

AROTAHU Focus Area	HAANGAI AA-TAU HIWA Relevant annual activities	FY23 Actual \$'000	FY23 Budget \$'000	FY22 Actual \$'000
Ensuring the provision of maximum support to build and maintain marae facilities	Continue to support development of Marae Plans (includes technical support for feasibility funding for marae)	654	537	-
	Begin marae drinking water upgrades	1,018	1,000	1,170
Protecting and enriching our culture	Focus on building capacity and capability of marae and hapuu to deliver reo programmes and produce maatauranga resources	784	681	1,010
Connecting tribal members with their marae	Focus on building capacity and capability of marae and hapuu to deliver reo programmes and produce maatauranga resources	-	-	500
	Complete the remaining water infrastructure assessments	-	-	-
Protecting and caring for our taonga tuku iho, waahi tapu and wāhi tupuna (held at both tribal and marae level)	Utilise a virtual mapping platform for koorero tuku iho	1,144	1,222	400
	Implement digital archive portal	-	-	-
	Start the feasibility study for Whare Taonga	-	-	-
Kaupapa – direct distributions	Distributions to fund iwi events such as Tainui games to build connection to iwi members and also to fund the Marae Insurance programme	2,310	2,290	2,097
Total Kaupapa distributions and social investment		5,910	5,730	5,177



2023 Metrics

The Carving Team are progressing well on all their cultural footprint projects and have supported cultural design and installation for Novotel Tainui, Te Arikini Pullman, NZ Police, ACC, Tuumata Rise and the Tainui Group Holdings brand refresh. Of significance also is the University of Waikato Paa Project. Senior Carver, Renata Te Wiata, has been a part of the conceptual design and installation of the new facility which the University hopes will transform the on-campus experience of students, staff, visitors and the broader community. The University of Waikato Paa project is earmarked for completing in July 2023.

2022 Metrics

(unaudited)

Our Heritage and Identity team had a number of initiatives this financial year concentrating on Taonga Protection. We are fortunate to have Dr Rangi Te Kanawa (Te Kuiti Paa) regularly providing training and development for staff on conservation techniques for textiles and will be supporting the team to roll out Protection Workshops for Marae in the coming months. The team is also collaborating with Te Papa Taonga Consultant, Hikitia Harawira (Mootakotako Marae, pictured) providing catalogue and database reviews to ensure these are fit for the proposed Whare Taonga as part of the Hopuhopu Development Project.



Tira Hoe 2022 - For many of the participants it was a life changing experience filled with fun, laughter, tears, reflection but most of all whanaungatanga.

Connecting tribal members with their marae

2023 Metrics

Hui aa-Tau had whaanau of all ages attending throughout the day. There were plenty of fun activities for tamariki, presentations that covered our previous year's highlights and information stalls for the whole whaanau to enjoy.

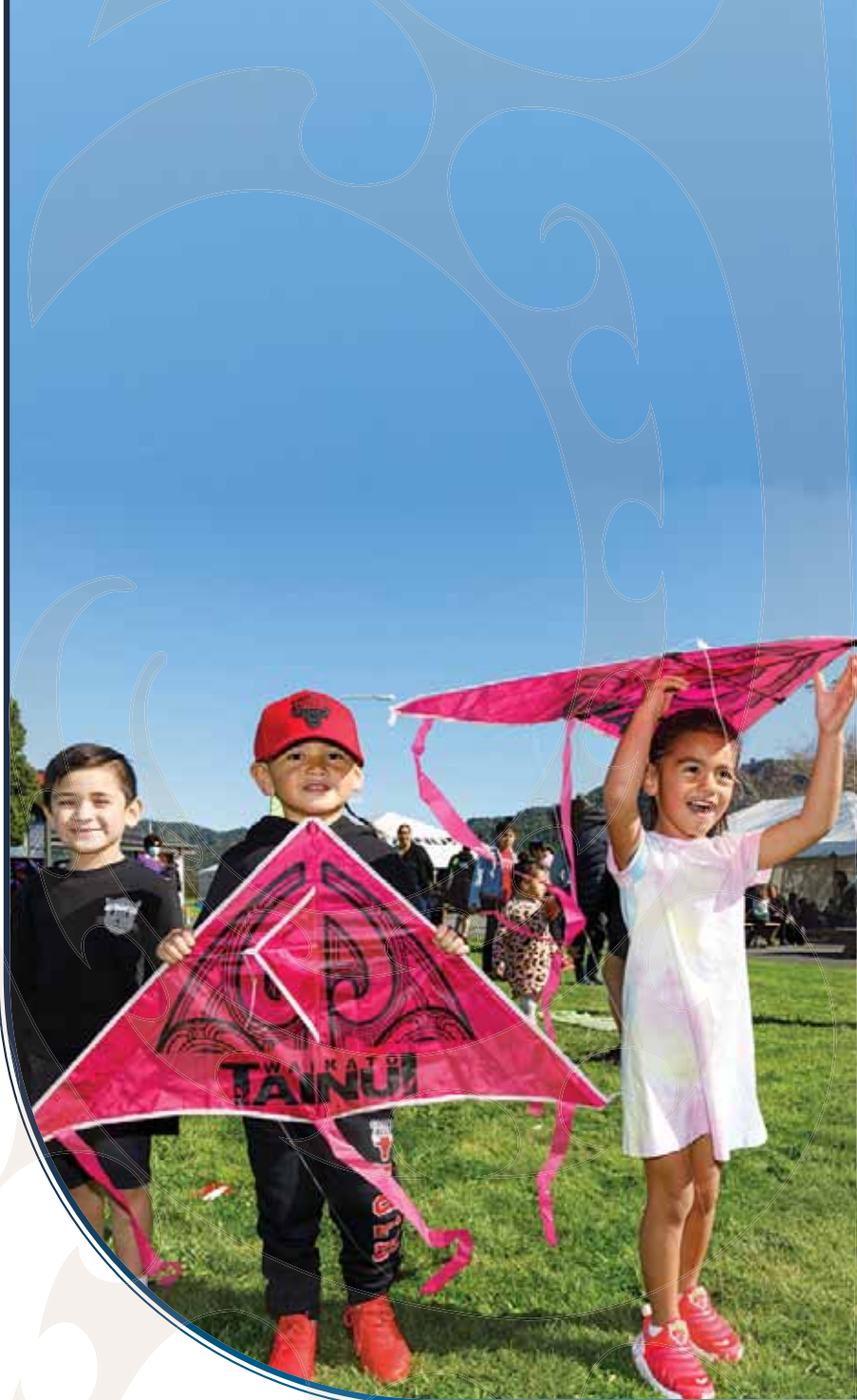
The Tribal Connection Team in collaboration with Te Puni Kookiri and Crown Infrastructure Partners supported marae to apply for the Marae Digital Connectivity Programme, giving marae free access to broadband and other resources for five years.

For the Tainui games, home fires were reignited once again after three years of COVID-19 restrictions – calling over 24,000 of our people to come together once again to participate in our biggest event on the tribal calendar.

2022 Metrics

(unaudited)

Huinga Taniwha is a waananga that promotes and supports marae/hapuu/iwi/whaanau aspirations through reo and tikanga resource creation. Throughout 2021 we engaged with Te Puhu Ariki – Ngaai Tai ki Taamaki – Umupuia Marae, Te Iti o Hauaa Marae whaanau and our Waikato-Tainui Heritage and Identity team to create resources pertaining to koorero tuku iho specific to their respected repository and share their resource creation journey and aspirations with the iwi whaanui. Resources created included pukapuka, waiata, kiriata, papa keemu, puukei kaari among others.





*Protecting & caring for
our taonga tuku iho,
waahi tapu, & waahi
tupuna (held both at both
tribal & marae level*

2023 Metrics

This financial year, 12 tribal members came together for their second conservation workshop, which covered practical steps to take in the care, handling, storage, and display of whaanau collections.

Examples of these include whakapapa books, paipera tapu, manuscripts, photo albums or framed photographs of tuupuna.

The Heritage & Identity Team piloted a ten-week internship programme (Ngaa Rau Puutohe) this financial year, concentrating on the cultural and heritage sector. Six interns spent every Wednesday across the Archives, Collections and Taonga Finds initiatives, getting a broad understanding of the many pathways available for tribal members within the sector. The programme ended with a trip to Wellington to meet a number of partner agencies including the Ministry of Culture & Heritage, Te Papa Tongarewa, Heritage New Zealand, Archives New Zealand and the Turnbull Library.

2022 Metrics (unaudited)

Our new building for ACC will feature a stunning graphic illustration on its exterior glass panels. It's the work of Renata Te Wiata which draws on the way the whenua was used in pre-colonial times, and on the nearby Waikato awa.



Whai Rawa

Tooku marae, tooku tuurangawaewae

Our marae are vibrant and self-sufficient.

OUR ROLE

SUPPORT

Our role is to support marae to develop their own Oranga Marae Plan (Marae Development Strategy) so that their marae whaanau and facilities are “fit for purpose” and “fit for future”.

STRATEGIC FOCUS

- Protecting ngaa taonga tuku iho, ngaa waahi tupuna me ngaa waahi tapu for the benefit of future generations (New).
- Preserving our tribal heritage, reo and tikanga.
- Strengthening our connection to our kaumaatua who are the expert repositories of our tribal tikanga, kawa, hiitori and maatauranga.
- Kia whai i too taatou mana motuhake and develop self-sufficient marae and assets and enriching our culture.

AROTAHİ Focus Area	HAANGAI AA-TAU HIWA Relevant annual activities	FY23 Actual \$'000	FY23 Budget \$'000	FY22 Actual \$'000
Growing Waikato-Tainui wealth (internal)	Relativity 5-year review	1,083	1,086	1,787
Growing Waikato- Tainui wealth (external)	An entrepreneurship pipeline including mentor programme implementation	156	199	40
	Business microfinancing (feasibility and launch funding)	107	180	67
	Social procurement strategy implementation	207	215	24
Residual Whai Rawa spend		-	-	137
Whai Rawa – direct distributions	This is the annual distribution to our marae	3,150	3,150	3,000
Total Whai Rawa distributions and social investment		4,703	4,830	5,055



Growing tribal wealth (internal)

2023 Metrics

In December 2022, we received our third relativity payment from the Crown; a form of additional redress following the 1995 Raupatu Settlement. Waikato and Ngāai Tahu are the only iwi in New Zealand to have relativity clauses included in their settlement, with Waikato receiving \$101.5 million.

The journey for the return of whenua in Te Paina continues, but we are making leaps and bounds in the right direction. This financial year we have continued constant engagement with hapuu – Ngāti Tamaoho and Ngāti Naho – as we work collectively with the Department of Conservation (DOC) and Waikato District Council (WDC) to follow the necessary steps it takes for the whenua to be returned.

2022 Metrics (unaudited)

Mana Motuhake, Mana Whakahaere, Mana Moana. Negotiations continue to be driven by the Waka Hourua framework with the intention to engage in a more holistic approach to settling our outstanding and remaining claims. The framework and its three key tenets of Mana Motuhake, Mana Whakahaere and Mana Moana have continued to be a focal point of negotiations as we continue to pursue our collective aspirations for settlement.

Wahaanau share settlement aspirations at Ministerial visit Kaawhia and Aotea Moana wahaanau came together in May, to host Minister for Treaty of Waitangi Negotiations, the Hon Andrew Little, and share with him first-hand, their unique stories as part of our Waikato-Tainui Remaining Claims settlement.

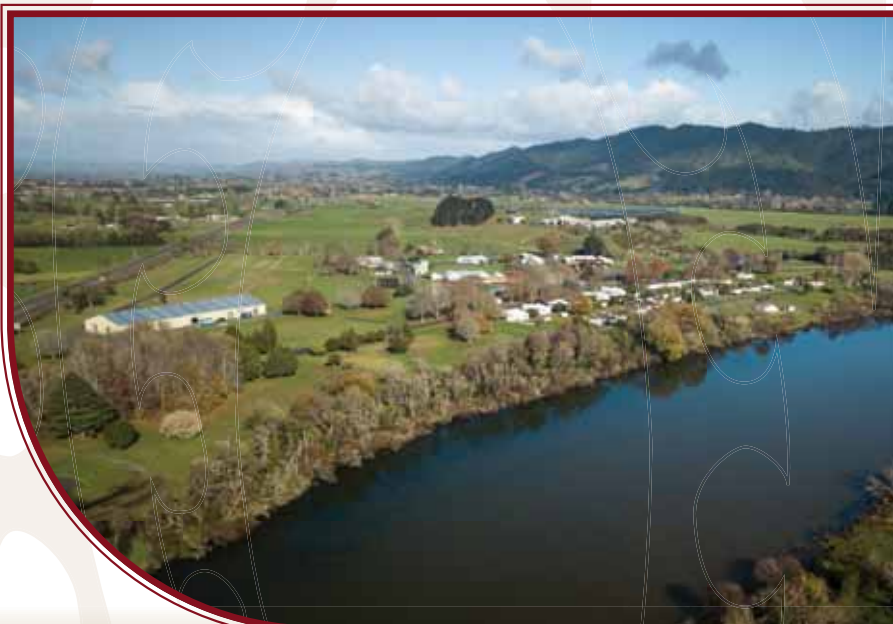


Growing tribal wealth (external)

2023 Metrics

During the July to September period we hosted a number of Crown Ministers interested in exploring potential partnership opportunities. The May Budget signalled major infrastructure commitments by the Crown and as the largest landowner in Waikato we were keen to explore those opportunities in more detail. We have identified the Hopuhopu precinct as a major opportunity for redevelopment from both a commercial lens and housing. This project is being socialised across central, regional and local government and will become a central focus point for our people. We will continue to advocate with Ministers and Crown agencies about the significant economic and cultural that this redevelopment will bring to our region.

On Wednesday 29th March Rahui Papa and the Waikato-Tainui Negotiations Team presented to the Minister for Treaty of Waitangi Negotiations, the Hon Andrew Little at Parliament House in Wellington on the special factors for the Wai 30 outstanding and remaining claims. These factors are negotiated with the Crown to formulate a quantum figure for settlement.



Mahi Tonu

Tooku marae, tooku tuurangaewae

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OUR ROLE

SUPPORT

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STRATEGIC FOCUS

- Protecting ngaa taonga tuku iho, ngaa waahi tupuna me ngaa waahi tapu for the benefit of future generations (New).
- Preserving our tribal heritage, reo and tikanga.
- Strengthening our connection to our kaumaatua who are the expert repositories of our tribal tikanga, kawa, hiitori and maatauranga.

AROTAHİ Focus Area	HAANGAI AA-TAU HIWA Relevant annual activities	FY23 Actual \$'000	FY23 Budget \$'000	FY22 Actual \$'000
Advance our digital capability	A completed Marae Digital Data Platform	226	230	114
	An improved TWOW reference document system in Attendify	499	500	1,058
Service delivery excellence	Governance Training for TWOW and marae members	1,169	1,080	446
Execute on improved talent and culture strategy	A Talent Strategy	157	160	29
	An HR information system	-	-	-
Develop improvement, innovation, risk management capability	A completed Rules Review	152	100	188
Mahi Tonu – direct distributions	This distribution honours our commitment to the Kiingitanga and the Endowed college	3,990	3,990	2,860
Total Mahi Tonu distributions and social investment		6,193	6,060	4,695

Advance our digital capability

2023 Metrics

The recently developed Marae Portal provides Marae Committees with access to live interactive data, reporting capabilities, and future forecasting.

In 2022, our new People Platform, IntelliHR, was launched. IntelliHR enables people leaders to track and manage performance, engagement, and wellbeing of kaimahi, while providing HR, SLT and the Board with real-time analytics for our compliance and decision making.

2022 Metrics (unaudited)

The Attendify application which is used in Te Whakakitenga to vote, was unexpectedly withdrawn from the market by its owners in early-mid 2022. In response, the Governance & Legal team and IT teams collaborated to quickly identify, procure, and implement a replacement voting platform for members of Te Whakakitenga for use at their next hui. The team embarked on a procurement process which led to the choice of Stellar as the preferred option being an Aotearoa owned and operated application.

Microsoft seek to support indigenous communities Global technology giant Microsoft has joined with Waikato-Tainui to form a relationship that it hopes will help them support and enhance future initiatives with Maori communities. Managing Director Microsoft NZ Vanessa Sorenson and SMB & Corporate Lead Microsoft NZ Carol Brown, met with Waikato-Tainui at the May Te Whakakitenga hui to discuss ways in which their technology and software can support our communities.



The roll out of Xero software has been a positive boost for marae. Supporting our marae to help manage their financial accounts in a simple and easy way, was the premise for the iwi offering free subscriptions to Xero for Waikato marae. Throughout May, marae administrators and trustees were able to undertake software training sessions in Xero – a cloud-based accounting software that was built to help small businesses.



Execute on improved talent & culture strategy

2023 Metrics

Two new interns have been introduced to the Governance of Enterprise and Information Technology structure currently embedded within Waikato Raupatu Lands Trust.

Kaimahi paving the way. An important aspect of the Governance and Legal (G&L) team's mahi is to advocate and educate on behalf of our iwi in the legal spaces we operate in, while developing depth and future leaders from within our legal team.

2022 Metrics (unaudited)

Maangai Maaori, nau mai Jaydene Kana. Chartered accountant Jaydene Kana has been welcomed to Hamilton City Council as one of Council's formal Maaori representatives. Maangai Maaori were added to the Council's governance structure in 2018 to represent iwi (Waikato-Tainui) and maataa waka (other Maaori and Pacific peoples living in Hamilton).



Waikato Raupatu Lands Trust

Consolidated statement of comprehensive revenue and expense for the year ended 31 March 2023

	Note	2023 \$'000	2022 \$'000
Revenue from exchange transactions		74,105	60,069
Revenue from non exchange transactions		25,543	16,630
Other income		6,050	-
Other operating revenue		487	1,697
Total revenue	3	106,185	78,396
Expenses	4	(66,657)	(75,246)
Finance costs - bank loans		(8,824)	(7,467)
Finance revenue		4,049	2,307
Share of profit of investments accounted for using the equity method	24	4,186	7,081
Net operating surplus before other gains and tribal activities		38,939	5,071
Other gains - net	5	41,923	287,905
Net operating surplus before tribal activities		80,862	292,976
Other income		33,554	54,183
Social investment		(38,809)	(35,973)
(Loss) / Surplus from tribal activities		(5,255)	18,210
Net surplus before tax		75,607	311,186
Income tax benefit / (expense)	6	444	(126)
Net surplus after tax		76,051	311,060
Attributable to equity holders of Waikato Raupatu Lands Trust		76,051	311,060
Other comprehensive revenue and expenses			
Items that will not be reclassified to surplus:			
Net gain on revaluation of hotels, farms owner occupied properties and tribal properties	16, 7	9,268	29,130
(Loss) / Gain on revaluation and disposals of carbon credits	7	(8,363)	17,192
Total other comprehensive (loss) / income		905	46,322
Total comprehensive income		76,956	357,382
Total comprehensive revenue and expenses attributable to:			
Equity holders of Waikato Raupatu Lands Trust		76,956	357,382
		76,956	357,382

This consolidated statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes.

Waikato Raupatu Lands Trust

Consolidated statement of financial position

for the year ended 31 March 2023

	Note	2023 \$'000	2022 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	38,963	101,671
Trade and other receivables	9	39,877	87,316
Other financial assets	14	398,862	301,362
Inventories	10	16,728	8,679
Biological assets - livestock	11	5,108	5,028
Assets classified as held for sale	12	11,086	-
Total current assets		510,624	504,056
Non current assets			
Other receivables	9	8,333	9,333
Other financial assets	14	36,498	40,795
Investments in joint ventures	24	68,213	65,900
Intangible assets	15	44,209	53,314
Biological assets - forestry	11	16,537	18,727
Property, plant and equipment	16	227,327	207,220
Investment properties	17	1,151,999	928,545
Te Wherowhero title properties	18	143,209	150,029
Total non current assets		1,696,325	1,473,863
Total assets		2,206,949	1,977,919
LIABILITIES			
Current liabilities			
Trade and other payables	20	61,743	47,417
Accrued revenue	23	627	263
Other financial liabilities		-	187
Total current liabilities		62,370	47,867
Non current liabilities			
Accrued revenue	23	46,714	29,662
Interest bearing liabilities	19	335,722	215,025
Other financial liabilities		-	178
Total non current liabilities		382,436	244,865
Total liabilities		444,806	292,732
Net assets		1,762,143	1,685,187
EQUITY			
Accumulated comprehensive revenue and expenses	7	1,668,485	1,592,434
Reserves	7	93,658	92,753
Total equity		1,762,143	1,685,187



Tukoroirangi Morgan
Chairperson
11 July 2023



Hinerangi Raumati Tu'ua
Representative of Te Arataura
11 July 2023

This consolidated statement of financial position should be read in conjunction with the accompanying notes.

Waikato Raupatu Lands Trust

Consolidated statement of changes in equity

for the year ended 31 March 2023

Attributable to equity holders of the Trust

	Note	Reserves \$'000	Accumulated comprehensive revenue and expense \$'000	Total Equity \$'000
Balance as at 1 April 2021		46,431	1,281,374	1,327,805
Comprehensive revenue				
Net surplus for the year		-	311,060	311,060
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus and deficit				
Gain on revaluation of hotels, farms and owner occupied properties	7	29,130	-	29,130
Gain on revaluation of carbon units	7	17,192	-	17,192
Total other comprehensive revenue and expense		46,322		46,322
Total comprehensive revenue and expense		46,322	311,060	357,382
Balance as at 31 March 2022		92,753	1,592,434	1,685,187

Attributable to equity holders of the Trust

	Note	Reserves \$'000	Accumulated comprehensive revenue and expense \$'000	Total Equity \$'000
Balance as at 1 April 2022		92,753	1,592,434	1,685,187
Comprehensive revenue				
Net surplus for the year		-	76,051	76,051
Other comprehensive revenue and expense				
Items that will not be reclassified to surplus and deficit				
Gain on revaluation of hotels, farms and owner occupied properties	7	9,268	-	9,268
Gain on revaluation of carbon units	7	(8,363)	-	(8,363)
Total other comprehensive revenue and expense		905		905
Total comprehensive revenue and expense		905	76,051	76,956
Balance as at 31 March 2023		93,658	1,668,485	1,762,143

This consolidated statement of changes of equity should be read in conjunction with the accompanying notes.

Waikato Raupatu Lands Trust

Consolidated statement of cash flows

for the year ended 31 March 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers		93,072	79,418
Other receipts from non-customers		6,050	-
Proceeds from relativity settlement received from the Crown		103,127	-
Payments to suppliers and employees		(51,185)	(47,805)
Payments to grant recipients		(39,870)	(43,621)
Interest received		4,049	2,307
Interest paid		(2,803)	(7,081)
Net cash inflow/(outflow) from operating activities		112,440	(16,782)
Cash flows from investing activities			
Payments for investments in other financial assets	14	(126,676)	(322,383)
Receipts from divestments in other financial assets	14	19,859	222,802
Dividends from investments in other financial assets		487	1,697
Payments for contribution/investment in joint venture	24	(11,452)	(13,047)
Receipts from joint venture dividends	24	-	4,500
Payments for property, plant and equipment	16	(17,604)	(6,486)
Payments for intangible assets	15	(75)	(174)
Payments for investment properties	17	(156,290)	(99,054)
Net cash inflow/(outflow) from investing activities		(291,751)	(212,145)
Cash flows from financing activities			
Proceeds from borrowings		177,184	295,435
Repayment of borrowings		(60,581)	(211,171)
Net cash inflow/(outflow) generated from financing activities		116,603	84,264
Net increase/(decrease) in cash, cash equivalents, and bank overdrafts		(62,708)	(144,663)
Cash and cash equivalents at the beginning of the year		101,671	246,334
Cash and cash equivalents at the end of the year	8	38,963	101,671
Reconciliation of surplus for the year to net cash inflow from operating activities			
Net surplus after tax for the year		76,051	311,060
Non cash items:			
Depreciation, amortisation and impairment	4	6,925	25,937
Doubtful debt provision and bad debt written off		(696)	-
Amortisation of capitalised lease incentive		638	-
Share of total profits of joint ventures	24	(4,186)	(7,081)
Other gains - net	5	(41,923)	(287,905)
Government Grants - CIP Loan		(1,928)	-
Government Grants - Carbon Credits		(390)	-
Harvesting of forestry assets		(2,380)	-
Other movements		(70)	(592)
Capitalised interest		6,021	-
Other non-cash items in relation to investing and financing activities		136	-
(Increase)/decrease in current assets:			
Trade and other receivables	9	48,439	(62,373)
Inventories	10	(8,049)	(3,446)
Biological assets	11	2,110	(1,388)
Increase/(decrease) in current liabilities:			
Trade and other payables and employee entitlements		14,326	9,269
Accrued Revenue		17,416	-
Other financial liabilities		-	(263)
Net cash inflow/(outflow) from operating activities		112,440	(16,782)

This consolidated statement of cashflows should be read in conjunction with the accompanying notes.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2022

1. GENERAL INFORMATION

1.1 Reporting entity

The Waikato Raupatu Lands Trust (the 'Trust') is the lead iwi organisation for Waikato-Tainui, responsible for developing and implementing initiatives which improve iwi outcomes in the areas of education and training, employment, tribal preservation, marae development, health and wellbeing, environmental and resource management.

The Trust manages iwi affairs, implements the iwi development strategy, and makes distributions for education, health and wellbeing, marae, social and cultural development.

Tainui Group Holdings Limited ('TGH'), a controlled entity and commercial arm of the Trust, manages a diversified portfolio of direct investments, equities, primary industries, private equity funds, and properties.

Waikato Raupatu River Trust, a controlled entity of the Trust, represents the Trust on matters relating to the Waikato-Tainui Deed of Settlement in relation to the Waikato River.

On May 28, 2022, Te Whakakitenga o Waikato resolved to review the group's entities to ensure a sustainable organisational structure now and into the future. At the date of issuing the consolidated financial statements and service performance information, the review remains ongoing.

The Trust is incorporated and domiciled in New Zealand.

The consolidated financial statements and service performance information have been approved for issue by Te Arataura on 11 July 2023.

Te Arataura do not have the power to amend the financial statements once they have been issued.

a) Waikato Raupatu Land Settlement

On 22 May 1995, Waikato-Tainui signed the Deed of Settlement with the Crown's representatives for a full and final settlement of its Raupatu claim to be made to the Trust. This agreement formed the basis for the Waikato Raupatu Claims Settlement Act 1995.

The initial settlement, being the redress value, totaled \$170.0m.

As part of the Deed of Settlement, a relativity clause is included, allowing for additional settlement redress. The Crown's payment of further settlement was triggered in the financial year ended 31 March 2013, when all Treaty settlements since 1994 exceeded \$1.0b. Initially, \$70.0m was received in December 2012 as the first claim under the relativity clause. Subsequently, in December 2014, an additional \$12.5m was received through the arbitration process that followed the first claim. The second claim, amounting to \$189.6m, was made in December 2017. As a result of arbitration, further amounts of \$16.8m (April 2018), \$1.2m (April 2019), \$2.8m (August 2020), and \$1.6m (October 2022) were received.

In December 2022, a third claim of \$101.5m was made, and these claims are made every five years. It is important to note that no settlement will be payable after 2045. For more comprehensive information regarding the accounting policy and treatment for relativity settlement, please refer to note 2.1(f)(i).

b) Waikato Raupatu River Settlement

On 17 December 2009, a Deed of Settlement (the 'Settlement') was made between the Crown and Waikato-Tainui to settle the claim by Waikato-Tainui for the Waikato River.

The Settlement, being the redress value, is specified as \$70.0m plus \$30.0m over a period of 28 years. The Settlement is to be realised as follows:

(i) The Sir Robert Mahuta Endowment (\$20.0m) is to be applied to support the vision of Sir Robert Mahuta for the Waikato-Tainui Endowed College at Hopuhopu as an educational centre providing leadership, innovation, research and scholarship in indigenous development and practices and support research management practices on improving the health and wellbeing of the Waikato River and Waikato-Tainui's tribal histories associated with the Waikato River;

1. GENERAL INFORMATION

(ii) The River Initiatives fund (\$50.0m) is to be applied for the purposes of cultural and environmental development projects related to the Waikato River, enhancing the restoration and protection of the relationship of Waikato-Tainui with the Waikato River and protecting and enhancing sites of significance, fisheries, flora and fauna; and

(iii) Co-management Fund shall be received for the purpose of assisting Waikato-Tainui engage in new co management arrangements under the Settlement. The co-management funding of \$3.0m was received on settlement date with an annuity of \$1.0m per year for 27 years. In 2014, \$10.0m was advanced, reducing the annuity receipt from 27 years to 17 years. \$25.0m has been paid with an annuity payable to the Waikato River Authority of \$1.0m per year for a further 5 years.

Included in the Settlement, but excluded from these financial statements is the settlement funding for the Waikato River clean up. The Waikato River Clean Up Trust was established with the Waikato River Authority being the Trustee. The Waikato River Clean Up Trust's objective is the restoration and protection of the health and wellbeing of the Waikato River.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Reporting Entity

The financial statements include the consolidated results of Waikato Raupatu Lands Trust (controlling entity) and its controlled entities, together with the 'Group'. Te Whakakitenga o Waikato Incorporated is the ultimate controlling party of the Trust.

(b) Statutory base

The consolidated financial statements of the Trust have been prepared in accordance with the Charities Act 2005, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

(c) Basis of preparation

The Trust has adopted XRB A 1 Application of the Accounting Standards Framework. The Trust is required to apply Tier 1 Not-for-profit Public Benefit Entities Accounting Standards (PBE Standards) as it has expenses of over \$30 million. The Trust complies with these PBE standards and authoritative notices that are applicable to entities that apply PBE standards.

The principle accounting policies adopted in the preparation of the financial statements and service performance information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(d) Functional and presentation currency

Items included in the financial statements of each of the Group's entities' operations are measured using the currency of the primary economic environment in which it operates (the functional currency). The consolidated financial statements are presented in New Zealand dollars, which is the Trust's functional and presentation currency.

All values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

(e) Changes in accounting policies

Hotels

Hotels are comprised of land, buildings and plant held at the hotels. Hotels are valued by an external independent valuer and are shown at fair value less subsequent depreciation. In previous years, the Group's policy was to revalue hotels every three years. However, in response to the impact of COVID-19, starting from 31 March 2020, the hotels have been fair valued annually. Effective 31 March 2023, the Group has made a revision to its accounting policy, which entails conducting annual revaluations of hotels in the future. This decision was made in order to enhance the reliability and relevance of the information derived from the new accounting policy.

Tribal Properties

Consistent with prior year, tribal properties will be revalued on a triennial basis, however the Trust has grouped Tribal properties into three separate tranches and will value one tranche annually on a rotating basis, so that all tribal properties are revalued on a triennial cycle. During these triennial valuations, an assessment is conducted to determine if there is a substantial difference between the fair value and carrying value of the assets. If the assessment reveals a significant movement in valuation, a revaluation is carried out.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

PBE FRS 48 Service Performance Reporting

This standard establishes requirements for Tier 1 and Tier 2 public benefit entities to select and present service performance information that is useful for accountability and decision-making purposes in general purpose financial report. Presentation of service performance information together with financial statements enables users to make assessments of the entity's performance.

This standard is effective for annual periods beginning on or after 1 January 2022. As a Tier 1 not-for profit entity, this is the first time the Group will present service performance information alongside its financial statements in the general-purpose financial report for the year ended 31 March 2023.

(f) Critical accounting estimates

The preparation of financial statements in conformity with PBE Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The estimates and judgements are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The following are the critical estimates and judgements management has made in the process of applying the Trust's accounting policies and that have the most significant impact on the amounts recognised in the financial statements.

(i) Relativity settlement

Relativity is the mechanism under which any further settlement with the Crown is recognised (see note 1 for further details). The receipt of funds from the Crown will be settled on a five yearly basis.

The calculation of future receivable amounts requires significant judgment and estimation. The Trust uses its judgment to determine the value of the undisputed portion of all Treaty settlements and makes assumptions based on information available such as Crown's statements, individual Treaty Settlement Deeds and other financial information. For the year ended 31 March 2023 the Trust has determined those undisputed and reliably measurable portions of Treaty settlements made are only settlements paid in cash, and therefore has recognised a relativity settlement receivable on that basis.

It should be noted that given the complex nature of the relativity settlement and ongoing disputes with the Crown, actual relativity settlement payments are likely to deviate substantially from amounts recorded. Any changes in the estimates will be recorded in the accounting period in which they become known.

(ii) Fair value of assets and liabilities

The Trust records certain assets and liabilities at fair value in the statement of financial position as follows: Hotels, farms, owner occupied properties and tribal properties (note 16), investment properties (note 17) and Te Wherowhero title properties (note 18) are stated at fair value. The fair values have been determined by independent valuers as at 31 March 2023 using a mixture of market evidence of transactional prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

Effective 31 March 2023, the Group has made a revision to its accounting policy, which entails conducting annual revaluations of hotels in the future. This decision was made to enhance the reliability and relevance of the information derived from the new accounting policy.

The accounting policy for tribal properties has undergone a change. Consistent with prior year, tribal properties will be revalued on a triennial basis, however the Trust has grouped Tribal properties into three separate tranches and will value one tranche annually on a rotating basis, so that all tribal properties are revalued on a triennial cycle. During these triennial valuations, an assessment is conducted to determine if there is a substantial difference between the fair value and carrying value of the tranches not revalued. If the assessment reveals a significant movement in valuation, a revaluation is carried out.

Biological assets (note 11) comprise of livestock and forests. Both are held at fair value and valued by independent valuers using current market prices less point of sale costs (livestock) and the Discounted Cash Flow (DCF) method and the replacement cost method (forests).

Other financial assets that have been designated as held at fair value through surplus or deficit (note 14) include shares in listed companies, unlisted equity funds, fixed interest term deposits and fixed interest investment funds held at fair value. The fair value of shares in unlisted companies, in the absence of quoted prices, has been determined using valuation techniques. The fair value of fixed interest investment and equity funds is determined using redemption price as determined by the Fund's administrator.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell (note 12).

Carbon credits are intangible assets with an indefinite useful life carried at revalued amount. Carbon credits are revalued annually using observable market information (note 15).

The determination of fair value for each of the assets and liabilities above requires significant estimation and judgement which have a material impact on the consolidated statement of comprehensive revenue and expense and consolidated statement of financial position.

(iii) Impairment testing

Indefinite life intangible assets

Intangible assets with indefinite useful lives (note 15) comprising of fishing quota is required to be tested for impairment at least annually. The impairment assessment for fishing quota requires an estimation of the recoverable amount of the quota based on the higher of value in use or fair value less costs to sell. The determination of the recoverable amount of the quota requires significant estimation and judgement. An independent valuer is used for this determination. The valuers methodology includes assessing each fish stock individually and providing an estimate of the likely market value for each fish stock which is based on market inputs.

Other assets held at cost

Intangible assets, property plant and equipment, and other assets held at cost are evaluated within the scope of PBE IPSAS 21 for indicators of impairment. If impairment indicators exist, then the recoverable amount of the asset is measured using the lower of fair value less costs of disposal or value in use for the cost generating unit or individual asset if it generates independent cashflows.

2.2 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

2.3 Current and deferred income tax

The Inland Revenue Department has approved the Trust as charitable for the purposes of the Income Tax Act 2007.

However, some entities within the Trust are taxable. In the instances where an entity is taxable, current tax is calculated by using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. See note 24 for details of entities that have charitable status.

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks or other financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.5 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against other expenses in the consolidated statement of comprehensive revenue and expense.

2.6 Financial assets and liabilities

Financial assets and liabilities are classified on initial recognition into the following categories:

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

(i) at fair value through surplus or loss;

(ii) at amortised cost;

(iii) loans and receivables whereby the classification depends on the purpose for which the financial assets and liabilities were acquired.

Management determines the classification of its financial assets and liabilities at initial recognition.

(a) Financial assets and liabilities at fair value through surplus or loss

Financial assets and liabilities are financial assets held for trading or designated at fair value through surplus or loss. Derivatives are also classified as held for trading unless designated as hedges.

(b) Financial assets and liabilities measured at amortised cost

Financial assets and liabilities measured at amortised cost are non-derivative assets or financial liabilities with fixed or determinable payments that are not quoted in an active market. Trade and other payables, and debt instruments are classified as financial liabilities measured at amortised cost.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those classified as held at fair value through surplus or loss. Trade and other receivables are classified as loans and receivables.

Recognition and measurement

A financial asset or liability is recognised if the Group becomes party to the contractual provisions of the asset or liability. Regular purchases and sales of financial assets and liabilities are recognised on the trade date, the date on which the Trust commits to purchase or sell the asset or liability. A financial asset or liability is recognised initially at its fair value plus (in the case of a financial asset or liability not at fair value through surplus or loss) transaction costs that are directly attributable to the acquisition or issue of the instrument. Financial assets and liabilities carried at fair value through surplus or loss are initially recognised at fair value and transaction costs are expensed in surplus or loss.

After the initial recognition, financial assets are measured at their fair values except for loans and receivables, which are measured at amortised cost using the effective interest rate method.

After the initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method except for the financial liabilities measured at fair value through surplus or loss.

Realised and unrealised gains and losses arising from the changes in the fair value of financial assets and liabilities held at fair value through surplus or deficit are included in the surplus or loss of the period in which they arise.

The fair value of financial assets held that are quoted in an active market are based on current bid prices and the fair value of financial liabilities held that are quoted in an active market are based on current ask prices. If the market for a financial asset is not active (and for unlisted securities), the Trust establishes fair value by using valuation techniques. These include the use of recent arm's length transaction pricing models refined to reflect the Trust's specific circumstances.

Financial assets are de-recognised when the rights to receive cash flow from the financial assets have expired or have been transferred and the Trust has transferred substantially all risk and reward of ownership. Financial liabilities are de-recognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Impairment of financial assets carried at amortised cost

(a) Impairment of non-cash generating assets

The Group assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

In determining fair value less costs to sell, the Group engages an independent valuer to assess market value based on the best available information.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment deficits may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable service amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

(b) Impairment of cash generating assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (except for those measured under the fair value model) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or exceeds its recoverable amount.

Impairment losses are recognised in surplus or deficit. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.7 Non current assets held for sale

Non-current assets are classified as 'assets held for sale' when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.8 Accrued revenue

The Group recognises accrued revenue relating to prepaid ground leases entered with Joint Venture (JV) partners and a tenant. These prepaid ground leases cover a period of 50 years to 120 years and are amortised on a straight-line basis over the life of the lease.

2.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an expense.

2.10 Goods and services tax

The surplus and loss component of the consolidated statement of comprehensive revenue and expense has been prepared so that all components are stated exclusive of GST. All items in the consolidated statement of financial position are stated net of GST, except for receivables and payables, which include GST invoiced.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

2.11 Statement of cash flows

The statement of cash flows is prepared exclusive of GST. For the purposes of the statement of cash flows, cash and cash equivalents include cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

Financing activities are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity capital.

2.12 Impairment of non financial assets

(a) Indefinite useful life intangible assets

Where an intangible asset has an indefinite useful life, the asset will be tested annually for impairment by comparing the carrying amount with its recoverable amount.

(b) Cash generating assets

Cash generating assets are assets held with the primary objective of generating a commercial return, except for those measured under the revaluation model or those measured at fair value through surplus or loss. The Group assesses non-financial cash generating assets at each reporting date whether there is any indication that an asset may be impaired or not. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of the asset's value in use or fair value less costs to sell. Any impairment loss is recognised immediately in the surplus or loss.

If in a future period, there is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, the Group performs an assessment of the recoverable amount of that asset. If the Group determines that there has been a change in the estimates used to determine the assets recoverable amount, the assets carrying amount shall be increased to its recoverable amount and the reversal of the impairment loss recorded directly in surplus or loss.

The reversal is limited so that the carrying amount net of depreciation, does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognised for the asset in prior years.

(c) Non cash generating assets

The Group assesses non-financial non-cash generating assets at each reporting date whether there is any indication that an asset may be impaired, except for those that are measured under the revaluation model or those measured at fair value through profit or loss. If any such indication exists, the Group estimates the recoverable service amount of the asset. The recoverable service amount is the higher of the asset's value in use or fair value less costs to sell. Any impairment loss is recognised immediately in surplus or loss.

If in a future period there is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, the Group will perform an assessment of the recoverable service amount of that asset. If the Group determines that there has been a change in the estimates used to determine the assets recoverable service amount, the assets carrying amount is increased to its recoverable service amount and the reversal of the impairment loss recorded directly in surplus or deficit. The reversal is limited so that the carrying amount does not exceed its recoverable service amount, nor exceed the carrying amount, net of depreciation that would have been determined, had no impairment loss been recognised for the asset in prior years.

2. SUMMARY OF GENERAL ACCOUNTING POLICIES

2.13 New accounting standards

The following is a new standard that is applicable to the Group for the year ended 31 March 2023:

(a) PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 establishes requirements for the recognition and measurement of financial instruments by Tier 1 and Tier 2 public benefit entities. When applied, PBE IPSAS 41 supersedes most of PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IPSAS 41 also supersedes PBE IFRS 9 Financial Instruments.

This standard is effective for reporting periods beginning on or after 1 January 2022. The Group has completed their assessment and note that the measurement categories and carrying amounts remain unchanged from those previously reported. Refer to note 25.

(b) PBE FRS 48 Service Performance Reporting

This standard establishes requirements for Tier 1 and Tier 2 public benefit entities to select and present service performance information that is useful for accountability and decision-making purposes in general purpose financial report. Presentation of service performance information together with financial statements enables users to make assessments of the entity's performance.

This standard is effective for annual periods beginning on or after 1 January 2022. As a Tier 1 not-for profit entity, this is the first time the Group will present service performance information alongside its financial statements in the general-purpose financial report for the year ended 31 March 2023. Refer to the service performance information included within the general-purpose financial report for accounting policies and judgments applied to the recognition, measurement and presentation of service performance information.

3. REVENUE

	Note	Consolidated	
		2023 \$'000	2022 \$'000
Revenue from exchange transactions			
Rental revenue		40,879	31,329
Amortisation of capitalised lease incentives		(638)	(587)
Hotel revenue		22,285	17,919
Fishing revenue		1,700	1,690
Dairy and livestock revenue		7,252	5,751
Other revenue		2,627	3,967
Total revenue from exchange transactions		74,105	60,069
Revenue from non exchange transactions			
Government Grant - CIP Loan	19	1,928	
Government Grant - Carbon Credits	15	390	3,200
Government Grant - Ruakura Development		10,907	2,000
External funding for social investment projects		12,318	10,455
Wage Subsidy - Hamilton Riverview Hotel		-	975
Total revenue from non exchange transactions		25,543	16,630
Other operating revenue			
Distributions from unlisted investments		487	595
Distributions from listed investments		-	1,102
Total other operating revenue		487	1,697
Other income			
Other income		6,050	-
Total other income		6,050	-
Total revenue		106,185	78,396

Recognition and measurement

Revenue from exchange transactions

Revenue from exchange transactions comprises the fair value of the sale of goods and services, net of Goods and Services Tax (GST), rebates and discounts and after eliminating sales within the Group entity. Exchange revenue is recognised as follows:

(a) Rental revenue

Rental revenue from investment properties is recognised on a straight-line basis over the lease term. Where a lease provides for fixed rental increases over the term of the lease, they are amortised on a straight-line basis over the non- cancellable portion of the lease to which they relate.

(b) Hotel revenue

Revenue from hotels comprises of amounts earned in respect of services, facilities and goods supplied. Hotel revenue is recognised by reference to the stage of completion of the service. Any revenue not recognised, but received by the reporting date, is treated as deposits in advance and shown as a liability in the statement of financial position.

(c) Fishing revenue

The Group leases fishing quota. Revenue is recognised when control over the assets has been transferred to the customer. The revenue is measured at the transaction price agreed under the contract.

3. REVENUE

(d) Dairy and livestock revenue

The Group generates revenue from sale of dairy and livestock. Dairy and livestock revenue is recognised when the Group has transferred the significant risks and rewards of ownership of the goods sold.

(e) Other revenue

Other revenue is recognised when the Group has transferred the significant risks and rewards of ownership of the goods sold or when services have been rendered.

(f) Dividend and distribution revenue

The Group has shares in listed and unlisted companies, in which revenue is generated through dividend and distribution income. Revenue is recognised when the right to receive payment is established. The revenue is measured at the transaction price agreed under the contract.

(g) Sale of sections

For sale of sections of land, recognition is on the sale contract becoming unconditional. The revenue is measured at the transaction price agreed under the contract.

Revenue from non exchange transactions

In a non-exchange transaction, the Group either receives value from another entity without directly giving approximately equal value in exchange. The Group's non-exchange revenue transactions include Government Grants for the Ruakura estate development, external funding for social investment projects and in prior years COVID-19. Non-exchange revenue is recognised as follows:

(h) Government Grants

The Group did not receive any wage subsidies for COVID-19 in 2023 (2022: \$1.0m). This includes 100% owned entities, including Hamilton Riverview Hotel.

The Group has recognised \$10.9m to date (2022: \$2.0m) of Crown funding as part of its Crown Infrastructure Partners (CIP) agreement for the Ruakura estate development. Refer to note 19 for recognition and measurement of non-exchange revenue from the CIP loan.

Government grants received are recognised as revenue when they are received unless there is an obligation to return the funds if the funding conditions are not met. In case of such an obligation, the grants are initially recorded as income in advance and recognized as revenue when the conditions are satisfied.

Revenue from non-exchange transactions is recognized in the consolidated statement of revenue and expense as the grant funding is released, representing the fulfillment of conditions attached to the grant. If the Group is entitled to receive a government grant as a result of past performance that satisfies the conditions for receipt of the grant, then the grant is recognized as non-exchange revenue and recorded as an asset in the consolidated statement of financial position.

(i) External funding for social investment projects

External funding for social projects are recognised as revenue when they are received unless there is an obligation in substance to return the funds if conditions of the funding are not met. If there is such an obligation, the grants are initially recorded as income in advance and recognised as revenue when the conditions are satisfied.

4. EXPENSES

	Note	Consolidated	
		2023 \$'000	2022 \$'000
Amortisation	15	278	438
Audit fees paid to trust auditors		695	620
Other fees paid to auditor		84	31
Bad debt written off		14	1
Consultancy fees		4,716	3,506
Depreciation	16	4,408	4,159
Direct costs from hotel operations		5,960	5,470
Doubtful debt provision		(696)	119
Director and trustee fees		1,496	1,280
Employee benefits		21,657	20,455
Impairment - net		2,239	20,856
Rates		3,944	4,082
Repairs and maintenance		4,997	4,231

PwC carries out other services for the Group in the areas of tax compliance and tax consulting of \$40.6k, regulatory and electricity sector advice of \$23.5k, executive remuneration benchmarking services of \$20k and the provision of general training materials of \$0.0k.

In the prior year, PwC carried out other services for the Group in the areas of tax compliance and tax consulting of \$7.2k, financial forecast and modelling of \$19.5k and the provision of general training materials of \$0.0k.

Employee benefits

Liabilities are recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave where it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities in respect of employee benefits expected to be settled within 12 months, are measured at the amount expected to be paid.

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the achievements of agreed key performance indicators, including the achievement of financial budget targets. The Group recognises a provision where there is a contractual obligation or where there is past practice that has created a constructive obligation.

5. OTHER GAINS - NET

	Note	Consolidated	
		2023 \$'000	2022 \$'000
Investment property - net fair value gains	17	65,553	259,933
Carbon Credit - fair value (loss)		(929)	-
Te Wherowhero title properties - net fair value (losses) / gains	18	(7,320)	32,071
Interest rate swaps - fair value gains		3,126	5,775
Forestry assets - net fair value (losses) / gains	11	(19)	998
Livestock - fair value gains	11	80	394
Shares in listed companies - net fair value gains / (losses)	14	43	(2,688)
Property, plant and equipment losses on disposal	16	(611)	(74)
Investment in funds - fair value (losses)	14	(13,620)	(5,664)
Shares in unlisted company AFL - fair value (loss) / gain	14	(2,800)	1,600
Co-management fund - fair value (losses) / gain		(200)	206
Property, plant and equipment net fair value (losses)	16	(1,380)	(4,646)
Total other gains - net		41,923	287,905

6. INCOME TAX EXPENSE

Due to the charitable status of entities within the Group the surplus subject to income tax is lower than profit before tax in the consolidated statement of comprehensive revenue and expense. The taxable members of the Group reported tax benefit of \$0.4m for the year ended 31 March 2023 (compared to a tax expense of \$0.1m in 2022). This taxable benefit primarily represents the refund of Maaori authority credits that the group was entitled to at the end of the year.

The taxable members of the group have losses of \$0.7m (2022: \$0.7m) to carry forward to meet any potential income tax liability. No deferred tax asset has been recognised for these unused tax losses.

7. RESERVES AND RETAINED EARNINGS

(a) Reserves

Hotel, farm, tribal properties and owner occupied properties revaluation reserve

Carbon credits

Balance at the end of the year

Consolidated	
2023	2022
\$'000	\$'000
77,721	68,453
15,937	24,300
93,658	92,753

(i) Hotel, farm, tribal properties and owner occupied properties revaluation reserve

Balance at the beginning of the year

Revaluation gain during the year

Balance at the end of the year

Note	Consolidated	
	2023	2022
	\$'000	\$'000
	68,453	39,323
16	9,268	29,130
	77,721	68,453

(ii) Carbon credits

Balance at the beginning of the year

Revaluation (loss)/gain during the year

Balance at the end of the year

	24,300	7,108
15	(8,363)	17,192
	15,937	24,300

(i) Revaluation reserve (hotel, farm and other owner occupied properties)

Hotel, farm and owner-occupied properties reserves recognises the change in fair value of properties held in this category.

(ii) Carbon credits revaluation reserve

Carbon credits revaluation reserve recognises the change in fair value of Emission Trading Scheme (ETS) New Zealand Units (NZU) held in this category.

(b) Retained earnings

Movements in retained earnings were as follows:

Balance at the beginning of the year

Net surplus for the year

Balance at the end of the year

Consolidated	
2023	2022
\$'000	\$'000
1,592,434	1,281,374
76,051	311,060
1,668,485	1,592,434

8. CASH AND CASH EQUIVALENTS

	Consolidated	
	2023 \$'000	2022 \$'000
Cash at bank and in hand	11,532	73,263
Deposits at call	27,431	28,408
Total cash and cash equivalents	38,963	101,671

As at 31 March 2023, no cash or cash equivalents are pledged as security or restricted (2022: nil).

9. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2023 \$'000	2022 \$'000
Trade and other receivables	38,684	85,043
Less provision for doubtful receivables	(60)	(157)
Prepayments	1,068	1,315
GST	185	1,115
Total trade and other receivables	39,877	87,316

	Consolidated	
	2023 \$'000	2022 \$'000
WRRT co management receivable	4,833	5,833
Seismic receivable	3,500	3,500
Total other receivables	8,333	9,333

Recognition and measurement

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against other expenses in the consolidated statement of comprehensive revenue and expense.

10. INVENTORIES

	Consolidated	
	2023 \$'000	2022 \$'000
Land	16,439	8,483
Other inventories	289	196
Total inventory	16,728	8,679

Recognition and measurement

Inventories are stated at the lower of cost and net realisable value. Cost of inventory is comprised of land section costs and other direct costs using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

11. BIOLOGICAL ASSETS

Current - livestock

Balance at beginning of year

Additions

Decreases due to sales

Changes in fair value

Balance at the end of the year

Non current - forestry assets

Balance at beginning of year

Additions

Harvesting

Changes in fair value

Balance at the end of the year

Note	Consolidated	
	2023 \$'000	2022 \$'000
	5,028	4,634
	476	177
	(476)	(177)
5	80	394
	5,108	5,028
	18,727	17,733
	209	506
	(2,380)	(510)
5	(19)	998
	16,537	18,727

Livestock assets valuation overview

As at 31 March 2023, livestock comprised of 3,151 cattle and 3,961 sheep (2022: 3,371 cattle and 4,167 sheep) which are held for dairy and drystock farming. PGG Wrightson determined the fair value of sheep, cattle and cows at 31 March 2023 (2022: PGG Wrightson). The valuation is based on reference to market evidence of current market prices less point-of-sale costs.

Forestry assets valuation overview

The forestry assets consist of Pinus Radiata forests planted between 1996 and 1997, Pinus Radiata forests planted between 2001 and 2002, and Californian Coast Redwoods planted between 2005 and 2012. The rotation age for the Pinus Radiata crop is expected to be 27 years, while the Californian Coast Redwoods have a rotation age of 35 years, after which the crops will be harvested.

The valuation of the trees follows the Discounted Cash Flow (DCF) method, except for the Onewhero and Rotowaro forests. Forest stands aged under five years are valued using the replacement cost method. Stands aged between five and fourteen years are derived by merging replacement costs (cost compounded) and discounted net cash flows.

The non-current biological assets are held for investment purposes. The valuation of all non-current biological assets was conducted by Woodlands Pacific Consulting Limited as of 31 March 2023 (2022: Woodland Pacific Consulting Limited).

Harvesting for the Kawarua forest comprised of Pinus Radiata planted between 1996 and 1997 commenced during the year ended 31 March 2023. At year end 99 hectares had been harvested (2022: 15 hectares) with the remainder of the forest expected to be harvested over the next 3 years. The forest will be replanted as harvesting is completed.

All valuers are independent registered valuers not related to the Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the categories of biological assets they have valued.

12. ASSETS CLASSIFIED AS HELD FOR SALE

Recognition and measurement

Biological assets are initially measured at cost and subsequently measured at fair value, with any change therein recognised in the consolidated statement of comprehensive revenue and expense.

Non-current assets are classified as 'assets held for sale' when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

In March 2023, the directors made the strategic decision to divest their shareholdings in Waikato Milking Systems (WMS) a dairy equipment manufacturer. The group had held a one-third share in WMS since June 2014, alongside Pioneer Capital and Ngai Tahu Holdings Limited.

The sale of the WMS business was successfully completed on 31 May 2023, and the purchaser was Interpump Group S.p.A., a renowned hydraulics company globally listed on the Italian Stock Exchange. The transaction was finalised at a purchase price of \$83.3m. As of the year-end, the Group recognised its shareholding in Waikato Milking Systems as an asset held for sale, which had been reclassified from investments in joint ventures as of 31 March 2023 (Refer to note 26).

Directly owned investment in a joint venture

Total assets held for sale

Consolidated	
2023	2022
\$'000	\$'000
11,086	-
11,086	-

13. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

	2023 \$'000	2022 \$'000
Class 1 Key management personnel - Senior management		
Total remuneration	6,248	5,676
Class 2 Key management personnel - Directors and representatives		
Tainui Group Holdings Limited:		
T Morgan (Chair - appointed April 22)	115	48
N Simmonds (Deputy Chair, Kaahui Ariki Representative)	80	80
H Raumati-Tu'ua*	52	48
J Colliar	52	48
D Turner	48	48
H Matatahi	50	52
T Ngataki	50	52
M Graham	78	48
R Wilson	50	50
V Clark	48	48
L Te Aho	26	120
P Te Ao (Deputy Chair - retired January 2021)		7
Tainui Group Holdings Limited:		
H Raumati-Tu'ua* (Chair)	100	96
T Morgan*	50	50
R Thomas	50	50
T J R Simpson	50	50
D Bracewell	50	54
M Petersen	50	50
M Kemp	13	
H van der Heyden (chair - retired April 2021)		8
Independent Committee Members		
Group Audit and Risk Committee		
C Neville (started April 22)	6	
W Panapa (started April 22)	9	-
B Takiari-Brame (retired January 2022)	-	6
Group Investment Committee		
M Butcher	47	25
G Carter	25	25
T Nicholas	25	25
Te Whakakitenga o Waikato Officers		
P McLean (Chair)	60	60
T Tamaki Takarei (Deputy Chair) (appointed January 2021)	40	42
Te Whakakitenga O Waikato Inc representatives	183	174
Whaanau members of key management personnel		
Total remuneration	90	98
Total key management personnel compensation	7,745	7,138

Whaanau members of key management personnel are spouses, children, children of spouses, or other dependents as defined by PBE IPSAS 20 Related Party Disclosures

13. RELATED PARTY TRANSACTIONS

	2023	2022
Number of persons recognised as:		
Class 1 Senior management	17	16
Class 2 Directors and representatives	135	135

* Directors and trustees who are represented on both TGH and Te Whakakitenga O Waikato Incorporated.

** Independent sub-committee members

Te Whakakitenga o Waikato representatives are made up of two elected members from 68 Marae. Te Whakakitenga o Waikato is the tribal authority that represents the people of Waikato-Tainui.

b) Related parties transactions

The Waikato Raupatu Lands Trust is the controlling entity. Te Whakakitenga o Waikato Incorporated is the ultimate controlling party.

The following table provides the total amount of transactions that have been entered into with related parties. The transactions have taken place on an arm's length basis in accordance with internal policy.

	Purchases from related parties \$000	Sale of services to related parties \$000	Amounts owed to related parties \$000	Amounts owed by related parties \$000
Joint Ventures				
2023	4	1,251	-	-
2022	47	1,994	-	-

14. OTHER FINANCIAL ASSETS

	Listed companies \$'000	Investments in funds \$'000	Unlisted company AFL income shares \$'000	Interest rate swaps \$'000	Term Deposits \$'000	TOTALS \$'000
Opening net book amount 1 April 2021	51,160	184,532	11,200	-	-	246,892
Gains / (losses) recognised in surplus and loss	(2,688)	(5,664)	1,600	4,029	-	(2,723)
Purchases	11,346	311,037	-	-	-	322,383
Sales	(56,308)	(166,514)	-	-	-	(222,822)
Other	(1,592)	19	-	-	-	(1,573)
Closing net book amount 31 March 2022	1,918	323,410	12,800	4,029	-	342,157

	Listed companies \$'000	Investments in funds \$'000	Unlisted company AFL income shares \$'000	Interest rate swaps \$'000	Term Deposits \$'000	TOTALS \$'000
Opening net book amount 1 April 2022	1,918	323,410	12,800	4,029	-	342,157
Gains / (losses) recognised in surplus and loss	43	(13,620)	(2,800)	2,769	-	(13,608)
Purchases	-	18,679	-	-	107,998	126,677
Sales	(1)	(19,865)	-	-	-	(19,866)
Closing net book amount 31 March 2023	1,960	308,604	10,000	6,798	107,998	435,360

The notional amount of interest rate swaps is \$135.0m with maturity dates that range from 1-6 years (2022: \$127.0m, maturing between 1-7 years).

These investments are financial assets designated at fair value through surplus or deficit at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Trust's documented investment strategy.

14. OTHER FINANCIAL ASSETS

Current and non current allocation of other financial assets are as follows:

	Consolidated	
	2023 \$'000	2022 \$'000
Current other financial assets		
Term Deposits	107,998	-
Investments in funds	290,864	301,362
Total current other financial assets	398,862	301,362
Non current other financial assets		
Listed companies	1,959	1,918
Investments in funds	17,741	22,048
Interest rate swaps	6,798	4,029
Unlisted company AFL income shares	10,000	12,800
Total non current other financial assets	36,498	40,795

(a) Listed companies

The shares in listed companies comprise of shares with Fonterra. The fair value is based on the market close prices at reporting date. The gain for fair value recorded through the consolidated statement of comprehensive revenue and expense for listed companies was \$0.04m (2022: 2.7m).

(b) Investment in funds

The fair value of investment in funds is represented by the investment in Pioneer Capital Partners Fund I, II and III, Waterman Fund 3 LP and Mercer International Shares Fund. The valuation of the investment is based on the Group's share of the net assets in Pioneer Capital Partners LP and Waterman Fund 3 LP. The valuation of the investment in Mercer International Shares Fund is based on the redemption price provided by the Manager of the Fund. The fair value of the Group's investment in Pioneer Capital Partners LP and Waterman Fund 3 LP is determined using common valuation methods such as discounted cash flow and comparable trading multiple methods as set out in the International Private Equity and Venture Capital Valuation Guidelines. The loss for fair value for investment in funds, recorded through the statement of comprehensive revenue and expense is \$13.6m (2022: loss of \$5.7m).

(c) Unlisted companies Aotearoa Fisheries Limited (AFL) income shares

The fair value of the AFL income shares is based on a valuation undertaken by Ernst & Young Transaction Advisory Services Limited. The valuation methodology considers past and present performance with reference to comparable listed companies. Ernst & Young Transaction Advisory Services Limited is not related to the Group and holds recognised and relevant professional qualifications, having had recent experience and knowledge in the assets they have valued.

(d) Term Deposits

Term deposits represents a number of short-term investments by the Group in fixed-term financial instruments with banks. The balance comprises a number of investments held with ASB Bank, Westpac Bank and BNZ Bank with maturities ranging from 3 months to 6 months. The investments are held at amortised cost and this approximates its fair value. The balance held at 31 March 2023 is \$108.0m (2022: nil).

15. INTANGIBLE ASSETS

	Note	Computer software \$'000	Fishing Quota \$'000	Carbon Credits \$'000	TOTAL \$'000
Consolidated					
Year ended 31 March 2022					
Opening net book amount					
Opening net book amount		1,180	20,340	11,666	33,186
Additions		174		3,200	3,374
Amortisation	4	(438)	-	-	(438)
Fair value gains	7	-	-	17,192	17,192
Closing net book amount		916	20,340	32,058	53,314
At 31 March 2022					
Cost and revaluation reserve		4,418	20,340	32,058	56,816
Accumulated amortisation		(3,502)	-	-	(3,502)
Net book amount		916	20,340	32,058	53,314

	Note	Computer software \$'000	Fishing Quota \$'000	Carbon Credits \$'000	TOTAL \$'000
Consolidated					
Year ended 31 March 2023					
Opening net book amount					
Additions		916	20,340	32,058	53,314
Disposal through revaluation reserve	7	75	-	390	465
Amortisation	4	(278)	-	(394)	(394)
Loss on revaluation	7	-	-	-	(278)
Loss on revaluation through profit and loss	5	-	-	(7,969)	(7,969)
		-	-	(929)	(929)
Closing net book amount		713	20,340	23,156	44,209
At 31 March 2023					
Cost and revaluation reserve		4,493	20,340	23,156	47,989
Accumulated amortisation		(3,780)	-	-	(3,780)
Net book amount		713	20,340	23,156	44,209

The Group is deemed a participant in the New Zealand Emission Trading Scheme (ETS) as it is an owner of fishing quota and forestry land.

Fishing Quota

Quota Management Systems Limited were contracted as an independent valuer to perform an impairment assessment of the quota assets. Fair value has been assessed with reference to individual fish stock, the valuer's knowledge of the market and the Ministry of Fisheries Quota Monitoring System reports.

Quota benefits are expected to be received in perpetuity, therefore the useful life has been assessed as indefinite.

Carbon Credits

(i) Carbon credits on Fishing Quota

Carbon credits (NZU's) for 2023 and 2022 relate to 4,286 NZ units that were allocated by the Ministry for the Environment as part of the fisheries allocation for quota owned. The units in 2023 were valued at \$54.50 per unit (2022: \$76.00) resulting in a fair value loss of \$0.1m to the Group (2022: fair value gain of \$0.1m).

15. INTANGIBLE ASSETS

(ii) Carbon credits on Forestry Land

Carbon credits for 2023 and 2022 relate to 417,109 NZ units that were allocated by the Ministry for the Environment to the pre-1990 and post-1989 forests owned by the Group. The units in 2023 were valued at \$54.50 per unit (2022: \$76.00) resulting in a fair value loss of \$8.9m to the Group (2022: fair value gain \$11.0m).

During the financial year the Group disposed of carbon credits in relation to the harvesting of Kawaroa forest 5,184 units (2022: nil).

Recognition and measurement

(a) Computer software

Separately acquired computer software and licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset. These costs are amortised on a straight-line basis over their estimated useful lives of up to ten years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(b) Fishing Quota

Separately acquired fishing quota has an indefinite useful life and therefore is recorded as non-current. Fishing quota is tested annually for impairment and is carried at cost less accumulated impairment. The useful life is assessed annually to determine whether the indefinite useful life assessment continues to be supportable.

(c) Carbon credits

Intangible assets include carbon credits acquired by way of a Government grant. Carbon Credits held are treated as intangible assets, and initially recorded at fair value at the date of acquisition. Fair value is initial market value in the case of government granted units. Following initial recognition, these intangible assets are carried at fair value and revalued annually.

Revaluation movements using the revaluation model are recognised through other comprehensive income in a revaluation reserve where the revaluation is above initial market value. Revaluation decreases below initial market value are recognised in the income statement and reversals are recognised in the income statement until the valuation equals initial market value.

16. PROPERTY, PLANT AND EQUIPMENT

	Note	Farm & owner occupied properties \$'000	Tribal properties \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Work in progress \$'000	Computer, office equipment, furniture & fittings \$'000	Land & buildings (Hotels) \$'000	TOTAL \$'000
Year ended 31 March 2022									
Opening net book value		51,436	53,357	553	1,027	194	14,758	59,804	181,129
Transfer		(334)	629	-	-	(194)	(291)	190	-
Additions		2,491	400	176	1,334	-	1,420	665	6,486
Disposals	5	(13)	(120)	-	(354)	-	-	-	(487)
Net revaluation gain/(loss) through other comprehensive income	7	5,850	23,333	-	-	-	-	(53)	29,130
Net revaluation gain/(loss) through profit or loss		-	(4,646)	-	-	-	-	-	(4,646)
Transfer to Te Wherowhero titles		-	(234)	-	-	-	-	-	(234)
Depreciation	4	(309)	(432)	(54)	(239)	-	(1,761)	(1,364)	(4,159)
Reclassification of Assets		-	1	-	-	-	-	-	1
Closing net book value		59,121	72,288	675	1,768	-	14,126	59,242	207,220
At 31 March 2022									
Cost and revaluation reserve		59,207	72,904	1,622	3,039	-	29,844	62,066	228,682
Accumulated depreciation		(86)	616	(947)	(1,271)	-	(15,718)	(2,824)	(21,462)
Closing net book value		59,121	72,288	675	1,768	-	14,126	59,242	207,220

	Note	Farm & owner occupied properties \$'000	Tribal properties \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Work in progress \$'000	Computer, office equipment, furniture & fittings \$'000	Land & buildings (Hotels) \$'000	TOTAL \$'000
Year ended 31 March 2023									
Opening net book value		59,121	72,288	675	1,768	-	14,126	59,242	207,220
Additions		1,754	1,449	106	204	4,247	6,367	3,477	17,604
Disposals		(20)	-	-	-	-	-	(591)	(611)
Net revaluation gain/(loss) through other comprehensive income		(785)	8,016	-	-	-	-	2,037	9,268
Net revaluation gain/(loss) through profit or loss	5	-	(1,380)	-	-	-	-	-	(1,380)
Transfer to Te Wherowhero titles	18	-	(240)	-	-	-	-	-	(240)
Depreciation	4	(414)	(403)	(48)	(313)	-	(357)	(2,873)	(4,408)
Other		(1)	(79)	1	-	-	-	(47)	(126)
Closing net book value		59,655	79,651	734	1,659	4,247	20,136	61,245	227,327
At 31 March 2023									
Cost and revaluation reserve		60,155	80,670	1,728	3,244	4,247	36,211	66,942	253,197
Accumulated depreciation		(500)	(1,019)	(994)	(1,585)	-	(16,075)	(5,697)	(25,870)
Closing net book value		59,655	79,651	734	1,659	4,247	20,136	61,245	227,327

16. PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement Hotels

Hotels are comprised of land, buildings and plant held at the hotels. Hotels are valued by an external independent valuer and are shown at fair value less subsequent depreciation. The accounting policy for valuations has been revised in the current financial year, shifting from a triennial basis to an annual basis refer to note 2.

Farm and owner-occupied properties

Farm and owner occupied properties are comprised of land, buildings and plant held on the farms as well as buildings occupied by the Trust and TGH. These are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Tribal properties

Tribal properties are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Tribal properties comprise of buildings located at Hopuhopu, reserve lands and a residential property in Pukawa.

The accounting policy for tribal properties has undergone a change refer to note 2.

Work in progress

Work in Progress (WIP) includes ongoing project costs for the Group's electricity infrastructure at Ruakura. During the construction phase of the project, costs incurred will be classified as WIP and held at cost.

Subsequent recognition

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset (as appropriate), only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive revenue and expense during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance date.

Amounts recognised in surplus or loss

Increases in the carrying amounts arising on revaluation of hotel, farm and owner-occupied properties are credited to the revaluation reserve in equity. To the extent that the increase reverses a revaluation decrease previously recognised in the consolidated statement of comprehensive revenue and expense, the increase is first recognised in the consolidated statement of comprehensive revenue and expense. Decreases that reverse previous increases are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the same class of asset; all other decreases are charged to the consolidated statement of comprehensive revenue and expense.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive revenue and expense. When revalued assets are sold, it is the Trust's policy to transfer the amounts included in revaluation reserves in respect of those assets to retained earnings.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Class of asset depreciated	Estimated useful life
Computers	2 - 10 years
Farm buildings	50 years
Hotels (buildings)	50 - 100 years
Hotels (other assets)	3 - 33 years
Office equipment, furniture and fittings	1 - 17 years
Other buildings	100 years
Plant and equipment	1 - 14 years
Vehicles	2 - 11 years

16. PROPERTY, PLANT AND EQUIPMENT

Valuation of hotel, farm and owner-occupied properties

Telfer Young (Waikato) Limited, Arotahi Agribusiness and CBRE were contracted as independent valuers to value hotels, farms and owner-occupied properties. Fair value has been assessed as the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

The significant methods and assumptions applied in estimating the fair value were:

- Income Capitalisation Approach: is based on the current contract and market income and an appropriate market yield or return for the particular investment property. Adjustments are then made to the value to reflect under or over renting, pending capital expenditure, and upcoming expiries, including allowance for lessee incentives and leasing expenses;
- Discounted Cash Flow Approach: based on establishing a cash flow budget for the property having particular regard to the length of lease term, the nature of the leasehold interest, discount rate, capital expenditure, inflation and rental rates; and

Tribal properties

Tribal properties comprise of land and buildings located at Hopuhopu, reserve lands and a residential property located at Pukawa.

Aim valuation, QV and Silverton Alexandra (2022: included Telfer Young Waikato and Arotahi agribusiness) were contracted as independent valuers to value tribal properties. Fair value has been assessed as the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

The significant methods and assumptions applied in estimating the fair value were:

- Cost approach using the depreciated replacement cost of buildings; and
- comparing market evidence of transaction prices for similar properties.

SIGNIFICANT INPUT	DESCRIPTION	FAIR VALUE MEASUREMENT SENSITIVITY TO SIGNIFICANT:		VALUATION METHOD
		Increase in input	Decrease in input	
<i>Discount rate</i>	The discount rate is applied to future cash flows of a hotel to provide a net present value equivalent. The discount rate adopted considers recent comparable market transactions, prospective rates of return for alternative investments and apparent risk.	Decrease in property values	Increase in property values	Discounted cash flow
<i>Average daily rate</i>	The average charge paid by hotel guests on a per room per night basis. It is expressed net of GST and other direct taxes and is calculated by dividing the total rooms revenue by the rooms occupied over a given period.	Increase in property values	Decrease in property values	Discounted cash flow
<i>Occupancy rate</i>	Ratio of rooms occupied to rooms available over a given period.	Increase in property values	Decrease in property values	Discounted cash flow
<i>Market capitalisation rate</i>	The capitalisation rate applied to the market income to assess property value. The capitalisation rate is derived from detailed analysis of factors such as comparable sales evidence and leasing transactions in the open market considering location, tenant covenants – lease term and conditions, size and quality of the property.	Decrease in property values	Increase in property values	Capitalisation
<i>Price per square metre</i>	The price applied to site area for comparable sales. This enables comparison with comparable sales in the open market.	Increase in property values	Decrease in property values	Market Comparison

16. PROPERTY, PLANT AND EQUIPMENT

CLASS OF PROPERTY	Inputs used to measure fair value	2023	2022
<i>Hotels</i>	Discount rate	10.00% - 14.00%	10.00% - 13.00%
	Average daily rate	\$194	\$185
	Occupancy rates	77% - 80%	48.0%
CLASS OF PROPERTY	Inputs used to measure fair value	2023	2022
<i>Farm</i>	Market capitalisation rate	2.18% - 6.94%	1.80% - 4.41%
	Price per square metre	\$0.94 - \$6.21	\$0.65 - \$4.51
CLASS OF PROPERTY	Inputs used to measure fair value	2023	2022
<i>Tribal Properties</i>	Price per square metre	\$1.16 - \$693.28	\$3.89 - \$285.01
	Replaceable value per square metre	\$398.01 - \$1,310.34	n/a

Valuation overview of hotel, farm and owner-occupied properties

The total value of hotels valued by CBRE Limited at 31 March 2023 for the Group is \$78.9m (2022: \$71.0m) and is spread across furniture and fittings \$16.9m (2022: \$11.5m) and land and buildings \$62.9m (2022: \$58.8m).

The total value of farm properties valued by Telfer Young (Waikato) Limited at 31 March 2023 for the Group is \$35.5m (2022: \$27.1m) and by Arotahi Agribusiness for the Group at 31 March 2023 is \$17.6m (2022: \$20.5m).

The total value of owner-occupied properties valued by Telfer Young (Waikato) Limited for the Group at 31 March 2023 is \$11.2m (2022: \$9.7m).

Valuation of Tribal properties

The total value of tribal properties valued by Silverton Alexandra Limited at 31 March 2023 for the Group is \$0.9m (2022: \$26.6m) and is spread across buildings based at Hopuhopu using the depreciated replacement cost of buildings.

The total value of tribal properties valued by aim valuation at 31 March 2023 for the Group is \$8.5m (2022: \$9.0m) and is across land using market evidence of transaction prices for similar properties.

The total value of tribal properties valued by QV at 31 March 2023 for the Group is \$13.3m (2022: \$9.0m) and is spread across land and buildings using market evidence of transaction prices for similar properties.

The total value of tribal properties valued by Arotahi Agribusiness at 31 March 2023 for the Group is nil (31 March 2022: \$13.9m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

The total value of tribal properties valued by Telfer Young (Waikato) at 31 March 2023 for the Group is nil (31 March 2022: \$5.4m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

Included in Tribal properties is \$7.9m (2022: \$7.9m) of land held at cost on the basis that they are not cash generating and there are no plans for development and will not be sold.

All valuers are independent registered valuers not related to the Trust. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of farm owner occupied properties they have valued.

Land and buildings (Hotels) pledged as security

The Syndicated facility with Westpac New Zealand, Bank of New Zealand and The Industrial and Commercial Bank of China (New Zealand) Limited has security agreements over the assets owned by the HRH Limited Partnership refer to note 19.

17. INVESTMENT PROPERTIES

	Note	Consolidated	
		2023 \$'000	2022 \$'000
Balance at beginning of year		928,545	570,958
Development costs		156,290	77,654
Acquisitions			21,400
Net gain from fair value adjustment	5	65,553	259,933
Lease Incentives		1,036	-
Transfer to inventory	10		(1,400)
Other		575	-
Balance at end of year		1,151,999	928,545

During the current year, fair value of all investment properties were conducted. As part of this process, a sensitivity analysis was performed specifically for the Ruakura assets under development. This analysis was carried out due to limited market evidence available for these particular assets only. Notably, in 2022, the ACC Building at Collingwood Street, Hamilton, and the ongoing development of the Ruakura estate were held as cost-based developments.

(a) Recognition and measurement

Investment properties include properties held to earn rental revenue, and/or for capital appreciation, as well as investment properties under construction. A property is also classified as an investment property if it does not have an operating lease in place but is held with the intention of attaining an operating lease. Any gain or loss arising from a change in the fair value of the investment property is recognised in the consolidated statement of comprehensive income within the net change in fair value of investment properties.

Initial recognition - acquired properties

Investment properties are initially measured at cost, plus related costs of acquisition. Subsequent expenditure is capitalised to the asset's carrying amount when it adds value to the asset and its cost can be measured

Initial recognition - properties being developed

Investment properties also include properties that are being constructed or developed for future use as investment properties. All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditures for the development qualifying as acquisition costs, are capitalised. Borrowing costs are capitalised if they are directly attributable to the development.

Subsequent recognition

After initial recognition, investment properties are measured at fair value as determined by independent registered valuers. Investment properties are valued at least annually and may not be valued by the same valuer for more than three consecutive years unless approved by the Trustees. Any gains or losses arising from changes in fair value are recognised in profit or loss in the reporting period in which they arise.

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, the Group considers the following factors, among others:

- the provisions of the construction contract;
- the stage of completion;
- whether the project/property is standard (typical for the market) or non-standard;
- the level of reliability of cash inflows after completion; and
- the development risk specific to the property.

17. INVESTMENT PROPERTIES

Lease Incentives

Lease incentives provided by the Group to lessees are included in the measurement of fair value of investment properties.

Such assets are amortised on a straight-line basis over the respective periods to which the lease incentives apply.

Disposals

Investment properties are derecognised when they have been disposed of. The net gain or loss on disposal is calculated as the difference between the carrying amount of the investment property at the time of the disposal and the proceeds on disposal and is included in profit or loss in the reporting period in which the disposal settled.

Amounts recognised in surplus or loss

During 2023, investment property expenses from income-generating property were \$0.2m and \$0.1m (2022: \$0.8m and \$0.1m) from vacant property.

(b) Valuation and fair value measurement of investment properties

All investment properties, except for those under development where fair value is unable to be reliably determined, have been valued as at 31 March 2023 (and 31 March 2022). These valuations have been prepared by registered independent valuers, ensuring impartial and reliable assessments.

The significant methods and assumptions applied in estimating the fair value were:

- Income Capitalisation Approach: is based on the current contract and market income and an appropriate market yield or return for the particular investment property. Adjustments are then made to the value to reflect under or over renting, pending capital expenditure, and upcoming expiries, including allowance for lessee incentives and leasing expenses;
- Discounted Cash Flow Approach: based on establishing a cash flow budget for the property having particular regard to the length of lease term, the nature of the leasehold interest, discount rate, capital expenditure, inflation and rental rates;
- Residual Approach: calculating the expected value of the property in its current state having regard to the costs and risks associated with development and profit; and
- Comparing market evidence of transaction prices for similar properties.
- The valuation for The Base contain deductions for costs associated with identified seismic remediation works. The cost deductions are based on external quantity surveyor assessments with additional management allowances for professional fees and other associated costs.
- The valuation for Centre Place North has incorporated the seismic risk of the asset into the capitalisation rate. The expenses related to addressing this risk are expected to be incurred over the next two to three years, and the deduction in overall value takes into account the present value of these costs over the designated time horizon.
- The Ruakura valuation, adjustments have been applied to account for the estimated costs required to complete the development of the property. The deductions incorporated into the valuation reflect the present value of these costs over the anticipated development time frame.

All valuers are independent registered valuers not related to the Group. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of the investment property they have valued.

Valuation inputs

The valuation of investment property is determined based on a range of unobservable inputs. These inputs are considered unobservable because they are not readily available or explicit in the marketplace. Instead, they are derived from analysing transactional data that occurred in similar market conditions to those prevailing at the valuation date.

17. INVESTMENT PROPERTIES

The fair value of the Group's investment property includes unobservable inputs that are considered key factors in determining fair value. These inputs require significant judgment, and any changes to these inputs can have a substantial impact on the fair value of an investment property. The key unobservable inputs include the capitalisation rate, discount rate and square meter rate. Among these inputs, the capitalisation rate and discount rate are the most significant.

The key inputs used to measure fair value of investment properties and Te Wherowhero properties (note 19), along with their sensitivity to significant increase or decrease, are as follows:

Valuation Sensitivity

A sensitivity analysis that demonstrates the impact of changes to capitalisation rate on the value of a portion of assets under development at Ruakura. The selected metrics are those single-value inputs that are expected to have the most substantial effect on the fair value of investment properties.

The valuers of the Ruakura investment properties under development noted the absence of market evidence in Hamilton for prime industrial property to support adopted valuations, and their capitalisation rates. A sensitivity analysis has therefore been calculated that demonstrates the impact of changes to capitalisation rate on the value of the assets under development at Ruakura.

The capitalisation rate pertains to the income capitalisation approach, while the discount rate is associated with the discounted cash flow approach. Typically, a modification in the capitalisation rate is accompanied by a similar directional change in the discount rate. The table below illustrates the impact of movements in the capitalisation rate on the value of these properties:

No sensitivity analysis was conducted on the remaining assets as the trustees were comfortable that there was sufficient market evidence to support the valuations at 31 March 2023.

Ruakura assets under development:

31 March 2023	Adopted Value	Capitalisation rate +25 basis points	Capitalisation rate +50 basis points
Assessed value	\$194.4m	-\$9.4m	-\$18.3m

This analysis is unique to the current financial year due to the progress of particular projects within Ruakura and fast movement of capitalisation rates. As such, no comparative analysis for the prior financial year has been provided.

SIGNIFICANT INPUT	DESCRIPTION	FAIR VALUE MEASUREMENT SENSITIVITY TO SIGNIFICANT:		VALUATION METHOD
		Increase in input	Decrease in input	
<i>Market capitalisation rate</i>	The capitalisation rate applied to the market income to assess an investment property's value. The capitalisation rate is derived from detailed analysis of factors such as comparable sales evidence and leasing transactions in the open market taking into account location, tenant covenants – lease term and conditions, size and quality of the investment property.	Decrease in property values	Increase in property values	Capitalisation
<i>Discount rate</i>	The discount rate is applied to future cash flows of an investment property to provide a net present value equivalent. The discount rate adopted takes into account recent comparable market transactions, prospective rates of return for alternative investments and apparent risk.	Decrease in property values	Increase in property values	Discounted cash flow
<i>Price per square metre</i>	The price applied to site area for comparable sales. This enables comparison with comparable sales in the open market.	Increase in property values	Decrease in property values	Market Comparison

17. INVESTMENT PROPERTIES

As at 31 March 2023	Market capitalisation rate	Discount rate	Price per square metre
<i>Investment Properties</i>	5.0% - 8.5%	6.13% - 9.00%	\$90 - \$7,200

As at 31 March 2022	Market capitalisation rate	Discount rate	Price per square metre
<i>Investment Properties</i>	1.90% - 8.15%	6.50% - 9.00%	\$120 to \$4,081

Investment property valuations were completed as follows:

Ruakura

CBRE Limited valued property at Ruakura at fair value of \$633.0m (2022: \$413.9m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches. The valuation also deducts future planned construction and earthwork costs related to future developments and an allowance for profit and risk. The valuers have included additional profit and risk allowances of 5% - 25% (2022: 5% - 20%) for future development expenditure related to the various development zones of the Ruakura inland port.

The New Zealand Government has agreed to provide certain grants to the Group for the development of the Ruakura inland port as agreed development milestones are met. For the purposes of the valuation these grants reduce the future development cost and therefore increase the fair value of the asset. The Group is required to hand over certain roads constructed during the development of the inland port to the Hamilton City Council for nil consideration at the conclusion of the project.

For property currently under construction, valuations were received that reflected a 'as-if complete' fair value and therefore a number of adjustments have been made to reflect the fair value more appropriately for willing market participants as at 31 March 2023. This includes taking into account the forecast cost to complete amount for the construction as well as recognition of a development margin on as-if complete value of the properties.

In addition, a valuation of land was deducted to avoid double counting as the value was more appropriately reflected within the valuation of an asset under construction

The Base and Centre Place

Jones Lang LaSalle valued properties related to The Base at fair value of \$392.7m on 31 March 2023, \$196.3m being 50% group share (31 March 2022: fair value of \$396.0m on 31 March 2022, \$198.0m being 50% group share) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

Jones Lang LaSalle valued properties related to the Centre Place Joint Venture at fair value of \$62.7m on 31 March 2023 (2022: \$72.2m), \$31.3m (2022: \$36.1m) being 50% group share using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

Other investment properties

Telfer Young (Waikato) Limited valued properties at fair value of \$82.2m on 31 March 2023 (31 March 2022: \$117.0m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

Bayleys valued properties at fair value \$7.2m (2022: nil) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cashflow approaches.

Silverton Alexander Limited valued properties at fair value of \$73.5m on 31 March 2023 (31 March 2022: \$80.8m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

17. INVESTMENT PROPERTIES

CBRE Limited valued properties at fair value \$58.2m (2022: nil) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cashflow approaches

Jones Lang LaSalle valued properties at fair value of \$84.8m (2022: \$22.8m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

Arotahi Agribusiness Limited valued properties at fair value of \$1.8m (2022: \$1.6m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

Savills (NZ) Limited (2022: Colliers International NZ Limited) \$18.8m (2022: \$22.6m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cashflow approaches

All valuers are independent registered valuers not related to the Trust. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of the investment property they have valued.

Seismic uncertainty – The Base & Centre Place

In relation to capital expenditure, the valuers for The Base have made deductions for seismic strengthening works. The valuer of Centre Place has assessed the seismic risk of the asset in the capitalisation rate of the valuation. The Group has provided the valuers with the estimated cost of work for each asset. In some instances, the valuer has assessed additional costs for potential works to buildings which have not been subject to a Detailed Seismic Assessment (DSA) and/or made additional allowances for escalation and profit and risk. The timing of the cash outflow for these costs has been spread over the likely remediation period and the overall value deduction reflects the present value of costs over the adopted time horizon.

The Group is dedicated to enhancing the seismic resilience of its buildings to meet appropriate New Building Standards (NBS). Ongoing Detailed Seismic Assessments (DSA) are conducted for the Group's buildings to verify their NBS ratings and aid in the development of necessary remediation solutions.

It is important to note that the cost assessments for seismic works required to improve NBS ratings carry a level of uncertainty. The accuracy of design solutions and cost estimates can vary as the design and remediation process progresses. Initially, estimates may rely on the structural plans of a building, but they may significantly change once more extensive building investigations are performed. Consequently, costs associated with remediation works may fluctuate, and the costs for ongoing or imminent remediation projects will be more precise compared to those in the early stages of investigation or planning.

Seismic assessments undergo continuous evolution as the engineering profession's understanding of seismic events advances. This implies that the outcomes of seismic assessments may change over time. Modifications to seismic standards, or the interpretation and application of existing standards, could lead to buildings no longer meeting the minimum seismic requirements deemed appropriate by the Group. Consequently, the Group may be required to undertake further seismic remediation works.

18. TE WHEROWHERO TITLE PROPERTIES

	Note	Consolidated	
		2023	2022
		\$'000	\$'000
Balance at beginning of the year		150,029	117,724
Net gain/(loss) from fair value adjustments	5	(7,320)	32,071
Transfer from PPE	16	240	234
Other		260	-
Balance at end of year		143,209	150,029

18. TE WHEROWHERO TITLE PROPERTIES

(a) Recognition and measurement

Te Wherowhero title is the mechanism set up to protect the title of lands in the tribal estate. The benefits and the land in Te Wherowhero title are for all Waikato-Tainui and the land cannot be succeeded to, sold, alienated, mortgaged or gifted without adherence to a process to obtain the mandate of the voting beneficiaries or their representatives and unanimous consent of the Custodial Trustees.

Te Wherowhero investment properties are carried at fair value, representing open market value determined by external valuers. Changes in fair value are recorded in the consolidated statement of comprehensive revenue and expense.

As at 31 March 2023 and 31 March 2022, the title is protected by the Custodial Trustee Kiingi Tuheitia Pootatau Te Wherowhero VII.

The custodians of Te Wherowhero title are the Head of the Kaahui Ariki and two successors who are yet to be elected.

(b) Valuation of Te Wherowhero title properties

Te Wherowhero title properties comprise of land and properties located at Kaawhia, Onewhero, 192 The Terrace in Wellington, Hopuhopu, The Base and the University of Waikato, Hamilton. Te Wherowhero investment properties are held at fair value amounting to \$143.2m (2022: \$150.0m).

The significant methods and assumptions applied in estimating the fair value were:

- Income Capitalisation Approach: is based on the current contract and market income and an appropriate market yield or return for the particular investment property. Adjustments are then made to the value to reflect under or over renting, pending capital expenditure, and upcoming expiries, including allowance for lessee incentives and leasing expenses;
- the traditional capitalisation approach (focusing on the net maintainable revenue and the level of investment return); and
- Discounted Cash Flow Approach: based on establishing a cash flow budget for the property having particular regard to the length of lease term, the nature of the leasehold interest, discount rate, capital expenditure, inflation and rental rates;
- comparing market evidence of transaction prices for similar properties.

The key inputs used to measure fair value of investment properties (note 17) and Te Wherowhero title properties, along with their sensitivity to significant increase or decrease, are as follows:

SIGNIFICANT INPUT	DESCRIPTION	FAIR VALUE MEASUREMENT SENSITIVITY TO SIGNIFICANT:		VALUATION METHOD
		Increase in input	Decrease in input	
<i>Market capitalisation rate</i>	The capitalisation rate is applied to the market income to assess an investment property's value. The capitalisation rate is derived from detailed analysis of factors such as comparable sales evidence and leasing transactions in the open market taking into account location, tenant covenants - lease term and conditions, size and quality of the investment property.	Decrease in property values	Increase in property values	Capitalisation
<i>Discount rate</i>	The discount rate is applied to future cash flows of an investment property to provide a net present value equivalent. The discount rate adopted takes into account recent comparable market transactions, prospective rates of return for alternative investments and apparent risk.	Decrease in property values	Increase in property values	Discounted cash flow
<i>Price per square metre</i>	The price applied to site area for comparable sales. This enables comparison with comparable sales in the open market.	Increase in property values	Decrease in property values	Market Comparison

18. TE WHEROWHERO TITLE PROPERTIES

As at 31 March 2023	Market capitalisation rate	Discount rate	Price per square metre
<i>Te Wherowhero Properties</i>	5.00% - 8.50%	6.13% - 9.00%	\$90 to \$7,200

As at 31 March 2022	Market capitalisation rate	Discount rate	Price per square metre
<i>Te Wherowhero Properties</i>	1.90% - 8.15%	6.50% - 9.00%	\$120 to \$4,081

Te Wherowhero title properties valuations were completed as follows:

Savills Limited (2022: Colliers International NZ Ltd) valued properties at fair value of \$65.6m on 31 March 2023 (31 March 2022: \$78.1m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

Arotahi Agribusiness valued properties at fair value of \$5.9m on 31 March 2023 (31 March 2022: \$5.7m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

Telfer Young (Waikato) Limited valued properties at fair value of \$1.5m on 31 March 2023 (31 March 2022: \$1.3m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

QV Limited valued properties at fair value of \$7.1m on 31 March 2023 (31 March 2022: nil) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

\$63.0m (2022: \$63.0m) of The Base is classified as Te Wherowhero title properties being the whenua.

All valuers are independent registered valuers not related to the Trust. All valuers hold recognised and relevant professional qualifications and have recent experience in the locations and categories of the investment property they have valued.

19. INTEREST BEARING LIABILITIES

	Consolidated	
	2023	2022
	\$'000	\$'000
Non-current portion		
Secured		
ASB Loan	3,500	3,500
Syndicated Facility	330,597	211,025
Total non-current interest bearing borrowings	334,097	214,525
Unsecured		
CIP Loan	1,625	500
Total non-current portion	335,722	15,025
Total interest-bearing liabilities	335,722	215,025

19. INTEREST BEARING LIABILITIES

Syndicated facility Loan

The Group has a syndicated facility agreement that is held with Westpac New Zealand for \$165.0m (being the facility agent), Bank of New Zealand for \$205.0m and The Industrial and Commercial Bank of China (New Zealand) Limited for

\$80.0m for its property portfolio. Further to this the Group has an overdraft facility of \$15m with the Bank of New Zealand as a part of the Syndicated facility agreement.

Borrowings of \$330.6m of the available facilities had been drawn at balance date.

Westpac New Zealand, the Bank of New Zealand and The Industrial and Commercial Bank of China (New Zealand) Limited have shared pari passu security arrangements over a diversified pool of property assets. The Syndicated facility agreement is an evergreen facility with the current maturity date, being the 5th of November 2024.

ASB Bank Loan

The Group established a Senior Facility Agreement of \$5.0m with ASB Bank Limited for its natural resources portfolio. The facilities include a term loan facility with ASB Bank Limited of \$4.0m which matures on 3 December 2024, and an overdraft facility with ASB Bank Limited for \$1.0m which matures on 3 December 2024. Borrowings of \$3.5m of the available facility has been drawn at balance date.

ASB Bank Limited holds a first and preferential security interest over all property owned by TGH Natural Resources Ltd and TGH Farms and Forestry Limited.

Crown Infrastructure Partners Interest free loan

Further to the above the Group also has a loan that is held with Crown Infrastructure Partners Limited (CIP) for \$20.0m in relation to the development of infrastructure on the Ruakura project.

The funds provided by CIP do not accrue any interest, are unsecured, and due for repayment in 2035. To account for the loan, the Group uses the Net Present Value (NPV) method, which discounts the future value to its current equivalent using a market interest rate. The present value of the loan is \$1.6m (2022: \$0.5m). The difference between the present value and the nominal value has been recognised through other income as a government grant (note 3).

Upon receipt of a government loan, the benefit below the market rate of interest is immediately treated as a government grant under non-exchange revenue. The remainder of the balance is recognised as loan in the balance sheet. Interest expense is subsequently recorded on the recognised loan balance using the same market rate used to determine the original benefit. At the end of the current financial year, the nominal value of loans received to date is \$3.5m. Revenue recognised in the current financial year was \$1.92m with the loan balance above being the difference of the two amounts with amortisation of the loan via current year interest expense of \$0.05m.

Recognition and measurement

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive revenue and expense over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Trust has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

20. TRADE AND OTHER PAYABLES

	Consolidated	
	2023	2022
	\$'000	\$'000
Trade payables	3,332	1,161
Income received in advance	10,396	12,953
Accrued expenses	38,503	22,876
Grants payable	7,844	8,905
Employee entitlements	1,606	1,457
Other payables	62	65
Total trade and other payables	61,743	47,417

Recognition and measurement

Trade and other accounts payable are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

21. CONTINGENCIES

21.1 Contingent liabilities

The Trust has no contingent liabilities or guarantees at 31 March 2023 (2022: Nil).

21.2 Contingent assets

There is a contingent asset at balance date in respect of the Relativity Settlement mechanism. The mechanism was triggered in 2012 and an amount of \$70.0m was received in December 2013 upon the first claim being made under the relativity clause. Further to this, in the year ended 31 March 2015 an amount of \$12.5m was received as a result of the arbitration process which followed the first claim.

The second relativity settlement claim was received in December 2017 for \$189.6m and as a result of the arbitration process \$16.8m followed in April 2018.

The third relativity claim was received in December 2022 for \$101.0m.

The Trust received \$1.6m in the current financial year in relation to a dispute for the 2012 amount received. Disputes are ongoing for periods beyond 2012 in relation to interpretations of specific clauses in Deed of Settlement and valuation of Total Redress Amounts. The final amount of the disputed receivable is contingent on agreement being reached and cannot be reliably measured.

22. CAPITAL COMMITMENTS

Expenditure contracted for at the reporting date but not recognised as liabilities are as follows:

	Consolidated	
	2023	2022
	\$'000	\$'000
Investment property	76,508	135,329
Other	6,822	19,514
Total capital commitments	83,330	154,843

Other commitments include the capital call commitment for investment in Pioneer Capital Partners Fund II and fund III for \$1.5m (2022: \$2.7m) and Waterman Fund 3 LP \$3.2m (2022: \$3.2m). Capital commitments to the joint venture Tainui Auckland Airport Hotel 2 LP is \$2.1m (2022: \$13.6m).

23. LEASES

(a) Accrued revenue

Expenditure contracted for at the reporting date but not recognised as liabilities are as follows:

	Consolidated	
	2023	2022
	\$'000	\$'000
Within one year	627	263
Later than one year	46,714	29,662
	47,341	29,925

Revenue was received in advance in 2017 for the operating lease that exists between the Trust and The Base for land owned by the Trust for The Base and is amortised over a 120-year term using the straight-line method.

In 2023 an agreement to lease was executed between the Group and Maersk Logistics & Services New Zealand Limited (Maersk). The agreement entered into was for a term of 50 years with an initial advance of \$18.2m on commencement date. This amount is a full prepayment for the lease and is amortised on a straight-line basis over a 50-year period. The lease that exists between Maersk and the Group, the revenue has been partly received in 2023 with the remaining amount being paid on completion in 2024. In light of this arrangement, a receivable is being recognised to account for the outstanding balance to be received.

(b) Operating leases as lessee

Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

	Consolidated	
	2023	2022
	\$'000	\$'000
Within one year	169	93
Later than one year but not later than five years	58	55
Total non cancellable operating leases	227	148

There are no 'options to purchase' attached to any lease agreements.

(c) Group as lessor

The Group enters into property leases with tenants on its investment properties, including The Base and University of Waikato. The Group has determined that it retains all significant risks and rewards of ownership of these properties and has therefore classified the leases as operating leases. Commitments for minimum lease receipts in relation to 'non-cancellable operating leases are receivable as follows:

	Consolidated	
	2023	2022
	\$'000	\$'000
Within one year	40,710	31,692
Between one and five years	110,377	81,483
Later than five years	35,732	74,174
Total non cancellable operating leases	286,819	187,349

The majority of lease agreements are renewable at the end of the lease period at market rates. There are no options 'to purchase' attached to any lease agreements.

Recognition and measurement

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive revenue and expense on a straight-line basis over the period of the lease.

24. TRUST STRUCTURE

(a) Controlled entities:

The Trust controls the following entities, which form the Economic entity. All controlled entities have a March balance date.

	Charitable Status	Principal Activity	Control & voting interest	
			2023	2022
Waikato Raupatu River Trust	No	Investment	100%	100%
Waikato-Tainui Distributions Limited	No	Investment	100%	100%
Waikato-Tainui Fisheries Limited	No	Fishing	100%	100%
Tainui Group Holdings Limited	Yes	Investment	100%	100%
TGH Whenua Limited	Yes	Investment	100%	100%
TGH Asset Holdco Limited	Yes	Investment	100%	100%
TGH Natural Resources Limited	Yes	Primary	100%	100%
TGH Farms and Forestry Limited	Yes	Primary	100%	100%
Raukura Moana Seafoods Limited	Yes	Primary	100%	100%
TGH Forestry Limited	Yes	Primary	100%	100%
TGH Private Equities Limited	Yes	Direct Investments	100%	100%
TDL No. 2 Limited	Yes	Direct Investments	100%	100%
TDL No. 3 Limited	Yes	Direct Investments	100%	100%
TGH Equities Limited	No	Equities	100%	100%
TGH Property Limited	Yes	Property	100%	100%
TGH Investment Property Limited	Yes	Property	100%	100%
TGH Hotels Investment Limited	Yes	Property	100%	100%
TDL No. 1 Limited	Yes	Property	100%	100%
HRH Limited Partnership	Yes	Property	100%	100%
HRH GP Limited	Yes	Property	100%	100%
TGH Crown Investment Limited	Yes	Property	100%	100%
TGH Retail Investment Limited	Yes	Property	100%	100%
The Base Limited	Yes	Property	100%	100%
TGH Centre Place Limited	Yes	Property	100%	100%
TGH Residential Investment Limited	Yes	Property	100%	100%
TGH Industrial Investment Limited	Yes	Property	100%	100%
TGH Commercial Investment Limited	Yes	Property	100%	100%
TGH Hotels Development Limited	Yes	Property	100%	100%
TGH Development Property Limited	Yes	Property	100%	100%
Raukura Whare Limited	Yes	Property	100%	100%
TGH Retail Development Limited	Yes	Property	100%	100%
TGH Residential Development Limited	Yes	Property	100%	100%
TGH Industrial Development Limited	Yes	Property	100%	100%
TGH Commercial Development Limited	Yes	Property	100%	100%
TGH Crown Development Limited	Yes	Property	100%	100%
TGH Ruakura Commercial Development Limited	Yes	Property	100%	100%
TGH Ruakura Residential Development Limited	Yes	Property	100%	100%
TGH Ruakura Industrial Development Limited	Yes	Property	100%	100%
TGH Ruakura Retail Development Limited	Yes	Property	100%	100%
TGH Ruakura Commercial Limited	Yes	Property	100%	100%
TGH Infrastructure Limited	Yes	Infrastructure	100%	100%
Ruakura Whenua Holdings LP	Yes	Property	100%	100%
Port Ruakura LP	Yes	Infrastructure	100%	100%
TGH Ruakura Port Holdco Limited	Yes	Infrastructure	100%	100%
Ruakura Operations GP Limited	Yes	Infrastructure	100%	100%
Ruakura Port Limited	Yes	Infrastructure	100%	100%
TGH Ruakura Port Holdco Limited	Yes	Infrastructure	100%	100%
Ruakura Operations GP Limited	Yes	Infrastructure	100%	100%
Waikato-Tainui Koiara Collective LP	No	Investment	100%	100%
Waikato-Tainui Koiara Limited	No	Investment	100%	100%
Waikato-Tainui Tribal Authority LP	No	Investment	100%	100%

24. TRUST STRUCTURE

Recognition and measurement

Controlled entities are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Controlled entities are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between the Trust's companies are eliminated. Unrealised losses are also eliminated. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Trust.

(b) Joint operations

The Group has interests in the following Joint Operations

	Principal activity	Ownership and voting interest	
		2023	2022
The Base Te Awa Limited	Property	50%	50%
Centre Place Joint Venture	Property	50%	50%

Recognition and measurement

A joint operation is where the parties have joint control of an arrangement and have rights to the assets and obligations to the liabilities of the arrangement. The Group recognises assets, liabilities, revenues and expenses relating to its interest in the joint operation, including its share held jointly.

(c) Joint venture partnership (investment accounted for using the equity method)

The Trust has interests in joint venture partnerships, which are all resident in New Zealand.

The interests in joint venture partnerships are accounted for in the financial statements using the equity method of accounting. Information and the effect the joint venture interest had on the Trust's financial statements is set out below.

	Principal activity	2023	2022	Consolidated	
				2023	2022
				\$'000	\$'000
Rotokauri Development Limited	Property	70 %	70 %	10,999	11,038
Ruakura Inland Port LP	Infrastructure	50 %	50 %	-	-
Ruakura Inland Port GP Limited	Infrastructure	50 %	50 %	-	-
Waikato Milking Systems Limited Partnership*	Direct investment	33 %	33 %	-	10,541
Tainui Auckland Airport Hotel LP	Hotel	50 %	50 %	25,765	24,324
Tainui Auckland Airport Hotel 2 LP	Hotel	50 %	50 %	31,449	19,997
Tainui Auckland Airport Hotel GP Limited	Hotel	50 %	50 %	-	-
Tainui Auckland Airport Hotel GP (No.2) Limited	Hotel	50 %	50 %	-	-
				68,213	65,900

* Waikato Milking Systems Limited Partnership was held for sale at 31 March 2023. Refer to note 12.

24. TRUST STRUCTURE

Movements in joint venture partnerships is set out below:

Movements in carrying amounts

Carrying value at the beginning of the year

Share of surplus after income tax

Elimination of profits on transactions with joint ventures

Reclassification of non-current assets currently held for sale

Contribution

Impairment - net

Dividends received

Carrying amount at the end of the financial year

Note	Consolidated	
	2023 \$'000	2022 \$'000
	65,900	70,908
	4,186	7,081
8		(2)
12	(11,086)	-
	11,452	13,047
	(2,239)	(20,634)
	-	(4,500)
	68,213	65,900

Summary financial information of Joint Venture assets and liabilities

31 March 2023

	Current assets \$'000	Non-current assets \$'000	Current liabilities \$'000	Non-current liabilities \$'000	Net assets \$'000	Group share of net assets \$'000
Rotokauri Development Limited	20,890	-	723	-	20,167	14,117
Tainui Auckland Airport Hotel LP	11,019	58,232	4,994	58,989	5,268	2,634
Tainui Auckland Airport Hotel 2 LP	1,319	113,147	-	-	114,466	57,233
Goodwill on acquisition	-	-	-	-	-	23,152
Accumulated impairment						(25,784)
Other adjustments						(3,139)
Investments in joint ventures - Total						68,213

31 March 2022

	Current assets \$'000	Non-current assets \$'000	Current liabilities \$'000	Non-current liabilities \$'000	Net assets \$'000	Group share of net assets \$'000
Rotokauri Development Limited	20,899	-	664	-	20,235	14,165
Tainui Auckland Airport Hotel LP	5,220	59,690	52,857	9,668	2,385	1,193
Tainui Auckland Airport Hotel 2 LP	1,353	90,210	-	-	91,563	45,782
Waikato Milking Systems Limited Partnership	31,449	31,824	12,592	20,534	30,147	10,149
Goodwill on acquisition						23,152
Accumulated impairment						(25,874)
Other adjustments						(2,657)
Investments in joint ventures - Total						65,900

24. TRUST STRUCTURE

The jointly controlled entities revenue and expenses accounted for using equity accounting was:

31 March 2023

	Revenue \$'000	Surplus/ (deficit) \$'000	Other comp. revenue/ (expense) \$'000	Total comp. revenue/ (expense) \$'000	Group share of surplus/ (deficit) \$'000
Rotokauri Development Limited	13	57	-	57	40
Tainui Auckland Airport Hotel LP	21,666	2,882	-	2,882	1,441
Tainui Auckland Airport Hotel 2 LP	-	-	-	-	-
Waikato Milking Systems Limited Partnership	78,336	8,362	-	8,362	2,785
Investments in joint ventures - Total					4,186

The jointly controlled entities revenue and expenses accounted for using equity accounting was:

31 March 2022

	Revenue \$'000	Surplus/ (deficit) \$'000	Other comp. revenue/ (expense) \$'000	Total comp. revenue/ (expense) \$'000	Group share of surplus/ (deficit) \$'000
Rotokauri Development Limited	5	137	-	137	96
Tainui Auckland Airport Hotel LP	22,692	9,557	-	9,557	4,778
Tainui Auckland Airport Hotel 2 LP	-	-	-	-	-
Waikato Milking Systems Limited Partnership	70,832	6,813	812	7,625	2,541
Other adjustments					(334)
Investments in joint ventures - Total					7,081

Recognition and measurement

Investments in joint ventures are classified as either jointly controlled assets, joint operations or jointly controlled entities depending on the contractual rights and obligations of each investor. The Trust has assessed the nature of its joint ventures and determined them to be jointly controlled entities. Jointly controlled entities are accounted for using the equity method.

Under equity method of accounting, interests in jointly controlled entities are initially recognised at cost and adjusted thereafter to recognised the Trust's share of the post-acquisition profits or losses and movements in other comprehensive revenue and expense. When the Trust's share of losses in jointly controlled entities equals or exceeds its interest in the jointly controlled entity (which includes any long-term interests that, in substance, form part of the Trust's net investment in the jointly controlled entity), the Trust does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

Unrealised gains or transactions between the Trust and its jointly controlled entities are eliminated to the extent of the Trust's interest in the jointly controlled entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. The joint ventures do not prepare PBE Standard financial statements as preparation on that basis would be impracticable or cause undue cost. The basis on which the summarised financial information has been prepared is the New Zealand equivalent to International Financial Reporting Standards.

25. FINANCIAL INSTRUMENTS

Financial risk factors

The Group encounters credit, market (currency, price, and interest), and liquidity risks as part of its regular business operations. Additionally, the Group holds several financial instruments that involve off-balance-sheet risk.

Senior management are required to identify and report major risks affecting the business and develop strategies to mitigate these risks. The Board reviews and approves overall risk management strategies covering specific areas.

(a) Credit risk

Credit risk refers to the potential for a third party to default on its obligations to the Group, leading to potential losses. At the reporting date, the maximum exposure to credit risk is reflected in the carrying amount of financial assets as presented in the statement of financial position. Generally, the Group does not require collateral or security to support its financial instruments, as it primarily engages with banks and financial institutions that possess high credit ratings. However, exceptions include funds lent to a related party and an external entity, for which the Group has appropriate security and guarantees in place.

Impairment losses on financial assets recognised in surplus or deficit were as follows:

	Consolidated	
	2023	2022
Impairment loss on trade receivables	14	1
Total	14	1

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and macroeconomic indicators. The Group maintains a diversified credit risk profile and does not have any significant concentrations of credit risk, apart from the relativity settlement receivable and the co-management settlement receivable anticipated from the Crown.

At 31 March 2023, the exposure to credit risk for trade and other receivables was as follows:

	Consolidated	
	2023	2022
Relativity settlement	1,020	70,593
Co-management fund	4,833	5,833
Other	34,306	20,223
Total	40,159	96,649

(ii) Cash and cash equivalents

Cash and cash equivalents of \$39.0m (2022: \$101.7m) are held with bank and financial institution counterparties rated BBB- to A+ based on Standards and Poor's ratings. As of the balance date, the Group has no expectations of nonperformance of obligations. Furthermore, there are no significant financial assets held by the Group at the balance date that are past due but not impaired.

(iii) Derivative financial instruments

Interest rate swaps are entered into with bank and financial institution counterparties, which are rated BBB- to A+, based on Standards and Poor's ratings.

25. FINANCIAL INSTRUMENTS

(b) Market risk

The Trust has no material exposure to currency risk at balance date.

(ii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group that are classified at fair value through profit or loss.

Sensitivity analysis

As at 31 March 2023, if the market close prices on quoted investments had been 10% higher/(lower), with all other variables held constant, the Group's surplus/(deficit) for the year and the equity would have been \$0.2m (2022: \$4.8m) higher/(lower).

As at 31 March 2023, if the net assets of the unlisted investments had been 10% higher/(lower), with all other variables held constant, the Group's surplus/(deficit) for the year and the equity would have been \$31.2m (2022: \$32.3m) higher/(lower).

Sensitivity risk in relation to Aotearoa Fisheries Limited (AFL) income shares

A movement in the enterprise value of 10% would result in a surplus/(deficit) in the Groups equity interest in AFL income shares of \$1.1m (2022: \$1.1m) and a movement in the EBIT multiple of 1.0 would result in a surplus/(deficit) in the Groups equity interest in AFL income shares of \$1.4m (2022: \$1.2m).

(iii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rate expose the Group to fair value interest rate risk.

The Group adopts a policy of ensuring that between 30% and 90% of its exposure to changes in interest rates on borrowings is on a fixed rate basis.

The Group manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Group utilises interest rate swap contracts to manage the impact of changing interest rates on the fair value of fixed-rate debt and the cash flow exposure associated with variable-rate debt. These contracts involve the exchange of the difference between fixed and floating interest amounts, calculated based on agreed notional principal amounts.

The fair value of the interest rate swaps at the reporting date is determined by discounting future cash flows, considering the reporting date and the credit risk associated with the contracts. The details of these interest rate swaps are disclosed below. The average interest rate is calculated based on the outstanding balances at the beginning of the financial year.

Sensitivity analysis

As at 31 March 2023, if the 90-day bank bill rate had been 50 basis points higher/(lower), with all other variables held constant, the Trust's surplus/(deficit) for the year and the equity would have been \$0.6m (2022: \$1.6m) higher or lower. This movement is attributable to the increase of outstanding loans from \$215.0m to \$335.8m.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group's financial liabilities that will be settled based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

25. FINANCIAL INSTRUMENTS

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities and net settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated - At 31 March 2022							
Trade and other payables	20	30,214	-	-	-	30,214	30,214
Borrowings	19	15,564	19,064	227,090	-	261,718	215,025
Total non-derivatives		45,778	19,064	227,090	-	291,932	245,239
Derivative financial instruments (outflows)		626	712	2,429	1,020	4,787	4,787
Total derivatives		626	712	2,429	1,020	4,787	4,787

		Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated - At 31 March 2023							
Trade and other payables	20	52,293	-	-	-	52,293	52,293
Borrowings	19	22,028	347,482	371	4,792	374,673	335,722
Total non-derivatives		74,321	347,482	371	4,792	426,966	388,015
Derivative financial instruments (outflows)		-	360	5,793	644	6,797	6,797
Total derivatives		-	360	5,793	644	6,797	6,797

(d) Fair value estimation

The fair value of financial assets traded in active markets is based on quoted market close prices at balance date.

The carrying value less impairment provision of trade receivables and payables approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

There are no financial liabilities with a carrying value different to their fair value.

Disclosure of fair value measurements is made by the level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

25. FINANCIAL INSTRUMENTS

Consolidated - as at March 2022

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Balance \$'000
Financial assets				
Financial assets at fair value through surplus or deficit				
- Investments in listed companies	1,918	-	-	1,918
- Investments in investment equity funds	-	301,362	22,048	323,410
- Investment in fixed interest fund (AMP)	-	-	12,800	12,800
- Investments in unlisted company (AFL income shares)	-	4,037	-	4,037
Total financial assets	1,918	305,399	34,848	342,165
Financial liabilities				
- Interest rate swaps	-	(365)	-	(365)
Net financial assets	1,918	305,034	34,848	341,800
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	(1,122)	(5,162)	3,561	(2,723)

Consolidated - as at March 2023

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Balance \$'000
Financial assets				
Financial assets at fair value through surplus or deficit				
- Investments in listed companies	1,959	-	-	1,959
- Investments in investment equity funds	-	-	17,741	17,741
- Investment in fixed interest fund (Mercer)	-	290,634	-	290,634
- Investments in unlisted company (AFL income shares)	-	-	10,000	10,000
- Interest rate swaps	-	6,797	-	6,797
Total financial assets	1,959	297,431	27,741	327,131
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	43	(5,026)	(8,625)	(13,608)

25. FINANCIAL INSTRUMENTS

(e) Financial instrument by category

Financial assets as per consolidated statement of financial position

Consolidated - At 31 March 2022

Investment in listed equities and unlisted investment funds
Trade and other receivables
Cash and cash equivalents
Interest rate swaps

Assets at fair value through surplus or deficit \$'000	Assets at amortised cost \$'000	TOTAL BALANCE \$'000
338,128	-	338,128
-	85,043	85,043
-	101,671	101,671
4,029	-	4,029
342,157	186,714	528,871

Consolidated - At 31 March 2023

Investment in listed equities and unlisted investment funds
Trade and other receivables
Cash and cash equivalents
Term deposits
Derivative financial instruments

Assets at fair value through surplus or deficit \$'000	Assets at amortised cost \$'000	TOTAL BALANCE \$'000
320,334	-	320,334
-	38,684	38,684
-	38,963	38,963
-	107,998	107,998
6,797	-	6,797
327,131	185,645	512,776

Reconciliation of level 3 fair values

The tables below show a reconciliation between the opening to closing balances of level 3 financial instruments.

(i) Private equity funds

Balance at the beginning of the year
Purchases
Disposals
(Loss) / gain recognised in other comprehensive surplus or loss
Balance at the end of the year

Consolidated	
2023	2022
\$'000	\$'000
22,048	44,627
1,240	1,835
-	(26,375)
(5,547)	1,961
17,741	22,048

(ii) AFL income shares

Balance at the beginning of the year
Gains and losses recognised in other comprehensive revenue and expense
Balance at the end of the year

Consolidated	
2023	2022
\$'000	\$'000
12,800	11,200
(2,800)	1,600
10,000	12,800

25. FINANCIAL INSTRUMENTS

Financial liabilities as per consolidated statement of financial position

Consolidated - At 31 March 2022

	Liabilities at fair value through surplus or deficit \$'000	Liabilities at amortised cost \$'000	TOTAL BALANCE \$'000
Borrowings	-	215,025	215,025
Derivative financial instruments	365	-	365
Trade and other payables	-	37,055	37,055
	365	252,080	252,445

Consolidated - At 31 March 2023

	Liabilities at fair value through surplus or deficit \$'000	Liabilities at amortised cost \$'000	TOTAL BALANCE \$'000
Borrowings	-	335,722	335,722
Trade and other payables	-	52,293	52,293
	-	388,015	388,015

(f) Capital risk management

The Group's capital is its equity (comprised of retained earnings and reserves) plus its debt. Equity is represented by net assets. The Group is subject to the financial management and accountability provisions of the Charities Act 2005, Waikato Raupatu Claims Settlement Act 1995, and the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010. The Group manages its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The Group's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. The objective of managing the Group's equity is to ensure the Group effectively achieves its objectives and purpose, whilst remaining a going concern in order to provide returns for the Trust and to maintain an optimal capital structure to reduce the cost of capital.

The Group has not breached any bank covenants as required by the Bank of New Zealand, Westpac New Zealand Limited, Industrial and Commercial Bank of China (New Zealand) Limited and ASB Bank during the reporting period (see note 19) (2022: no breach). There are no externally imposed capital requirements at balance date (2022: nil).

	Consolidated	
	2022 \$'000	2022 \$'000
Total borrowings	335,722	215,025
Less: cash and cash equivalents	(38,963)	(101,671)
Net debt	296,759	113,354
Total equity	1,762,143	1,685,187
Total capital	2,058,902	1,798,541
Net debt to equity ratio	17%	6%

26. EVENTS OCCURRING AFTER THE BALANCE DATE

On 31 May 2023 agreement was reached for the sale of Waikato Milking Systems, classified as a non-current asset currently held for sale as at year end (2022: Nil).

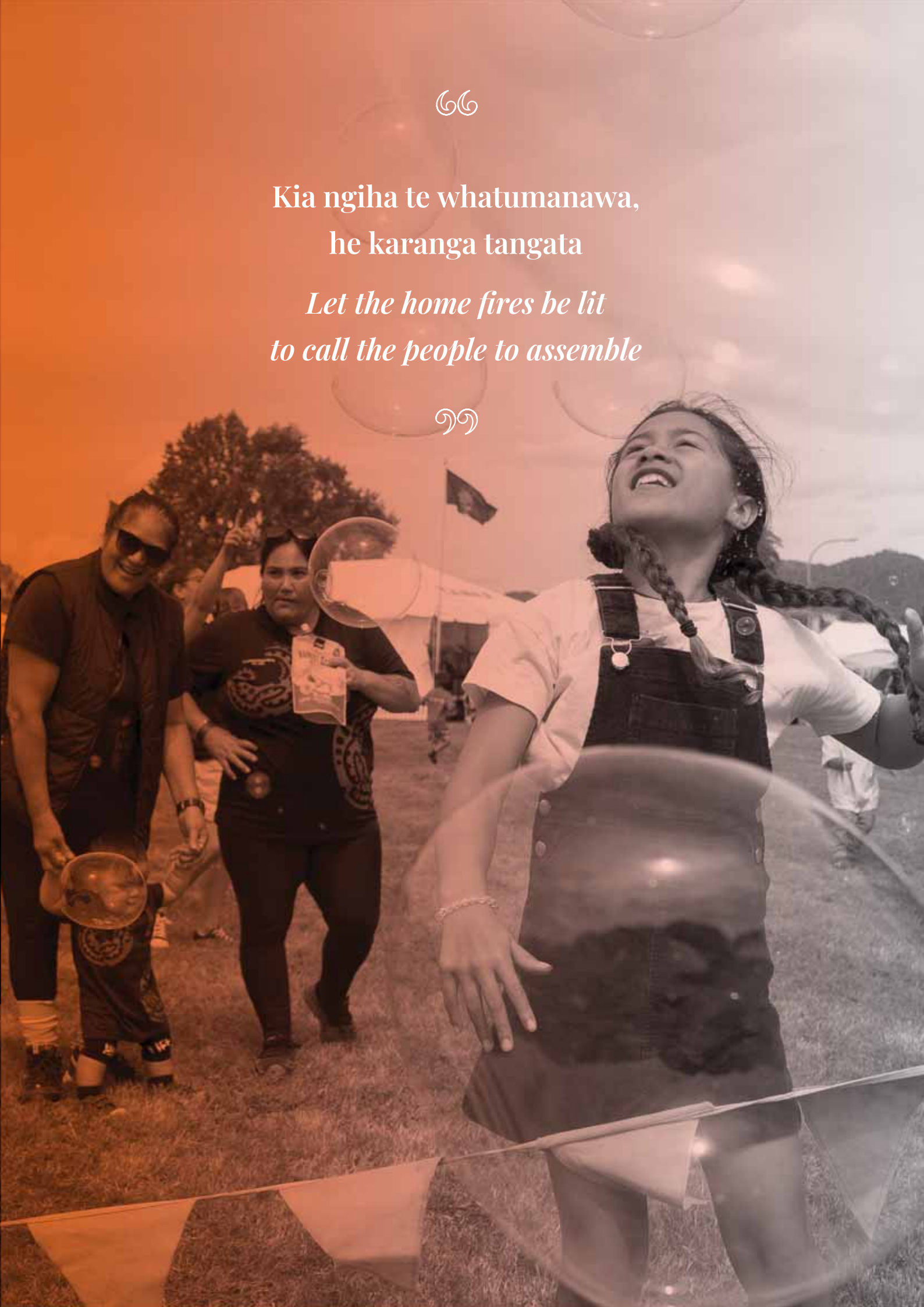
In March 2023, the directors made the strategic decision to divest their shareholdings in Waikato Milking Systems (WMS) a dairy equipment manufacturer. The group had held a one-third share in WMS since June 2014, alongside Pioneer Capital and Ngaai Tahu Holdings Limited.

The sale of the WMS business was successfully completed on 31 May 2023, and the purchaser was Interpump Group S.p.A., a renowned hydraulics company globally listed on the Italian Stock Exchange. The transaction was finalised at a total purchase price of \$83.3m, of which one third was paid to TGH for its share of interests.



Kia ngiha te whatumanawa,
he karanga tangata

*Let the home fires be lit
to call the people to assemble*





4, o Te Tiriti o Bryce,
Pouaka Taapeta 648,
Kirikiriroa 3204, Aotearoa