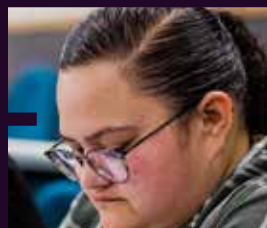
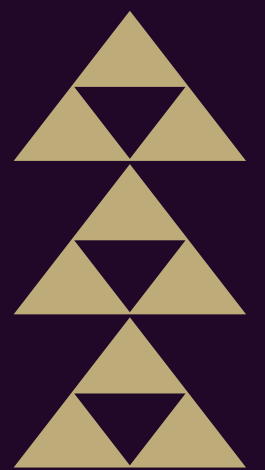
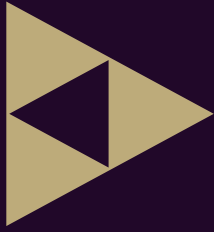


2021

TE PUURONGO AA TAU A WAIKATO-TAINUI





He Korero Naa Te Kiingi

Message from the King

*“E kore teenei whakaoranga e huri ki tua
o ngaku mokopuna. Ka puta, ka ora.”*

*“This way of life shall not reach the days of my grandchildren.
For they shall find salvation.”*

Tirohia atawhaitia mai, e te Atua, ki runga ki a maatou. Arahina too iwi, aratakina maatou kia tupu kia hua ki Taau e tuumanako mai. Naau te korooria, rire hau. Paimaarire.

E te iwi nui tonu,

E koa ana taku ngaakau ki te kite i ngaa hua, i ngaa mahi katoa ka oti i a taatou i roto i te tau kua hipa. Matua raa me uu ki ngaa maataapono, ki ngaa oohaakii o ngaa tuupuna. Maa konaa ka kite taatou i te huarahi kei tua o te awe maapara.

The words of our tuupuna continue to provide direction for us as we seek to find the best way forward to the wellbeing of our people. The tongikura “Amohia ake te ora o te iwi, ka puta ki te whei ao” continues to be the vision and motivation for us all. Another year has ended and our iwi entities present a fiscal report that advises us all of aspects of our performance. In this year’s annual report, you can read of our immediate emergence from the struggles of last year’s lockdowns and the wider impact that has had on our assets and income. We must be mindful of the continued impacts COVID-19 will have on our ability to generate income and I wish to encourage those who continue to care for and grow our tribal assets.

Perhaps what is more critical at this time is to reflect on the performance of our people over the past 12-months. This year we must pay tribute to the kaimahi of our iwi who endured much change, but in everything they did uplifted the wellbeing of us all. Now is the time also to acknowledge Marae committees, kaumaatua, pakeke and rangatahi. Hapuu entities and local service providers who all found the courage and strength to care and show immeasurable aroha in the face of a global pandemic. It is somewhat difficult to measure aroha in an annual report.

The balance sheet of our aroha will overflow with surplus, the profit and loss of the tireless work will show us all of the immeasurable good and kindness that overcame some of the most difficult weeks and months of our lives. The stories in between the lines of these reports are where I encourage you to focus, as there we will see the true and accurate measure of the success of our iwi. Caring for one another is the ultimate action we must all adhere to. Marae were resilient, papakaainga protected the vulnerable and our iwi entities strived to be the face and arms of aroha in a time of desperate need.

We must still remind ourselves of those among us who need support and aroha. Many of our iwi still struggle and our commitment to them must continue to be firm and real. The realities of finding good homes, good mahi and providing good kai for our mokopuna is still a struggle for too many of our people. Together we can change this and together we must. Poukai are a living symbol of the commitment we have to pani, pouaru and rawakore. This commitment is not left behind as the flag comes down of each Poukai. Rather, it must remain with us all in everything we do. The pursuit of wellbeing for everybody is ongoing. Many among us still need support and our commitment to them is ever present.

The decisions we will make in this new financial year and in the years to come must continue to reflect our values and the teachings of our tuupuna. As kaitiaki of the Kiingitanga our task is to be resolute in caring for the mantle of Kingship that ultimately belongs all iwi, hapuu and marae of Te Iwi Maaori. This duty, as kaitiaki, unites us in purpose as Tainui Waka. In the unity of the Kiingitanga we can find strength and purpose for our future as an iwi. This common duty has been the foundation of our life together for many generations and so shall it continue for many more to come.

Together all the entities of Waikato-Tainui look towards a future that is bright, hopeful and firm in the foundation of Kiingitanga. As we consider what comes next and where to from here, I invite you all to consider a simple message: is it good for the wellbeing of the people? If the answer is yes, then that is where we should go.

*“Amohia ake te ora o te iwi, ka puta ki te
whei ao.”*

Paimaarire.



Kiingi Tuheitia Pootatau Te Wherowhero VII

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 FY2021, 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
Chair of Te Whakakitenga o Waikato



Parekawhia McLean
Chair of Te Whakakitenga o Waikato



Linda Te Aho
Chair of Te Arataura



Hinerangi Raumati Tu'ua
Chair of Tainui Group Holdings



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



Donna Flavell
Chief Executive of Te Whakakitenga o Waikato



Chris Joblin
Chief Executive of Tainui Group Holdings



Dr Warren Williams
Acting Chief Executive of Waikato-Tainui College for Research and Development



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Parekawhia McLean
Chair, Te Whakakitenga
o Waikato

Te Puurongo a te Kaihautuu o Te Whakakitenga o Waikato

Report of the Chair of Te Whakakitenga o Waikato

*He whenua maatoitoi
He whenua kura
He whenua taangaengae
Whakamau whakamau ki Manuaituu
Ki Puke-rengarenga
Tuutuu kau ana ngaa puururu
kahikatea ki Oomaero!
Oraora kau ana nga kaakaho
o Te Kaharoa!
Noo reira, haere mai ki a au
ki Te Papa-oo-Rotu ki te au terena
Ki te urunga tee taka te moenga
tee whakaarahia
Ahakoa he iti taku ngohi
He rei kei roto!
Noo reira, kei taku Kiingi,
taatou e pae nei
Paimaarire ki a taatou katoa!*

It is my honour to receive the 2020-2021 Annual Report on behalf of Te Whakakitenga O Waikato and present it to our people for their consideration.

Over these past 12-months, our iwi has been guided by the tongikura from Kiingi Tuheitia, "Amohia ake te ora o te iwi ka puta ki te whei ao – to protect the wellbeing of our people is paramount". It was shared with us at a time of uncertainty and angst as the realities of COVID-19 began to take hold across the globe.

History has shown that our people, under the leadership of Te Puea, have faced the harsh consequences of a pandemic before. But through connections and the principles of Kiingitanga, we have proved ourselves resilient.

I want to acknowledge Linda Te Aho who is the new Chair of Te Arataura. She brings a wealth of governance experience

to the role and will lead a relatively new looking executive governance group as they chart their way forward. She will be an amazing and tenacious advocate who leads with a deep and unwavering commitment to the betterment of our people.

Hinerangi Raumati-Tu'ua is the new Chair of Tainui Group Holdings which is a significant appointment. Her acute business acumen combined with significant governance experience will bring stability to a commercial world that is looking to recover from the economic realities of COVID-19. I look forward to working with both of our Chairs as we navigate ourselves through a post-COVID world.

Amohia Ake Resilience Plan

Like many iwi across Aotearoa, our response to COVID-19 was immediate. Mobilisation of iwi resources were prioritised to ensure we could support whaanau and marae who needed it most. This included a refocussed iwi resilience plan that enabled acceleration of initiatives identified to directly address the challenges of COVID-19. Amohia Ake provided a blueprint to navigate many unknowns and a way forward to remake our tribal economy. Although we can certainly celebrate many positive outcomes shared within this report, the financial impacts of COVID-19 are still being felt and will require scrutiny as we rebuild.

Living in a COVID-19 world

Despite the pandemic, I am exceptionally proud of our joint-efforts with iwi health providers and District Health Boards to address COVID-19 within our rohe. It demonstrated how effective these collective partnerships were in ensuring whaanau had access to COVID-19 testing and flu vaccinations. The adoption of mobile clinics in this way were a true victory that we need to celebrate.



Health inequities amongst Maaori communities continue to disadvantage whaanau. Waikato-Tainui will continue to support iwi health providers and District Health Boards in the national rollout of the Government's COVID-19 immunisation programme.

I want to acknowledge the resilience of our people and how they responded during the lockdown period. They drew on our cultural memory. How can we forget about the devastation caused by with the 1918 Spanish Flu? It served a poignant reminder of the vigilance that was required to keep our people safe.

Leadership and the pathway forward

Finally, I want to acknowledge Rukumoana Schaffhausen and Sir Henry Van Der Heyden, as the outgoing Chairs of Te Arataura and Tainui Group Holdings. Both Ruku and Sir Henry are exceptional leaders. They have made immense contributions to the iwi over many years and I am privileged to have worked closely with them both.

In this my second term as Chair of Te Whakakitenga, I welcome the new and returning members to the House. With almost 50 percent of members serving their first term, this is a milestone that must be recognised. We have ushered in a new era of leadership, balanced between institutional knowledge from the past, and fresh new thinking of the future.

As I reflect on what has become normal for us to live with COVID-19, we are still unsure if the true extent of this pandemic has reached its end. So, it is important that we as an iwi and people, stay connected and united on the journey ahead.

The collaborative model that readily drew us together during the initial COVID-19 period is perhaps a powerful reminder of how the new health sector might operate. Systemic change

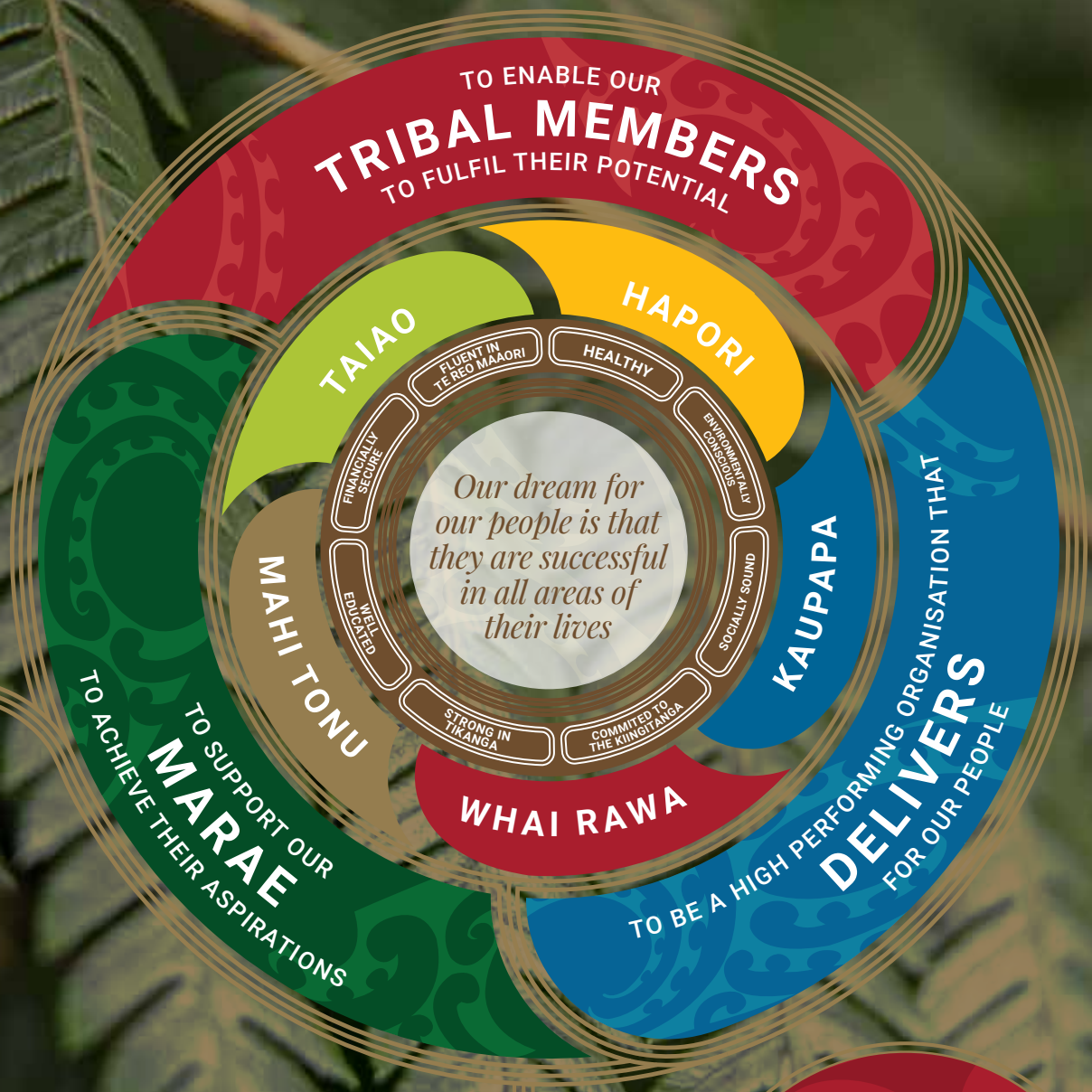
is long overdue and it is critical that we continue to influence the new direction in a way that meets the expectations of our people.

I want to recognise the tremendous efforts of our management and kaimahi over the last year. In this time of crisis we leant heavily on our kaimahi and I will forever be grateful in how they responded to the challenge. Thank you all so very much.

As we are guided under the korowai of Kiingitanga, protecting the wellbeing of our people is paramount and we have been given a second chance to rebuild a prosperous future for our whaanau, marae and their communities. The lessons that COVID-19 has taught us will be felt for generations to come.

Mahia te mahi, hei painga moo te iwi.

Parekawhia McLean
CHAIR OF TE WHAKAKITENGA O WAIKATO



We serve over
79,932
iwi members, connected to **68 marae**
and **33 hapuu**. It is our responsibility
to ensure we are taking full advantage
of our strengths and resources
to realise our Whakatupuranga
2050 vision

*as at 31 March 2021



Donna Flavell
Chief Executive,
Te Whakakitenga o Waikato

Linda Te Aho
Chair, Te Arataura

Te Puurongo a Te Arataura

Report of Te Arataura

*Arahina mai ana e te waahi ngaro
te huhua kau o ngaa tini kaupapa.
Maana anoo too taatou Kiingi hei manaaki,
hei arahi i ngaa tini paaheketa katoa.
Ka noho, ka whakaaro ki te hunga kua moe, ngaa
pokohiwi kaha o te waa, ngaa pou whirinaki o ngaa
kaupapa. Moe mai koutou ngaa nunui o te poo.
Taatou kua whaaiti mai ki te wetewete i ngaa piki me
ngaa heke o te iwi, taatou ngaa kanohi hoomiromiro i
ngaa putanga keetanga a te iwi, nau mai, huihui mai.*

In this past year we have risen above unprecedented challenges and embraced the opportunities that those challenges presented. In this report our team is pleased to present the annual accounts to Te Whakakitenga o Waikato for the 2020-2021 financial year, together with highlights and brief comments about some of our strategic priorities.

Tahua Puutea

In the year to 31 March 2021, our financial performance enabled us to distribute \$40.3m across a range of priority areas including a special \$20 million distribution to our Marae.

COVID-19 impacted our commercial arm equating to a dividend of \$13.3m for this financial year, which was declared as \$4.8m interim in FY21 and an additional \$8.5m was approved subsequent to 31 March 2021. Despite the impacts, Group Assets increased from \$1.43b to \$1.53b, providing for Group equity of \$1.3b.

He Kaupapa Hirahira Koiora

We faced the turmoil of COVID-19 together. As an Iwi organisation, we reached out to ensure our whaanau were connected to the services they needed during this time of upheaval and uncertainty. We were able to mobilise swiftly due to our connections with our mana whenua groups and hauora providers in Waikato and Taamaki. Together we identified and activated a mobile rural vaccination plan which enabled 800 kaumaatua to receive the flu vaccine. We understand that the majority of our kaumaatua would not have otherwise presented to their standard health providers.

We know that our people are amongst the most vulnerable in their communities, and we have successfully advocated for Taamaki, and for our kaumaatua, to be a priority in receiving the COVID-19 vaccine. Our Maori providers have led the way in mobile and responsive delivery of testing for the virus, and of vaccination. Our King and his whaanau were at the forefront of receiving the vaccine and encouraging others to choose vaccination. Our response to COVID-19 demonstrated that our iwi is well positioned to take a leading role in the delivery of health services generally. As we face the wave of massive and innovative reforms, we continue to strongly advocate our Koiora Strategy as a preferred prototype in the reimagined health sector.





Mokopuna Ora

He taonga te mokopuna. Sadly, we are aware that many of our whaanau are in crisis and need our help to rebuild in the face of chronic social issues such as domestic violence and addiction. These are often intergenerational legacy issues and require holistic and tikanga-based responses that draw upon the strengths within the wider whaanau and hapuu. As a response, we have developed our Mokopuna Ora framework. This model has resulted in many of our tamariki and mokopuna remaining safely within their wider whaanau rather than being uplifted by the state. Given its success, we are seizing the opportunity presented by the Government's call to reform Oranga Tamariki to expand our Mokopuna Ora programme.

Maaku Anoo Hei Hanga Tooku Nei Whare

We can all be proud of Te Kaarearea, our housing pilot project in Kirikiriroa. Leveraging the Right of First Refusal (RFR) provisions in our settlement, we purchased land back from the Government to begin the process of providing a range of housing options for our tribal members. We have helped whaanau become homeowners for the first time, providing financial literacy programmes, partnering with Westpac Bank for mortgage finance, assisting with the unlocking of Kiwisaver funds for deposits, and ensuring that our pricing enabled our whaanau to access government subsidies. We offered a shared equity as another option to ensure affordability. We have partnered with Habitat for Humanity to provide 'rent to own' options. And, we have worked with Kāinga Ora to provide social housing options as well. Hundreds of our tribal members are now enjoying 50 brand new, warm, safe homes, located near koohanga reo and kura, and living in a modern-day papakaainga community in Hamilton City. We acknowledge our many partners who helped turn this dream into reality.

We have gained valuable data and learned many lessons from our experience with Te Kaarearea. We have proven that we are innovative and agile and well-placed to build on the momentum created by this pilot. We know that housing is a super-lever for financial stability, better educational outcomes, and health and wellbeing. Accordingly, we are in the process of working with Tainui Group Holdings to identify housing sites that are ready for development so that we can do more. We are already engaging with Kāinga Ora, Te Puni Kōkiri and the Ministry of Housing and Urban Development to create more housing opportunities for our tribal members.





Mahia Te Mahi

We remain dedicated to leveraging business and employment opportunities for our tribal members. To this end we are urging all parts of our tribal organisation, and our partners, to engage in social procurement. In other words, insisting that they focus on delivering good social outcomes for our tribal members when buying or procuring goods or services.

This means procuring services from businesses owned or operated by our tribal members and providing some preference for our people in recruitment and employment, whilst also being environmentally and culturally responsible.

We continue to support our tribal members with business start-up opportunities, and we applied social procurement principles in the construction of Te Kaarearea and are looking to replicate this as we progress development of Te Mauri Paihere ki Mangakootukutuku at Collins Road, and the development hub at Hopuhopu.

Inspired by our King's appeal for a more humane approach to corrections, the Te Mauri Paihere project involves a relationship with the King's Office, the Department of Corrections and Kāinga Ora to develop a social housing development which will include 46 new homes.

Sixteen of these will be used to reintegrate mothers and their children into the community rather than remain in custody. The project will include a koohanga reo facility and a range of wrap-around services to assist mothers to transition more seamlessly and sustainably back into their communities.

Taonga Tuku Iho

Waikato-Tainui will be leading Te Puutake o te Riri commemorations in 2021. Our working group includes representatives from Ngaati Maniapoto and Raukawa and they have been meeting with government officials to streamline this experience which will take place over a five-day period in October 2021. We are excited by the opportunity because it will also help us to bring to life important history of Aotearoa.

The gathering and safe recording of taonga, waahi tapu and waahi tuupuna continues to be a priority for Waikato-Tainui. In addition to previous collaborations with Te Papa and the Alexander Turnbull Library, we are seeking to progress the establishment of a whare taonga as part of the Hopuhopu redevelopment.

We continue to support our marae in many ways, including supporting marae capital projects and helping to navigate funding through the Provincial Growth Fund in 2020 to support nine marae, creating procurement and employment opportunities. We will continue to create and maintain partnerships that enable marae to access funds and grants that support their marae development goals.

Maatauranga

Education is a clear pathway to Whakatupuranga 2050. Our team continues to work hard to ensure that our history, matauranga, and reo are integrated into curriculum resources, and into educational outcome statements and achievement standards at all levels. This includes leveraging partnerships with other Iwi, with Professional Learning Development providers, and with the Crown to help improve educational and vocational outcomes for our people.

We plan to increase our participation in Regional Leadership groups, Workforce Development Councils and Te Puukenga



- New Zealand Institute of Skills and Technology to ensure our people gain the best opportunities in pathways that are future focussed and sustainable.

Tikanga Ora Reo Ora

We continue to invest in education and reo initiatives, including targeted scholarships and grants. We remain committed to ensuring that our tribal reo programmes, such as Te Pae Kaakaa, strengthen excellence on our paepae, and we continue to support the revival and restoration our own kupu and kiianga through our support for whaanau, marae, and hapuu planning and waananga.

As part of our everyday business, we provide support to our waka tauaa and toi programmes. We work with our tribal kaitiaki throughout the rohe as they restore and protect the health and wellbeing of our taiao for current and future generations with the help of Taiao Grants. They continue to produce stunning results. And we support groups such as our taurahere, te reo o Tainui, and Ngaa Marae Toopu, as well as significant Kiingitanga events.

Te Mana o te Awa

Restoring and protecting the health and wellbeing of our tuupuna awa remains a primary responsibility and our team continues to hold councils and water users to account through advocacy and influence utilising our River Settlement redress mechanisms:

- ▶ **Te Ture Whaimana (Vision and Strategy for the Waikato River)**
- ▶ **Ministerial Accords**
- ▶ **Joint Management Agreements**
- ▶ **Tai Tumu, Tai Pari, Tai Ao (Waikato-Tainui Environmental Plan)**

Ongoing challenges include advocating for a more efficient and equitable allocation system for freshwater and engaging with the Crown and other Iwi leaders to define and resolve our Iwi and hapuu rights, interests, and responsibilities in a manner that gives effect to our vision for te mana o te awa, mana whakahaere, and mana whanake.





Te Tiriti o Waitangi

We continue to pursue our outstanding Treaty claims. On Monday 14 December 2020, our principal negotiator, Rahui Papa, signed Terms of Negotiations with the Crown. This marked an important step in our settlement journey, allowing for formal negotiations with the Crown to commence in late January 2021 on the outstanding parts of Wai 30 and other claims.

We have succeeded in overcoming challenges presented by Crown constructed policies and procedures, and now move towards completing an Agreement in Principle within the next 18 months. We intend to accelerate the negotiations process whilst working to resolve overlapping interest matters (both internal and external) in accordance with our tikanga.

A related workstream is to protect the rights and responsibilities embodied in existing settlements, including: the Waikato Maniapoto Settlement 1946, the Fisheries Claims Settlement Act 1992, the Waikato Raupatu Claims Settlement Act 1995, the Aquaculture Claims Settlement 2004, and the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010.

Ahuwhenua

We are building our capacity to provide more support for marae and hapuu development initiatives. In the past year, we partnered with Ngaati Naho towards the goal of enhancing future tourism and educational experiences at Rangiriri, a significant historical and cultural site. Projects such as this will provide employment and procurement opportunities and pathways to mana motuhake.

At a marae level, in addition to garnering support for PGF funding for other marae as mentioned above, we signed a short-term lease arrangement with Te Kauri Marae in

respect of lands immediately across the road, enabling and empowering the Te Kauri Marae whaanau to breathe life into their long-term development aspirations.

Hopuhopu

Looking forward, our team is currently working on a detailed directional plan for developing our lands at Hopuhopu. The development is intended to deliver economic, social, cultural, and environmental benefits to the Iwi and wider community. Current high-level plans include social housing, a business and partnership precinct, sports and recreational facilities, an educational and pathways precinct, and a nursery. To be situated alongside our tupuna awa, at the heart of the complex is a proposed Whare Taonga where it is envisaged that taonga o te Kiingitanga will be displayed. The sharing of ancient artefacts and historical records will mean that our tribal members and the wider public will have the opportunity to enjoy and learn about our unique heritage, tikanga, and culture under the mantle and values of Kiingitanga. The Whare Taonga will complement other initiatives in the wider Waikato region for sharing our unique Waikato-Tainui heritage.

He kupu whakakapi

As we enter the third year of our five-year plan, we have so much to be proud of. It is important to remember too, that there is much more to be done as we walk this journey, Te Ara Whakatupuranga 2050. Kia manawanui taatou.

Linda Te Aho
Chair

Donna Flavell
Chief Executive

TE ARATAURA (APRIL 2020 - JANUARY 2021)

BOARD MEETINGS, SUBCOMMITTEES AND JOINT MANAGEMENT AGREEMENTS (JMA) WITH COUNCILS

Member	Board Meetings		Group Audit and Risk Committee		Capital Works Committee		Group Investment Committee		Distributions Committee		Te Roopu Wai	
	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible
Rukumoana Schaafhausen (Chair, Kaahui Ariki Representative)	13	13	3	4			13	15			4	4
Patience Te Ao (Deputy Chair)	6	13									1	4
Aubrey Te Kanawa	11	13			1	1	14	15				
Donald Turner	12	13							8	8		
Hemi Rau	9	13			1	1			7	8		
Hinerangi Raumati-Tū'ua	12	13	4	4								
Hoki-Mai Chong	9	13	3	4								
Jackie Colliar	13	13			1	1					4	4
Karen Wilson	10	13	4	4					8	8		
Linda Te Aho	12	12							8	8	4	4
Tahi Rangiawha	8	13										

Member	Whenua Committee		Appointments Committee		Waikato Regional Council JMA		Waipaa District Council JMA		Waikato District Council JMA		Hamilton City Council JMA	
	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible
Rukumoana Schaafhausen (Chair, Kaahui Ariki Representative)					1	1	2	2	2	2	2	2
Patience Te Ao (Deputy Chair)			3	4					1	1		
Aubrey Te Kanawa	4	4									2	2
Donald Turner					1	1			2	2		
Hemi Rau					1	1			1	1	2	2
Hinerangi Raumati-Tū'ua									1	2		
Hoki-Mai Chong												
Jackie Colliar	4	4			1	1	2	2	1	1		
Karen Wilson												
Linda Te Aho							2	2				
Tahi Rangiawha									1	2	1	2

* In addition to the above, the Chair of Te Arataura represents Te Whakakitenga o Waikato on the following committees - Co-Chair Waikato Plan Leadership Group, Chair Waikato District Council Waters Governance Board, Chair National Iwi Chairs Forum Freshwater Iwi Leaders Group, Wai Ora Healthy Rivers.

TE ARATAURA (FEBRUARY - MARCH 2021)

BOARD MEETINGS, SUBCOMMITTEES AND JOINT MANAGEMENT AGREEMENTS (JMA) WITH COUNCILS

Member	Board Meetings		Group Audit and Risk Committee		Group Investment Committee		Distributions Committee		Te Roopu Wai		Whenua Committee	
	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible
Linda Te Aho (<i>Chair</i>)	4	4					1	1	8	8		
Ngira Simmonds (<i>Deputy Chair and Kaahui Ariki Representative</i>)	3	4										
Donald Turner	4	4					1	2				
Hinerangi Raumati-Tu'ua	3	4	1	1								
Huirama Matatahi	4	4					2	2	5	8	2	2
Jackie Colliar	4	4		1					8	8		
Maxine Graham	4	4	1	1			2	2	8	8		
Rangitamoana Wilson	4	4					2	2				
Tori Ngataki	4	4	1	1								
Tukoroirangi Morgan	4	4							5	8		
Vanessa Clark	4	4										

Member	Appointments Committee		Waikato Regional Council JMA		Waipaa District Council JMA		Waikato District Council JMA		Hamilton City Council JMA	
	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible
Linda Te Aho (<i>Chair</i>)			1	1	1	1	1	1	1	1
Ngira Simmonds (<i>Deputy Chair and Kaahui Ariki Representative</i>)	2	2								
Donald Turner			1	1	1	1	1	1	1	1
Hinerangi Raumati-Tu'ua			1	1	1	1	1	1	1	1
Huirama Matatahi	2	2								
Jackie Colliar			1	1	1	1	1	1	1	1
Maxine Graham			1	1	1	1	1	1	1	1
Rangitamoana Wilson										
Tori Ngataki	2	2								
Tukoroirangi Morgan										
Vanessa Clark			1	1	1	1	1	1	1	1

*In addition to the above, the Chair of Te Arataura represents Te Whakakitenga o Waikato on the following committees - Co-Chair Waikato Plan Leadership Group, Chair Waikato District Council Waters Governance Board, Chair National Iwi Chairs Forum Freshwater Iwi Leaders Group, Wai Ora Healthy Rivers.



Hinerangi Raumati Tu'ua
Chair, Tainui Group Holdings

Chris Joblin
Chief Executive, Tainui
Group Holdings

Te Puurongo a Tainui Group Holdings

Report of Tainui Group Holdings

*He tau aitu te tau
He tau koohukihuki te tau
He tau puureirei te tau
He tau wheeuaua te tau
He tau urutaa te tau
Ahakoa ngaa raru o te tau
Ka uu tonu maatou ki taa maatou mahi
Whakatupu rawa
Whakatupu taangata
He aha ai?
Amohia ake te ora o te iwi
Ka puta ki te whei ao
E te Kiingi, e te iwi, e te motu
Teena koutou katoa*

Early decisions to protect the stability of Tainui Group Holdings (TGH) coupled with new opportunities to grow the business have resulted in a stronger than anticipated recovery in FY2021 following the challenges brought about by the COVID-19 pandemic.

As the newly elected Chair of TGH and on behalf of my fellow directors and our kaimahi, I am pleased to present this report to document a year of change, uncertainty, and ultimately, rebuilding and progress.

HE HUARAHI HOU - A New Way Forward

The approval of the Puna Whakatupu Tangata investment framework and appointment of TGH as Chief Investment Officer (CIO) to manage the collective assets of Waikato-Tainui has been a key development over the year.

Puna Whakatupu Tangata centralises management of all iwi-owned commercial assets to leverage greater financial return. It is aimed at growing assets through a balance of best practice funds management principles, accountabilities, policies and structures, alongside our tikanga and values as Waikato-Tainui.

For TGH it provides increased clarity, with direction for investment and expectations now set by Te Arataura. Our role as CIO commenced on 1 April 2021 and a two-year transition to full investment management is underway. Leading the positive outcomes will be increased distribution payments to Waikato-Tainui however this may require that, at times, assets will be sold.

Puna Whakatupu Tangata is a new approach to financial investment for our tribal entities that will support us all to build resilience together.

NGAA HUA AA-TAHUA - Financial Performance

When lockdown was announced on 26 March last year it initiated an immediate significant \$52.5m drop in asset values, resulting in a Net Loss for FY2020 of \$8.1m. This year asset values have returned and we are in a very different position for FY2021.

We are reporting a Net Profit of \$125.3m. This result is largely driven by an increase in asset values of \$84.1m, with Operating Profit of \$21.6m and asset divestments of \$19.6m making up the remainder.

Revenue was \$59.3m (up by \$1.6m from \$57.7m in FY2020), Total Assets are at \$1.03b (up by \$79.9m from \$954.9m in FY2020), Total Equity is \$848.4m (up \$114.8m from \$733.6m in FY2020), and Total Debt is \$130.8m (reduced by \$35m from \$165.5m in FY2020). The TGH dividend for the 2021 financial year was \$13.3m (\$4.8m recognised as an interim dividend in FY21 and an additional \$8.5m was approved subsequent to 31 March 2021). TGH also provides in-kind support services, including rent abatements, to Waikato Raupatu Lands Trust valued at \$1.0m.

This is a very positive result for TGH however I emphasise that this does not represent a significant increase in cash profit. With 85 percent of our cash profit coming from three main assets classes (hotels, The Base and Crown leases)



Development of the Ruakura Superhub site has begun.

our challenge is to increase our stable of cash generating assets and this is behind the key projects we are currently pursuing.

KEY PROJECTS UPDATE

While a strong focus has been on the recovery of assets affected negatively by COVID-19, we have also seen significant progress on new developments.

Ruakura Superhub

Viewed by the Government as a 'project of national significance', Ruakura Superhub will be the premium logistics and industrial hub in Aotearoa, offering numerous logistics, transport, location and environmental benefits. These are the reasons that over the FY2021 year the Government committed \$36.8m plus a \$20m non-interest-bearing loan through the Provincial Growth Fund and Crown Infrastructure Partners shovel ready funding, with a further \$5m contribution from Hamilton City Council.

This funding is the catalyst that has initiated development of stage 1 (92ha) which is currently underway. Simultaneously, the Council is developing key roading to connect stage 1 to the city and the new Waikato Expressway.

Milestones also include the announcement of PBT as our first logistics zone tenant, followed recently by the announcement of Waitomo Group as the first retail tenant.

ACC

Construction of what will be one of the most beautiful office buildings in Kirikiriroa is progressing well. When completed this asset will be amongst our most valuable commercial leases that will be a significant contributor to annual revenues for the long-term.

Te Arikinui Pullman Auckland Airport Hotel

He whare aataahua hoki. This 5-star luxury hotel under construction at Auckland International Airport has had its share of challenges in a pandemic impacted environment. The exterior is due for completion in August 2021 and interior fitout will soon get underway.

NZ Police

TGH owns the whenua that houses many police stations within our rohe. A new partnership agreement with NZ Police gives TGH first option to rebuild the now aging police stations and the first of these is underway. Construction of the new Cambridge Police Base has begun and is due for completion in 2022.

Centre Place North

TGH owned a portion of the whenua underneath this shopping mall in Hamilton but did not own the buildings on top. Our decision to enter a joint venture with Kiwi Property means that we now have a half-share ownership in the buildings and have now acquired the remaining whenua, including the whenua beneath the Bryce St carpark, and have access to an additional strip of whenua so that we can go ahead with construction of a planned office building on Ward St.

This is an acquisition that reaps many benefits, including the potential to extend the mall for more shopping, offices and possibly apartments, and to re-open the underground railway station should commuter rail be extended.



The four-storey, 40-room extension to Novotel Tainui Hamilton Hotel has been completed

WHENUA - Land

Retaining ownership of whenua is a consistent theme running through each of our new projects. We understand its importance for our iwi both historically and culturally. We are also aware of the growing commercial value of whenua that is strategically located for future development. This whenua holds the key to the long-term financial future of our iwi, and for all these reasons our preference is that whenua will not be sold.

At Ruakura Superhub we are making the whenua available as leased land only. Similarly, the ACC building, Cambridge police base, and Centre Place North are on tribal-owned whenua that is being leased. You can expect to see more developments structured in this way from TGH.

The only whenua sales you may see will involve housing. We have a contribution to make to the provision of housing to meet this urgent community need; addressing it will require the sale of residential sections.

E TE POARI - Board

This year saw the retirement by rotation of two board members, Sir Henry van der Heyden and Mike Allen. The contribution of both has been immense and is perhaps best illustrated by the doubling of the company's equity value by nearly \$500m and a total of \$125m in dividend payments over that time. We thank both for sharing their expertise and commitment and Sir Henry for his leadership.

Joining the board are Mark Petersen and Rebecca Thomas. Mark has a strong background in property and port governance and Rebecca brings 35 years' experience in the funds management sector both in New Zealand and offshore. Both bring skills that are very relevant to TGH's current development and investment strategy. Nau mai, haere mai koorua.

Also joining the board is Tukoroirangi Morgan (Te Hoe o Tainui Marae) who replaces Linda Te Aho as a Te Arataura representative. Linda did not seek reappointment to the TGH board following her appointment as Chair of Te Arataura. During her tenure, Linda was instrumental in initiating the Future Director programme for succession planning, and for bringing tikanga and a Waikato-Tainui world view to the fore in all decision-making at our board table. Thank you for your contribution to TGH Linda. Nau mai hoki mai e Tuku.

I want to take this opportunity to acknowledge and thank my fellow directors for their contribution to the growth of TGH. We have a balanced, highly skilled board that will continue to govern TGH well.

TOO TAATOU IWI - Supporting Our Iwi

Our development projects and normal everyday business needs provide the opportunity to create social value in the form of jobs and contracts for businesses owned by tribal members. TGH has identified thousands of job opportunities via our suppliers over the last few years and is increasing opportunities for tribal-owned businesses to win contracts. These include construction (ACC build), earthworks (Ruakura Superhub and farms), and fisheries quota (Kaawhia). Social procurement is a priority and we are working closely with Waikato-Tainui to develop a joined-up and aligned strategy and framework to fully leverage its potential.

TGH continues to support marae directly through our Paataka Kai programme.



PBT Chief Executive Dave Lovegrove (left), Heeni Katipa, and Chris Joblin at the announcement of PBT as first tenant for Ruakura Superhub.

WHAKAMIHI - Acknowledgements

TGH has adopted the saying *Whakatupu rawa whakatupu taangata* as a fitting description of our role. Growing assets to grow the people. We are enabled to achieve this through the support of many who I would like to acknowledge.

I te tuatahi, Kiingi Tuheitia Pootatau Te Wherowhero VII, thank you for your insight, leadership and support.

To the marae and members of Te Whakakitenga o Waikato and Te Arataura, our colleagues at the Waikato Raupatu Lands Trust and the Waikato-Tainui College for Research and Development, and to our valued business partners – teena koutou katoa.

And finally, to our Chief Executive Chris Joblin and his management team and kaimahi, all of whom commit fully to growing our business, thank you for that commitment and your dedication and hard work.

This year presented as a challenge for TGH, as it did for all New Zealanders. I believe that we have met that challenge well, safely steering the company from uncertainty back to growth and progress as we continue to provide financial returns to support the wellbeing of tribal members and marae.

Paimaarire.

HINERANGI RAUMATI-TU'UA
Chair

CHRIS JOBLIN
Chief Executive

HIGHLIGHTS FY2021

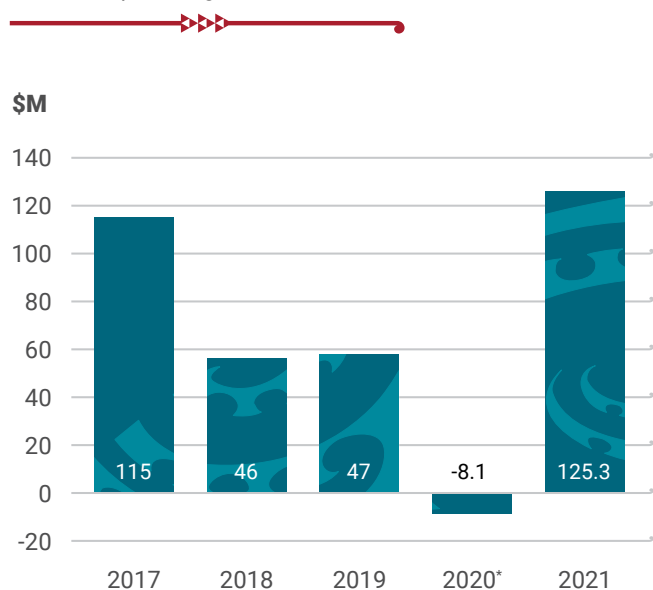
2020:

- May** ▶ Novotel Tainui Hamilton Hotel extension opened
- June** ▶ \$16.8m Provincial Growth Fund grant announced plus \$5m Hamilton City Council contribution for Ruakura Superhub
- August** ▶ Sale of Go Bus concluded
- September** ▶ Karakia and sod turning for ACC site
- ▶ NZ Police Partnership Agreement confirmed
- ▶ Cambridge Police Base project announced
- October** ▶ Crown Infrastructure Partners 'Shovel Ready' \$40m investment announced
- November** ▶ Te Amo Tiitoki partnership event
- December** ▶ Ruakura Superhub development works begin
- ▶ Inaugural Ruakura Superhub tenant announced (PBT)

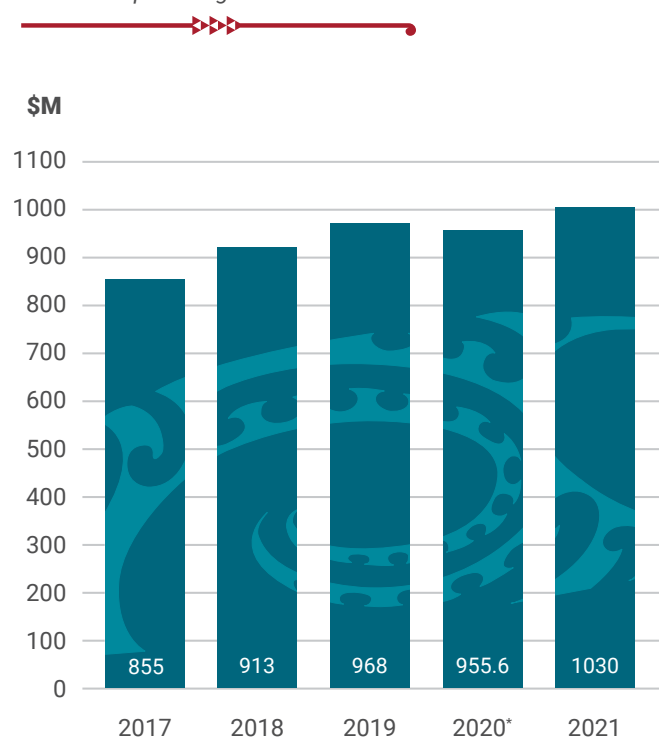
2021:

- March:** ▶ Te Kaarearea project management role concludes

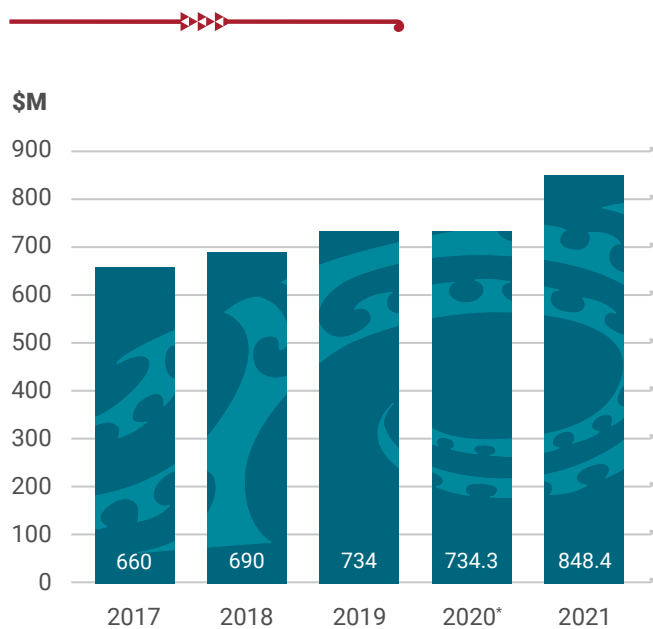
NET PROFIT/LOSS
Tainui Group Holdings



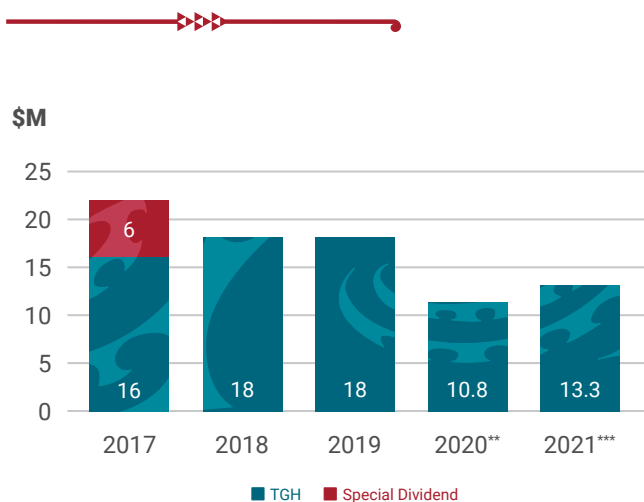
TOTAL ASSETS
Tainui Group Holdings



EQUITY
Tainui Group Holdings



ANNUAL DIVIDEND
Tainui Group Holdings



*2020 figures have been restated

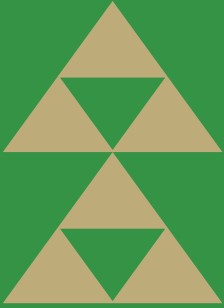
**Dividend paid in advance for FY2020 was \$10.8m and approved subsequent to year end

***Dividend for FY2021 was \$13.3m with \$8.5m being approved subsequent to year end



Dr Warren Williams
Acting Chief Executive,
Waikato-Tainui College for
Research and Development

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



Te Puurongo a Waikato-Tainui College for Research and Development

Report of the Waikato-Tainui College for Research and Development

Teena koutou

E wehi ana ki te Atua i rungarawa, Whakahooretia te Kiingi a Tuuheitia Pootatau Te Wherowhero VII, Paimaarire.

Tangihia ngaa mate o te waa, haere raa koutou. E moe i roto i te Ariki.

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

Teena koutou katoa e ngaa marae maha o te Whakakitenga o Waikato. Teenei te mihi atu ki a koutou katoa naa Te Poari o te Kaareti. We are pleased to present this Annual Report to Te Whakakitenga o Waikato for the period 1 April 2020 – 31 March 2021.

As the new Chairperson of the College I am excited by the opportunity to support and promote new excellent research that will benefit our people and our communities in the Waikato and greater Tainui region. To achieve this vision we have agreed as the new Board to focus on the following key areas over the next 12 months:

- ▶ **Develop innovative and germane research themes that are fundamental to Waikato and Tainui people;**
- ▶ **Prioritise the wellbeing of Waikato and Kiingitanga maatauranga and strengthen the College's relationships with our puukenga knowledge holders;**
- ▶ **Secure sustainable funding streams;**
- ▶ **Support current staff and advance the College's research capability;**
- ▶ **Host bi-annually, Professor Tahu Kukutai's new Data Sovereignty and Privacy project's**

Kaumaatua Kaahui, known as the Tikanga and Technology Kaahui;

- ▶ **Progress an original research strategy that is particular to Waikato and Tainui research excellence.**

I am honoured to be working alongside a committed and enthusiastic Board to advance the kaupapa above. The College's Board members are Delwyn Abraham, Richard Tauhe Jefferies, Merepaea Manukau, Tori Ngataki, Ngawai Hono i Te Po Paki, Vanessa Clark, Parekawhia McLean and Rukumoana Schaafhausen. Let me also acknowledge our Patron Kiingi Tuheitia Pootatau Te Wherowhero Te Tuawhiti for his support in focussing the areas above and for his continued passion in advancing the vision and mission of the College. Kiingi Tuheitia provides a korowai for the College that uplifts and strengthens our work at the College going forward. E kore e mutu ngaa mihi ki too taatou Kiingi.

I look forward to reporting the College's progress at upcoming meetings of Te Whakakitenga. In the meantime, please find below an update on the Research Projects and other operational highlights for the reporting period.

RESEARCH PROJECTS

- 1. Funder: Te Whakakitenga o Waikato**
Amount: \$80,000
Project Name: Waikato (Tribal) Experiences of COVID-19
Project Term: Sept 2020 – March 2021
Research Team: Dr Tina Williams, Nicola Panapa, Shane Solomon, Dr Gloria Clarke, Natari Luia

The College received tribal funding from Te Whakakitenga o Waikato to undertake research about the experiences of Waikato tribal members during COVID-19. This initial brief



translated into an exploratory study of the experiences of Waikato (tribal) essential workers during COVID-19. A report with these recommendations and a digital chronology of COVID has been produced.

Key research questions were: (1) In what ways did the Lockdown impact the lives of Waikato tribal members? (2) How did Waikato essential workers respond operationally during the Lockdown? (3) What can be done to better prepare Waikato-Tainui (iwi) to respond to community needs during future pandemics?

An overarching Kaupapa Maaori methodological approach guided the research. Complementing a Kaupapa Maaori approach, key aspects of Appreciative Inquiry (AI) were also implemented. Semi-structured interviews were the major form of data collection method used in this study. 24 tribal essential workers were interviewed as part of this research.

Waikato essential workers offered a number of recommendations in relation to what iwi could do to better prepare and respond to future pandemics. The project also provides detailed insights into the home-life, work- life and community, marae and iwi – life of Waikato tribal members during the COVID-19 pandemic.

2. Funder: Te Whakakitenga o Waikato
Amount: \$45,000
Project Name: Moko Kauae - Identity, Resistance and Resilience (Supporting Marae Development Aspirations)
Project Term: Sept 2020 – Mar 2021
Research Team: Nicola Panapa, Natarl Lulia

In June 2007, with support from Kiingi Tuheitia Pootatau Te Wherowhero Te Tuawhito and kaumaatua, 16 waahine received their moko kauae to commemorate the passing of Te Arikinui Dame Te Atairangaikaahu (the late Maaori Queen), and to honour the succession of her son as the

new leader of the Kiingitanga movement. While moko kauae at that time was experiencing a general resurgence in Aotearoa, the practice of wearing moko kauae by Waikato waahine was relatively rare. The moko kauae waananga that was held at Tuurangawaewae Marae was significant not only for the 16 women that received their moko kauae and for Tuurangawaewae marae itself, it was also important to the resurgence and revitalisation of moko kauae within Waikato. It has been 14 years since the waahine from Tuurangawaewae Marae received their kauae.

This research focused specifically on capturing the oral histories of 5 waahine who received their moko kauae at Tuurangawaewae Marae in June 2007.

The objectives of the oral history project were:

- ▶ **To preserve and share the history of the moko kauae waananga held at Tuurangawaewae marae in June 2007.**
- ▶ **Capture the first -hand accounts of the waahine who received the moko kauae.**
- ▶ **Share the ongoing significance of moko kauae so that current and future generations are educated and informed.**
- ▶ **Reach, engage, inspire and motivate Waikato waahine and Maaori waahine.**
- ▶ **Promote informed conversations and dialogue about the revitalisation of customary arts such as moko kauae.**



Before embarking on this project, the College approached the Tuurangawaewae Marae Trustees to see if they would support a project of this nature. We were delighted to receive their support to proceed. It is the intention of the College that these oral histories be presented to the Tuurangawaewae Marae Trustees to be showcased as part of the Tuurangawaewae Marae Centenary Celebrations in 2021.

- 3. Funder: Ministry of Culture and Heritage**
Amount: \$12,000
Project Name: Tainui Express - The Journey to Settlement
Project Term: Nov 2019 – Nov 2020
Research Team: Maatauranga –Nicola Panapa, Shane Solomon, Natarl Lulia

The College received external funding from the Ministry of Culture and Heritage to undertake this project. The project focuses specifically on capturing the oral histories of 10 Waikato tribal members who boarded the train, affectionately named the 'Tainui Express,' to witness the third and final reading of the Waikato Raupatu Claims Settlement Bill in parliament on 19 October 1995.

The objectives of the project were:

- ▶ **To capture, preserve and share the history of the Tainui express from the perspective of Waikato kaumatua (elders), Kaimahi (Marshalls and workers) and rangatahi (young people) on the train. Preserve the memories of those who played a significant role in the organisation of the Tainui Express and those who witnessed the historic reading of the Bill.**
- ▶ **Share the impact and ongoing significance of**

this historical event so that current and future generations are educated and informed.

- ▶ **Reach, engage, inspire and motivate rangatahi of Waikato descent.**
- ▶ **Connect and engage audiences with Waikato history and Maori history.**
- ▶ **Promote informed conversations and dialogue about Te Tiriti o Waitangi and subsequent settlements.**

The College has one final oral history interview to complete as part of this project. Once this project is completed, the oral history narratives will be deposited into our tribal archives for the benefit of future generations.

- 4. Funder: Health Research Council**
Amount: \$85,206
Project Name: Out of the Realm of Tuu: The health journeys of Mataatua veterans and their whaanau
Project Term: May 2020 – October 2021
Research Team: Dr Cheryl Stephens, Dr Tina Williams, Nicola Panapa, Shane Solomon, Dr Gloria Clarke, Dr Warren Williams, Natarl Lulia. External Contractor - Hemana Waaka

The College through its association with Te Parairoa a Tuumatauenga has been undertaking a multi-year HRC funded project that explores the health issues of Maaori veterans. The research considers the unique health needs of Maaori veterans and the complex interactions of war related trauma and illness. This research project aims to provide insights, policy direction and guidance for whaanau and health services about the interventions and strategies found within whaanau experiences and within maatauranga and tikanga Maaori that can transform health outcomes.



A highlight during the last year has been the fieldwork undertaken as part of this project. The participants in this study are veterans who served in either the Malaya, Vietnam or Borneo War. Thirty-three video interviews have been recorded as part of this study, with interviews conducted in Ruatoki, Tauranga, Rotorua, Gisborne, the East Coast, Auckland and the Waikato. Data analysis is progressing well and the write up of the final report will soon get underway.

- 5. Funder: Waikato River Authority**
Amount: \$12,000
Project Name: Trap & Transfer Feasibility & Kaitiaki Development Project
Project Term: Jan 2019 - June 2021
Research Lead: Dr Tina Williams

This multi-year externally funded WRA project aimed to understand the feasibility, the costs and benefits of implementing trap and transfer methods (physical capture and movement of fish upstream and downstream around migration barriers) to enable the safe passage of tuna at pump stations. This collaborative project between the Waikato-Tainui College for Research and Development and the Waikato Regional Council presented the opportunity for tribal interns to learn the trap and transfer method. The College would like to acknowledge Dr Jacques Boubée of Vaipuhi Freshwater Consulting Limited and the project team at the Waikato Regional Council for sharing their time and knowledge with our Kaitiaki Interns. The final report for this project has been completed.

- 6. Funder: Waikato River Authority**
Amount: \$153,262
Project Name: River Education Package
Project Term: Jan 2019 – June 2021
Research Team: Dr Tina Williams, Nicola Panapa, Shane Solomon, Dr Gloria Clarke, Natari Lulia

The College received funding from the Waikato River Authority to develop a River Education Strategy and Curriculum (River Education Package) based on Waikato, Tainui maatauranga, tikanga and kawa. The intent of the River Education Package is to ensure that Waikato-Tainui marae and hapuu are more engaged, knowledgeable, connected, and active regarding the protection and restoration of our tuupuna awa and associated traditional practices. This multi-year project has involved a number of phases and tasks including: Tupuna Awa Survey, a comprehensive 3-part Literature Review, internal and external stakeholder consultation and the development of a River Education Strategy, Curriculum, Implementation and Review Plan. The College is currently in the final stages of completing work on this project.

Other Projects Completed Over the Past Year Include:

- 7. Funder: University of Auckland (Ministry of Business, Innovation and Employment Fund)**
Amount: \$26,667
Project Name: Biocide Toolbox
Project Term: June 2020 – Sept 2020
Research Team: Dr Cheryl Stephens, Dr Jonni Koia,

During the past year, the College through its collaboration with the University of Auckland completed work in relation to the MBIE funded research programme, The Biocide Toolbox. The College's contribution to this project included the development of a Kaupapa Maaori framework for future Biocide research in Aotearoa NZ, focusing specifically on plant flora (and other natural resource) extraction and subsequent testing. The development of guidelines for the practical incorporation of a Kaupapa Maaori framework in the field and in the laboratory was also another important aspect of this project. We would like to acknowledge, Dr Jonni Koia who was the principal investigator for this research project.



- 8. Funder: Otago University (Marsden Fund – Royal Society of New Zealand)**
Amount: \$16,000
Project Name: Eviction and its consequences
Project Term: Mar 2018 – Feb 2021
Research Team: Dr Cheryl Stephens, Dr Tina Williams, Nicola Panapa, Shane Solomon, Dr Gloria Clarke

The College through its collaboration with the University of Otago contributed to the research on eviction in Aotearoa, New Zealand through our involvement in the Marsden funded, Eviction and its Consequences project. As part of this project, the College interviewed Huntly residents about their experiences of eviction and worked in collaboration with the Otago research team to analyse the rich qualitative data that has come out of the interviews. The College would like to acknowledge all the participants who have shared their personal experiences of eviction and the effects this has had on their lives. This is not an easy kaupapa to discuss and the College is extremely humbled by the willingness of all the participants to disclose information that is extremely personal. The College would also like to acknowledge and thank Joyce Maipi and Matawhaanui for their assistance and support with this project.

- 9. Funder: Te Whakakitenga o Waikato**
Amount: \$60,000
Project Name: Hopuhopu Interactive online resource
Project Term: Sept 2020 – Mar 2021
Research Team: Shane Solomon, Natarl Lulia

Hopuhopu is a site of historical significance to Waikato and to Kiingitanga. The aim of this research project was to produce an interactive resource that visitors to Hopuhopu can access to learn about the history of this area, the establishment of the College and its significance to te iwi o Waikato.

- 10. Funder: Te Whakakitenga o Waikato**
Amount: \$55,000
Project Name: Te Maatanga Postdoctoral Network - Online Profile
Project Term: Apr 2020 – Mar 2021
Research Team: Nicola Panapa, Natarl Lulia

This project aimed to provide increased opportunities for marae, hapuu and iwi to learn more about the members of Te Maatanga network, their backgrounds, their research interests, and expertise through the production of 20 digital profiles. This work has been completed with profiles available for viewing via the College's YouTube account.

HIGHLIGHTS

- 1. Project Name: Professional Doctorate - Doctor of Indigenous Development and Advancement**
Budget: \$60,000
Project Team: Dr Cheryl Stephens, Dr Tina Williams, Tom Moana

In January 2021, the College welcomed a second cohort of doctoral students enrolled in the International Doctor of Indigenous Development and Advancement. We also welcomed back our inaugural cohort who are currently entering their thesis year. There are 21 students that are undertaking their doctoral studies at our College site, 15 of these students are affiliated to Waikato iwi, Tainui waka. The College is delivering the above program with its Kawenata partner, Te Whare Waananga o Awanuiarangi.



**2. Project Name: Rua Keenana Symposium (part of Maatanga Network)
Budget: \$5000
Project Lead: Dr Tina Williams**

The College hosted Te Ahorangi, Professor Tairahia Black, five doctoral students and kaumaatua, Trustees and whaanau from Maungapoohatu, Ngaa Toenga and Tuapou marae for the Rua Keenana symposium. Audience members listened to a range of speakers talking about their doctoral research projects, they were also gifted 7 publications on the night that had been produced by Professor Tairahia Black and the doctoral students themselves.



**3. Project Name: Tribal Internships
Budget: \$6000 (Ombudsman and PCF internship externally funded)
Project Team: Dr Cheryl Stephens, Dr Tina Williams**

The College had the privilege of hosting five interns during the past year. These interns were working on a diverse range of College research and development projects. Three tribal interns: Ratapu Kani (Ngaati Whawhaakia), Hika Kukutai (Ngaati Maahanga, Oomaero Paa) and Marcus Fletcher (Ngaati Mahuta ki te Tai Hauaauru, Aaruka & Te Kooraha Marae) made contributions to the Trap and Transfer Feasibility Project. In addition to receiving first aid training, hazard and risk training, wader training, the trio had the opportunity to work alongside Jacques Boubee (tuna knowledge holder and expert) and received first-hand experience trialling the trap and transfer method aimed at the protection and restoration of migratory tuna.

Through the relationship between the King's Office and the Office of the Ombudsman, the College was able to support the creation of the first Kiingitanga - Ombudsman Internship. Jacqueline Wynyard-Tane (Ngaapuhi), the inaugural recipient of the internship spent her summer break working in the Disability Rights team in the Ombudsman's Auckland office. We were privileged to have Jacqueline and Simon Latimer (Senior Advisor in the Ombudsman's Office) visit the College and share some of the important work she was involved in during this period.

Aunoa Uele spent 10- weeks at the College as part of the Pacific Co-operation Foundation's NZ Scholarship Internship (2021). The Pacific Cooperation Foundation is a non-governmental organisation which develops and implements public/private sector economic development and socio-cultural initiatives in the Pacific region. Aunoa is in her final year of study at the law school at Waikato University this year. Following the completion of her degree, Aunoa will



return home to Samoa to contribute. Aunoa made a valuable contribution to several tribal research projects during the time she was an intern at the College.

4. Project Name: NIWA Masters Scholarships
Budget: \$22,500
Project Lead: Dr Tina Williams

The College in association with NIWA have undertaken a multi-year development project aimed at recruiting and monitoring three Masters level students. NIWA with assistance from the Waikato-Tainui College for Research and Development are offering up to three scholarships for Maaori students who are engaged or about to engage in masters level study in environmental science. The scholarships are funded out of the MBIE Endeavour Fund programme, New Technologies to Double the Effectiveness of Onfarm Diffuse Pollution Mitigation. The first recipient of the scholarship is Jazz Puriri (Ngaati Wairere). Recruitment for two more scholarship students is currently underway.

5. Project Name: Micro-Credential Development & Digital Archive– Ngaati Haua & Oomaero Paa (Supporting Marae Development Aspirations)
Budget: \$50,000
Project Team: Dr Tina Williams, Natarl Lulia, Dr Warren Williams

Micro-credentials or digital badges (as they are sometimes known) provide a way of recognising skills and knowledge in a particular area. During the past year, the College has worked with Ngaati Hauaa to create a tikanga based micro-credential for Peria Hub. The College has also completed the design and online platform preparation for micro-credentials for a Tuna Waananga programme delivered by Oomaero Paa. Micro-credentials have also been developed by the College as part of the WRA funded Trap and Transfer Feasibility project undertaken with the Waikato Regional Council.

6. Project Name: Oomaero Paa - Tuna Waananga (Supporting Marae Development Aspirations)
Budget: \$5000
Project Team: Dr Tina Williams, Natarl Lulia

As part of the Marae Development aspirations project, the College has supported the delivery of a Tuna Waananga at Oomaero Paa. This initiative led by Hika Kukutai (Ngaati Maahanga and Jo Kukutai (Ngaati Maniapoto) was aimed at sharing some of the knowledge that they had learnt during the Trap and Transfer Feasibility project. The focus of the waananga was for participants to learn how to weigh, measure and record and release tuna. Participants at the Waananga varied in age, from rangatahi to pakake, this intergenerational learning experience prompted a lot of discussion about traditional tuna practices, habitats and the conservation of this taonga species.

Noo reira, hei whakakapi ake i teenei riipoata, ka tiikina atu i te tongikura a Kiingi Tuheitia e mea ana - " Taaparatia te maahina, he puurangi, he maaneanea"

Paimaarire.

Dr Marama Muru-Lanning
Chair

Dr Warren Williams
Acting Chief Executive

Investing in our people

The infographic below illustrates the different types of support Waikato-Tainui has provided to marae, tribal members and tribal pakihi between 1 April 2020 – 31 March 2021. It is a snapshot of the distribution the iwi has made through grants, employment, housing and COVID-19 support.



COVID-19 Support



501

flu vaccinations administered through our Te Hiwa o Tainui mobile clinic across 12 sites



2477

mobile COVID-19 test completed (supported Waikato DHB and Raukura Hauora o Tainui to provide mobile testing clinics across the region)



6141

kai packs distributed to tribal members



5027

vegetable packs distributed to tribal members



2241

kaumaatua care packs distributed to tribal members



124

rongoaa Maaori packs distributed to tribal members



47

marae hygiene packs distributed to Waikato-Tainui marae



Employment



354

verified tribal members registered in Te Rau Mahi



27

tribal members were supported in apprenticeships



54

tribal members directly supported into employment



147

roles created or supported by Waikato-Tainui



9

new industry partnerships formed



Housing



150

iwi members attended home ownership workshops in person and online



40

iwi members attended financial literacy



18

houses sold to iwi members



Business & Partnership



5

tribal pakihī supported through start-up fund



3

MOU signed with regional and national partners

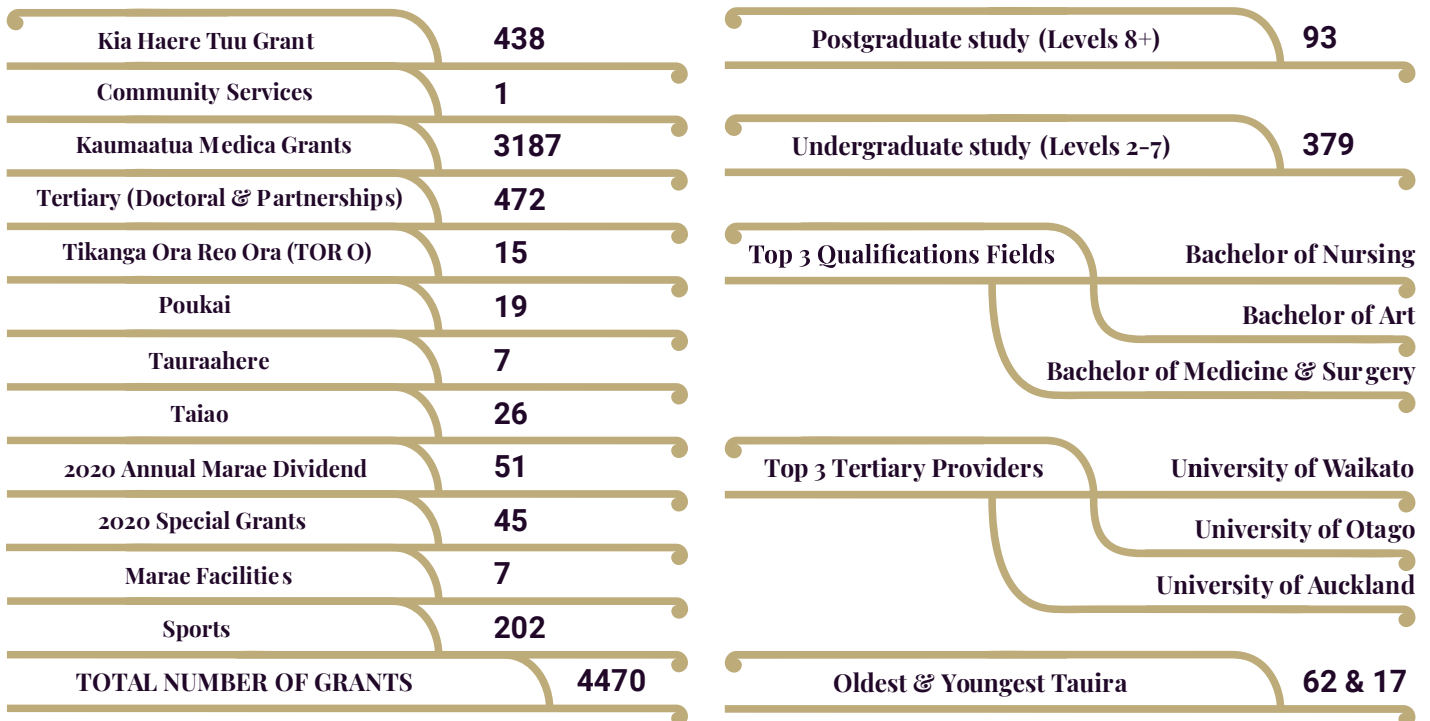


10

marae received grants for water-related projects



Grants





Maioha Panapa



Marama Rayner

Kia Whakakotahi Ai Taatou

Maioha Panapa (*Te Koopua Marae*) and Marama Rayner (*Te Kaharoa – Aramiro Marae, Tuurangawaewae Marae*) share aspirations to connect with and serve their iwi under the principles of Kiingitanga. Both recipients of Waikato-Tainui Tertiary Education Grants, Maioha and Marama have spent the past year working for Waikato-Tainui as interns.

For Maioha, who graduated from Te Whare Waananga o Waikato in 2020 with a Bachelor of Arts (Maaori Indigenous Studies), reconnecting with her father's whakapapa, serving the Kiingitanga and working at Waikato-Tainui has been a privilege. "I've experienced highlights and challenges all in one but am really enjoying mahi. Being in a position to learn how an iwi organisation the size of Waikato-Tainui operates has definitely expanded my thinking," said Maioha.

"There's a level of scrutiny that tests your intelligence and forces you to rise to the occasion. As a young person that's a lot of responsibility to put on yourself. But thanks to Waikato-Tainui, I recognise that it's part of the process and empowers me to be the best version of myself. It keeps me determined to do more." Marama, who is in his final year of a law degree at Te Whare Waananga o Waikato, said the experience of working for his iwi has also been rewarding.

"This amazing opportunity has allowed me to gain valuable industry experience whilst working for my people. I wanted my first legal internship to be close to home and it was a blessing to be able to take up this role with Waikato-Tainui," said Marama.

"Three key highlights for me were participating in the elections process for Te Whakakitenga and understanding how the post settlement governance of Waikato-Tainui is structured and operates; learning about our tuupuna awa, the Waikato River settlement and researching innovative ways to support Te Ture Whaimana o te Awa o Waikato; and working with the wonderful kaimahi at Waikato-Tainui."

Both Maioha and Marama acknowledge how fortunate they were to secure these opportunities, especially at a time when the pandemic presented so many uncertainties. "As a people we are resilient. Going through life changing challenges is not new to us. Providing service and working together, for the benefit of everyone, will ensure that we can overcome anything," said Marama.



Tumuaki & Melanie Morgan



Mark Ormsby

Building Resilience Together

Tumuaki and Melanie Morgan (*Turangawaewae Marae, Rereteewhioi Marae*) are thankful for their blessings in the midst of Covid-19. Following a journey to homeownership that has had highs, lows, and lots of learnings, Tu and Mel were fortunate to move into their new home at Te Kaarearea in 2021.

“We worked with Waikato-Tainui and the Housing Foundation to purchase our first home. We appreciated their guidance and support through this process. From the application for Te Kaarearea, to connecting with lawyers, banks, and the developers (Golden Homes) to actually getting the keys – it’s been a journey and we are so thankful,” shared Tu and Mel.

The Morgans were one of 15 whaanau to purchase house and land packages through the tribe’s shared ownership programme. Despite setbacks and delays due to COVID-19, and the challenge of balancing savings with financial commitments, they are grateful for the step they’ve taken to provide a safe future for themselves and their whaanau.

“By working towards owning our own home, it opened doors to a more stable and financial future for us. Financially its going back into our own pockets and we’re able to share these benefits with our tamariki and mokopuna. Being in a position like this certainly fills one’s mind, heart and wairua because you’re able to share this with your loved ones.”

Mark Ormsby (*Raakaunui Marae, Paparua Marae*) has appreciated the continued growth of his business Ormsby Groundworks, at a time when others are still struggling with the effects of COVID-19. “We knew eventually it would pass so we used this time at home to reflect on how to better ourselves, our business and focused on the future. It made us realise that anything could happen and motivated us to go out and take every opportunity that arises.”

Mark attended one of the networking breakfasts hosted by Waikato-Tainui last year. Being part of that event offered his business opportunities and later enabled him to secure work with Tainui Group Holdings. “We won a tendered contract on one of the farms managed by TGH in Whatawhata and feedback from both farm managers and our team has been very positive. We are proud of what we and our workforce have achieved together with Waikato-Tainui so far.”

After injuring his back in 2018, Mark needed to find a way to keep working while going through a rehab plan. He moved with his whaanau to Hamilton from Tauranga to connect more with his whakapapa. That same year, Mark and his wife Ariane established Ormsby Groundworks with one mini digger. Today, Ormsby Groundworks has four full-time employees, all of whom are Waikato-Tainui members. “It had its challenges, but the journey has been worthwhile. What drives me most is helping people and uplifting them to do and be better.”

Amohia Ake Iwi Resilience Plan

TANIWHA PROJECTS

Taniwha Projects

Taniwha Projects were identified as priority areas for acceleration to help Waikato-Tainui meet the demands and challenges of COVID-19. These five priority projects included *Wai Ora (Water Supply & Infrastructure)*, *Tupu Whenua (Land Utilisation)*, *Koiora (Health & Wellbeing)*, *Te Paa Whakawairua (Marae Development)* and the *Hopuhopu Innovation Hub*.

COVID-19 Iwi Response Distribution Centre delivers food and hygiene packs

In April 2020, the Hopuhopu Distribution Centre was set up to help administer and distribute various food and hygiene packs to Waikato-Tainui marae and registered tribal members. This included kaumaatua and vulnerable whaanau who made contact through the iwi call centre or were connected to iwi by hauora providers. Between April and June 2020, a total of **13,580 food and hygiene packs** were distributed during this quarter including:

- ▶ 6,141 kai packs
- ▶ 5,027 vege packs (included in the initial kai packs)
- ▶ 2,241 kaumaatua care packs
- ▶ 124 rongoa Maaori packs
- ▶ 47 marae hygiene packs

In accordance with strict health and safety procedures, kai packs and kaumaatua care packs were distributed to 10 community pickup centres in Raglan, Ngaaruawaahia, Tuakau, Hamilton East, Hamilton West, Cambridge, Kihikihi, Pukekohe, Maangere and Huntly. Following the closure of these centres and a general easing of lockdown restrictions, packs were then distributed to registered tribal members in Mangere, Pukekohe, Tuakau, Ngaaruawaahia, Hamilton, Raglan, Cambridge, Kihikihi, Matamata and Morrinsville.

Registered tribal members who met the criteria but lived outside of the Waikato delivery area were supplied with either isolation meal packs or vouchers to buy groceries. In addition to distributing leftover perishable food items to local koohanga reo, the Centre also supported marae with hygiene packs that included hand sanitising stations and COVID-19 signage resources.

Frontline support with Iwi Call Centre

To support the increased demand of enquires during the lockdown period, Waikato-Tainui established an iwi response call centre to manage the high-volume of calls seeking assistance and help as a result of COVID-19. With assistance from regional service providers, the call centre was responsible for providing frontline support to those tribal members most affected by COVID-19. This included households with kaumaatua, chronic health conditions and tamariki under five, as well as households facing immediate hardship. Between April and June 2020, the call centre had received **over 9,334 calls** via 0800 TAINUI, which averaged at **approximately 667 calls a week**. It also received over **12,000 emails** via aawhina@tainui.co.nz. To support the role of the call centre, Waikato-Tainui worked closely with several external providers including the Ministry of Social Development, Raukura Hauora o Tainui, Waahi Whaanui Trust, Te Hauora o Ngaati Hauaa, Ngaa Miro Health, Huakina Development Trust, Turuki Health Care, Ngaa Marae o te Puaha, Kainga Ora, Waipaa District Council, Maniapoto Maaori Trust Board, Raukawa Charitable Trust, Te Puawaitanga ki Ootautahi, Tui Ora Taranaki and Here to Help U. One of the call centre's services during the lockdown period was a kaumaatua hotline. This involved kaimahi calling kaumatua each week to check on their general wellbeing.



Partnerships drive vaccination clinics

Towards the end of March 2020, Waikato-Tainui were involved in a wide range of targeted initiatives and approaches to help prevent the spread of COVID-19. We partnered with multiple agencies across local and central government to help support Maaori health and social service providers deliver essential services to tribal members during lockdown. A major success of this collaborative approach included the mobile flu vaccination clinics that were free for kaumatua aged 65 and over, hapuu women and anyone with significant underlying health conditions such as respiratory illnesses, that lived in remote or isolated communities. Between April and June 2020, a total of **842 flu vaccinations** were administered: 501 through our Te Hiwa o Tainui mobile clinic and 341 through Waikato District Health Board clinics. According to reports from the Ministry of Health, pop-up clinics at marae, mobile clinics and “drive-through” vaccine stations helped 58 per cent of Maaori aged 65 or over become vaccinated - 15 per cent more than the number two years ago. It was the first time ever that more than half of older Maaori were protected against the flu. Demand for flu vaccinations were driven by the response to COVID-19 and formed part of the Ministry's \$9.5 million Maaori-specific influenza vaccination campaign last year.

Focus shifts to COVID-19 vaccination programme

Last year, Waikato-Tainui worked closely with iwi health providers and the Counties Manukau and Waikato District Health Boards (DHB) to support their COVID-19 response efforts. By the beginning of 2021, the iwi shifted focus to supporting the national COVID-19 vaccination programme. This included working with iwi health providers and Waikato DHB to develop and implement an iwi-led approach to the Waikato rollout of the COVID-19 vaccine. A positive outcome of strengthening partnerships with health providers meant the iwi now has a successful platform to deliver other kaupapa like immunisation programmes, cancer

screening, diabetes awareness and input into the workforce development strategy for Waikato DHB. Development of Waikato DHB's workforce strategy has been prioritised as an accelerated project for FY22.





Health and safety paramount to iwi response

Throughout Waikato-Tainui’s COVID-19 response, health and safety was a critical priority area for the organisation. Several health and safety plans were developed including our COVID-19 Pandemic Plan, marae health and safety guidelines, operational plans to support the Iwi Distribution Centre and Te Hiwa mobile vaccination clinic, as well as kaimahi wellbeing. In March 2020, the organisation implemented its COVID-19 Pandemic Plan. The plan outlined how the organisation would deliver critical services and respond to minimise the harm and impacts caused by the pandemic. A Crisis Management Team was established and were responsible for business continuity planning. As kaimahi continued their mahi at different work sites throughout alert level transitions, regular monitoring of health and safety plans was carried out to ensure plans were fit for purpose.

Kaimahi wellbeing initiatives delivered during lockdown

Several initiatives were implemented last year to support kaimahi during lockdown. Forming part of our wider Kaimahi Ora Wellbeing Strategy that was officially launched later in September 2020, kaimahi wellbeing was a priority for Waikato-Tainui as the organisation navigated the initial lockdown phases. In addition to daily karakia and hiki wairua activities, resources were developed for kaimahi including *He Aratohu Noho Mirumiru* - a set of guidelines to help kaimahi make their home bubble ‘work’ for them and their whaanau. Facilitators from kaupapa Maaori workplace experts Woo Wellbeing were engaged to create hauora videos for kaimahi. These covered a range of topics including resilience, tinana, stress, breathing work, stretching and reset. They also delivered a wellbeing programme called *Hui Ora*. Kaimahi wellbeing checks were carried out during lockdown, with this approach allowing kaimahi to share concerns or anxieties in a safe way and enabling for any significant issues to be quickly escalated to senior leaders.

Staying connected key driver of COVID-19 engagement

Keeping tribal members abreast of the latest COVID-19 updates, and ensuring the iwi provided timely, accurate information was a priority for our communications and engagement activities between April and June 2020. The approach was an integral part of the iwi’s response plan which aimed to keep tribal members “informed, prepared and uplifted”. Over 30 iwi response update videos were produced and made available on our social media platforms and dedicated COVID-19 webpage - Aaraitia te COVID-19. Key resources were produced for tribal members and marae including *Tangihanga Guidelines* and *Marae Readiness Guidelines*. Twenty hiki wairua videos featuring the Whiu whaanau from Kaawhia were extremely popular and received over **290,000 views** and **15,000 shares** along with many positive comments. During this period, our official iwi Facebook page also grew its following by 1,441 people. Overall page likes increased by 747 and had an overall reach of 91,703 people.





Resilience the way forward for revised iwi plan

To meet the challenges of COVID-19, the organisation refocused *Te Ara Whakatupuranga* (our five-year plan) and accelerated key initiatives as part of **Amohia Ake**, its new iwi resilience plan for 2020. The plan prioritised five key Taniwha projects:

▶ **Wai Ora (Water Supply and Infrastructure)**

Ensuring the health and wellbeing of the Waikato river to support the environment, marae, whaanau and wider Waikato and Auckland regions

▶ **Tupu Whenua (Land Utilisation)**

Supporting employment, enterprise and housing needs through better understanding and utilisation of our land assets

▶ **Koiora (Health and Wellbeing)**

Working alongside the health sector, marae and whaanau to co-design and develop models of service for improved wellbeing outcomes for whaanau.

▶ **Te Paa Whakawairua (Marae Development)**

Supporting our 68 marae to design and drive their own models of growth to achieve mana motuhake.

▶ **Hopuhopu Innovation Hub (Serving the needs of the collective)**

Creating a vibrant interconnected community at Hopuhopu which focuses on supporting innovation and holistic wellbeing.

The resilience plan included the adoption of Niho projects which would act as key enablers to help amplify wellbeing outcomes for whaanau, marae and communities. The intent behind this approach was to ensure the iwi was agile enough to adapt its plans as the impacts of the pandemic started to affect our people at different levels and in different ways.

Wai Ora (Water Supply and Infrastructure)

Employment and internship opportunities within the water sector provided a number of positive gains for tribal members and marae including local internships with Mercury Energy and WSP and the establishment of water grants through funding from Mercury Energy. A total of 10 marae were given \$5,000 grants to support-related projects: Te Kaharoa - Aramiro, Hukanui, Rukumoana, Pukerewa, Rereteewhioi, Marokopa, Te Tihi o Moerangi, Te Aakau, Kai a Te Mata and Poutu Pa. A feasibility study for water storage was completed with Lake Rotowaro identified as having hydrological potential. Stage 2 of the feasibility study will be undertaken in the new financial year.

Tupu Whenua (Land Utilisation)

Throughout last year, a series of potential land utilisation projects by marae were identified and 11 Tupu Whenua plans completed. This included projects by Maketuu Marae (toihau papakainga), Ngaatira Marae (maara kai development), Ngaati Makirangi collective (land lease options) and Ngaati Mahanga (farming restoration). Seventy-eight whenua-related training and employment opportunities were also identified with Tainui Group Holdings, Genesis Energy, WSP, Bunnings and BCITO (Building and Construction Industry Training Organisation). A land tool being developed in collaboration with AgResearch will be ready for release later in the year. Kaimahi also supported Tainui Group Holdings with its Farm Environmental Plans, assisting with inductions and training for marae members operating their own farms.

Koiora (Health and Wellbeing)

In 2020, Waikato-Tainui worked closely with iwi health providers, Waikato and Counties Manukau District Health Boards, and the Ministry of Social Development to roll out COVID-19 support across the rohe. This included advocating on behalf of iwi providers, supporting the monitoring of MIQ facilities and the ongoing development of pandemic resurgence plans. A draft Koiora operational model was



also completed in 2020 and expected to be finalised later this year. With ongoing work continuing in the treaty health claim space, progressing a Koiora Health Accord will be prioritised in the new financial year.

Te Paa Whakawairua (Marae Development)

Understanding marae collective impact approaches was an integral part of the Te Paa Whakawairua projects with 10 marae supported to develop marae strategic plans in 2020. Kairangahau from marae were engaged to help understand and research marae collective impact, completing over 50 interviews with marae whaanau. Kaimahi also partnered with the Waikato-Tainui College for Research & Development to determine micro-credentials for marae communities. COVID-19 related resources were provided to marae including guidelines for health and safety, marae readiness and tangihanga. As part of this process, a pool of kaitikaki from across Waikato-Tainui marae were identified to help whaanau facilitate burial processes during the various alert level changes. Through our te reo programmes, 22 practitioners graduated from our Te Pae Kaakaa programme. They are the second cohort to complete Te Pae Kaakaa.

Hopuhopu Innovation Hub

The scope and size of the Hopuhopu Innovation project featured several capital developments that focussed on housing, sports and recreations, whare taonga, tribal nurseries and an iwi administration centre. A number of positive developments were progressed during this financial year including a proposed long-term lease agreement with Kāinga Ora to build 100 homes at Hopuhopu, draft conceptual plans completed for the tribal nursery and engagement to undertake design planning for the proposed iwi administration centre. Initial scoping of facilities for a whare taonga and a sports pavilion were also initiated in 2020. A reprioritisation of these projects inline with budgets will be assessed for FY22 and will include adoption of the

Waikato-Tainui Group-wide social procurement strategy to determine next steps.

Te Kauri Marae reclaim kaitiakitanga of whenua

Te Kauri Marae took the first of many steps to reclaim their mana motuhake as kaitiaki of the whenua. At a special ceremony held in March 2021, a formal lease agreement was signed between Te Kauri Marae and the iwi for two properties located opposite the marae. Along with whaanau of Te Kauri Marae, kaumaatua, kaimahi and executive members of Te Whakakitenga attended the ceremony which included the planting of ngaa raakau kauri and tootara on the whenua to mark the occasion. Te Kauri Marae trustees Bill Takerei and Justine Berryman said the return of these lands to the marae epitomised the saying 'I riro whenua atu me hoki whenua mai' and signified their commitment as kaitiaki. Aspirations whaanau have for the whenua included:

- ▶ Restoration projects for the puna, streams and wetlands in the area
- ▶ Restoring two residential homes on the properties and adding these as part of the marae's papakainga rental portfolio they have available for kaumatua and whaanau who do not own their own homes
- ▶ Exploring horticultural opportunities including the development of a small orchard and mara kai.



Marae whaanau take lead for capital projects

Two key marae capital works and infrastructure projects for Waingaro Marae and Waikare Marae were completed in 2020. Waingaro Marae saw the upgrade and completion of their three waters infrastructure project - potable, wastewater and stormwater, as part of the Wai Ora (Water Supply & Infrastructure) workstream. The project received funding support from the iwi and the Government's Provincial Growth Fund. Despite a four-month hiatus due to COVID-19 and a delay in the manufacture and delivery of water tanks, the project was a major success. Waikare Marae celebrated the renovation of their whareniui *Ngaati Hine*, construction of dedicated disabled parking and a complete upgrade of their ablution block. Completed as part of our Marae Asset Maintenance Programme, a special blessing and opening of the new buildings was held at the beginning of 2021. Positive outcomes for both projects included marae whaanau project managing these builds with support from Waikato-Tainui kaimahi, and engagement of business owned by tribal members in the plumbing, electrical and construction industries to complete the work.



Amohia Ake Iwi Resilience Plan

NIHO PROJECTS - STRATEGIC SUPPORT

Niho Projects: Strategic Support

The Niho Projects: Strategic Support workplan focussed on key areas that would enable acceleration of Taniwha Projects. These focus areas included Strategy, Relationships & Resourcing, Business & Social Procurement, Data and Tribal Talent (Employment). They also supported the successful delivery of initiatives under Ngaa Tohu Taiao, Hapori, Kaupapa, Whai Rawa and Mahi Tonu.

Data capture essential to response plan and iwi survey

An intensive workstream commenced to cleanse the tribal registry data to help better inform our COVID-19 response plan at the beginning of 2020. The pandemic amplified the need for up-to-date quality data as tribal members began reaching out for support. Several new processes were implemented including email and address validation for all new registrations or data changes made within Salesforce – the customer relationship management platform that supports our tribal registry. In addition, an iwi response questionnaire was developed to support the enquiry process of our dedicated COVID-19 Call Centre. The questionnaire was used as the basis for the iwi survey that was launched in December 2020. The survey was run over a period of four weeks from November to December, and focused on eight specific areas:

- ▶ **Too Whare/Your Household**
- ▶ **Hapuu and Iwi Tikanga**
- ▶ **Oo Piringa/Connection**
- ▶ **Hauora/Wellbeing**
- ▶ **Maatauranga/Education**
- ▶ **Waikato Events & Communications**
- ▶ **Te Reo Maaori**
- ▶ **Taha Puutea/Your Finances**

This initial picture has been compiled from 1737 completed survey responses of Waikato-Tainui whaanau 18 years of age and older. Approximately 73 percent of responses came from whaanau within a two-hour drive of Kirikiriroa. Survey respondents were overwhelmingly female at 78 percent and the majority of respondents (57 percent) were aged 30 to 49. A comprehensive report highlighting the findings of the iwi survey would be completed by mid-June 2021 and would help inform part of a wider review process into social impact.

Social procurement underpins industry networking events

The adoption of a social procurement approach to connecting tribal business with partners in the construction and trades industry, was a key driver of two networking breakfast events Waikato-Tainui hosted last year. Ten tribally owned businesses attended the first networking breakfast hosted in September - ActiveSite Partners, Inzone Plasterboard Services, Safety 1st Consultants, Kaha Energy Solutions, Premium Building, Access One Scaffolding, Hopa Plumbing, Retimix Concrete Pumping, Coastwood Homes and Hokioi Builders. It was an opportunity for these businesses to meet each other, connect and share learnings. In addition to Waikato-Tainui, representatives from the Ministry of Social Development (MSD) and Hamilton City Council attended to offer advice and support. A clear outcome for this event was to share information about work programmes within the Taniwha projects, including procurement opportunities.

The second networking breakfast was supported by Hamilton construction company Hawkins in November last year. The aim was to create relationships with tribal business owners that extended beyond a single project. Hawkins is the lead contractor for the ACC building project with Tainui Group Holdings. The multimillion-dollar project will be built in Hamilton's central business district. During the breakfast, Hawkins provided an overview of



the project, detailed what types of services they needed and spoke one on one with attendees. Adopting a social procurement approach for the ACC project, Hawkins developed a framework that opens up opportunities for tribal businesses to work either directly or through one of its subcontractors. Under this framework, Hawkins has committed to reporting on economic and social outcomes during the project including dollar spend, number of tribal employees, businesses, as well as the establishment of an evaluation mechanism that helps our businesses to learn and grow. Tribal businesses that attended the hui included Blackcom, Blue Coast Electrical, Copapa Construction, Hopa Plumbing, JMM Insulation, Ormsby Groundworks, Applied Engineering and Acon Industries. Three of our tribal businesses accepted contracts, worth just over \$1.5 million, directly with Hawkins. Multiple sub trade opportunities were made available by Hawkins to businesses who were not in a position to contract directly to them but could possibly be secured to a Hawkins sub-contractor.



Partnerships key to resilience plan success

In July 2020, a delegation of Waikato-Tainui kaimahi, kaumaatua, members of Te Arataura and Te Whakakitenga, and representatives from the Office of the Kiingitanga met with Prime Minister Jacinda Ardern as part of our annual Kiingitanga Accord. Other ministers in attendance included Minister Nanaia Mahuta, Minister Kelvin Davis, Minister Peeni Henare, Minister Carmel Sepuloni and Minister Andrew Little. Several kaupapa were discussed including water, employment, health, infrastructure and housing.

Our iwi resilience plan Amohia Ake, was also presented at the hui in Wellington, and provided more detail about the accelerated Taniwha projects. This meeting was instrumental in solidifying a closer working relationship between Waikato-Tainui and the Government as it rolled out its COVID-19 response. In August last year, the resilience plan was presented to central and local government organisations including Te Waka Regional Development, Ministry of Social Development, Hamilton City Council, Waikato Regional Council, Waipaa District Council, Waikato District Council, Kāinga Ora, Ministry of Business, Innovation and Employment, Ministry for Environment, Te Puni Kōkiri, Department of Internal Affairs, Waka Kotahi, Department of Conservation, AgResearch, Ministry of Culture and Heritage, Plant and Food Research, Counties Manukau District Health Board, Waikato District Health Board, Statistics New Zealand, Tertiary Education Commission, Te Waananga o Aotearoa, Wintec, Waikato University and ACC.

Finance reshuffle drives digital transformation

The introduction of a chief financial officer to Waikato-Tainui in May 2020, saw a determined shift by management to preserve cash in the months during and after the COVID-19 lockdowns. Throughout 2020, senior leadership focused on resilience programmes largely funded by sectors for COVID-19 initiatives, and continuity arrangements to allow



teams to work remotely. Chief Financial Officer Sheree Ryan (Te Tihi-o-Moerangi, Ookapu, Mookai Kaainga, Te Ahoroa Marae) saw an opportunity to push go on several digital priorities including automation of operational systems and processes, strengthening the tribe's network and centralising all ICT support to Hopuhopu. An immediate priority was a complete overhaul of the technology currently being used to support Te Whakakitenga members in the performance of their duties. Partnership opportunities with Xero and Microsoft were also planned for the latter half of 2021 to enable better digital support systems for marae and tribal members.

Trades programme successful gateway for rangatahi

In November 2020, the first cohort of rangatahi graduated from our work start programme, "Te Waharoa – Gateway to the Trades" - an accelerated course that introduces participants to the trades industry. Ten rangatahi completed the 10-week programme and celebrated this milestone with whaanau at a special ceremony at the Waikato Tainui College for Research and Development. The programme caters for tribal members (aged 16 to 24yrs) who are not engaged in employment, education or training. It was co-developed with the Building and Construction Industry Training Organisations to address the employment needs of younger tribal members as an opportunity to create meaningful and sustainable pathways for them. Part of the programme induction included visits to sites of significance and learning about tribal whenua projects that involve the trades. Participants are also given the opportunity to experience first-hand the various trades through visits to building and construction sites, and manufacturing warehouses to view the entire process of different materials in action. They are also provided paid work experience with different industry partners. In 2018, Waikato-Tainui signed a kawenata with 11 Industry Training Organisations and in 2019, secured funding from the Provincial Growth Fund to help deliver the programme.

Maatauranga and science guide AgResearch agreement

Waikato-Tainui and AgResearch signed a new partnership agreement in February 2021, that will combine indigenous knowledge and science to enhance environmental and community wellbeing. Former Te Arataura chair Rukumoana Schaafhausen, who is also a director for AgResearch, said the partnership was about using the tribe's maatauranga and scientific research to deliver better outcomes for communities and the environment. As part of the Tupu Whenua project, kaimahi helped to develop the AgResearch 'Hyperfarm' tool that uses big data and digital simulation to visualise land use changes on farms and their consequences, which has significant potential to improve outcomes for the agriculture sector. AgResearch Chief Executive Dr Sue Bidrose said they would work with Waikato-Tainui on areas of mutual interest, especially the quality of waterways and tackling environmental challenges on farms that employ and support iwi members. She added that AgResearch was on a journey to incorporate Te Ao Maaori into its everyday work and the new partnership agreement would be a critical part of that commitment.

Economic gains drive Te Waka partnership

Enabling better economic outcomes for tribal members and Maaori across the Waikato region is the key driver of new partnership Waikato-Tainui signed in February 2021, with economic development agency Te Waka. The partnership aims to embed Maaori values and practices into commercial activities and to introduce new models of working that produce positive social and economic outcomes. The Maaori asset base in Waikato is estimated at \$6.2 billion, which is about 15 percent of Maaori assets in New Zealand. Te Waka is a business led and government agency established in 2018 to drive economic growth in the Waikato. Te Waka Chair Hamish Bell recognised Maaori as integral to the local Waikato economy. "A true partnership with Waikato-Tainui is an important start to our refreshed



strategic intent and will ensure that Te Waka is able to shape its support for Maaori economic development aspirations, alongside iwi's focus and priorities," said Mr Bell. He added that the partnership was an important milestone for Te Waka and reflected their ongoing commitment to develop the Waikato region's Maaori economy in partnership with iwi, hapuu and Maaori enterprise.

Health outcomes priority for partnering with ACC

Waikato-Tainui and ACC committed to a renewed 10-year partnership agreement that aims to improve and lift health outcomes of our tribal members. The agreement, which was signed at a special ceremony held in January of this year, outlines how ACC and Waikato-Tainui will work together to achieve shared aspirations in priority areas such as health and wellbeing outcomes for Maaori. Activities include Waikato-Tainui graduate employment pathways with ACC, data-sharing and the co-design of injury prevention programmes and services that best meet the needs of our tribal members. Tangible actions include a commitment to employ a minimum of six Waikato-Tainui graduates as employees over the next three years. ACC Chief Executive Scott Pickering said the partnership creates opportunities to develop innovative ways to increase Maaori access to ACC entitlements so that as partners we create positive long-term impact for whaanau. Approximately 16 percent of the country's population is Maaori. However only 12 percent of all claims lodged are by Maaori. This provides an opportunity for both Waikato-Tainui and ACC to elevate their commitment to Maaori and specifically uri of Waikato.

Tribal entrepreneurs boosted by pilot start-up fund

Five Waikato-Tainui entrepreneurs were successful recipients of a new start-up fund designed to help tribal members turn their business concepts into reality. With access to pre-seed funding a challenge for many tribal pakih, the pilot start-up fund was created to support

tribal members who could demonstrate a genuine market opportunity, scalability and the capability and commitment to create a successful business. As part of the application process, applicants needed to provide a business plan, financial forecast, marae endorsement and a video explaining their business. Successful recipients of the fund could access up to \$5,000 towards costs associated with getting their businesses up and running. A total of 11 applications were received for the start-up fund. In addition to Waikato-Tainui, the review panel included business representatives from Te Puni Kōkiri and Te Ahikoomako - Centre of Maaori Innovation and Entrepreneurship. The successful recipients were:

- ▶ **Blue Coast Electrical - Dalton Wihongi (Ooraeroa Marae)**
- ▶ **A7 Scaffolding - Keith Awhitu (Ookapu Marae)**
- ▶ **Flex Lounge - Tyrone Grace (Ookarea Marae)**
- ▶ **The Laser Hub - Talesha Wood (Te Kooraha Marae)**
- ▶ **Cookie Queen - Colby Osborne (Ooraeroa Marae)**

"I was so blessed to be selected to receive the business start-up fund. It is definitely the beginning of big things for our new business. It's the excitement of the unknown and possibility that drives me," said Cookie Queen founder Colby Osbourne. A review of the pilot fund would be completed in 2021, to explore options on how this type of fund can be implemented alongside existing tribal grants.

Amohia Ake Iwi Resilience Plan

NIHO PROJECTS - FUNDAMENTAL SUPPORT

Niho Projects: Fundamental Support

The Niho Projects: Fundamental Support workplan included all projects that formed our core functions and back-end operations across the organisation. This ensured continuity of service delivery and our "business as usual" responsibilities.

Deed of Mandate and Terms of Negotiations formally recognised by Crown

In June 2020, the Waikato-Tainui Remaining Claims Deed of Mandate to negotiate both the outstanding parts of the Wai 30 Claims and the Waikato-Tainui Remaining Claims, was formally recognised by the Crown. By December 2020, the Waikato-Tainui Terms of Negotiation were also confirmed. Kaumaatua, oati partners, governors and kaimahi from Waikato travelled to Wellington to witness the signing at a special ceremony held at Parliament. Representatives from the Crown included the Minister for Treaty of Waitangi Negotiations Andrew Little, who signed the terms of negotiation on behalf of the Crown, Minister Nanaia Mahuta and Minister Peeni Henare. Engaging in the Crown's formal mandating process saw several consultation hui held over the past two years, offering opportunities for whaanau, marae and hapuu to be involved and provide input into the settlement process including the appointment of harbour representatives as part of the negotiation team. Much like the Waikato-Tainui River Settlement, some of these negotiations are part of our original claim and will be seeking specific redress for the West Coast Harbours and some land blocks such as Maioro/Waiuku and East Wairoa. This is one of the first settlements to include negotiations for a harbour.

Mangawara bridge opens with safer access to Taupiri Maunga

After two years of construction, the Mangawara Bridge in Taupiri was officially opened on 30 May 2020. Located on the southern side of Taupiri Maunga, the purpose of the bridge is to provide safer access to the urupaa, scenic reserve and private properties. Several partners and stakeholders were involved in the project including the Taupiri Urupaa Komiti, Taupiri Marae, Waikato District Council, Waka Kotahi, KiwiRail, Taupiri Community Board and community, Emmetts Civil Construction and Waikato River Authority. A small opening ceremony was held under the confines of Alert Level 2 restrictions.

Kaimahi Ora Wellbeing Strategy launched

After almost six-months working from home due to COVID-19, Waikato-Tainui kaimahi returned to the offices in September 2020 to help launch the Kaimahi Ora Wellbeing Strategy. The implementation of the strategy completed the iwi's five-year plan milestone of establishing wellbeing indicators for kaimahi to help measure the health of our workforce alongside engagement indicators. Kaimahi Ora will have annual priorities developed each year in consultation with kaimahi. Waananga and events will focus on the different areas of ora (wellbeing) including wairua, hinengaro, kare-aa-roto, tinana, puutea, whaanau and taiao. Other key initiatives included:

- ▶ *Live Your Pepehaa Challenge to encourage kaimahi to connect and engage with their whakapapa whenua, awa, marae and whaanau*
- ▶ *Taki Hauora Challenge which provides a suite of small actions kaimahi can participate in and share with their peers and wider whaanau.*



In November 2020, kaimahi also showed their support for Diabetes Action Month by participating in a three-kilometre whiikoi along the awa and through Hamilton CBD. The campaign focused on educating whaanau about diabetes, inspiring people to act, and encouraging everyone to support those who have diabetes. For the past two years, kaimahi have supported this kaupapa. The 2020 whiikoi raised a total of \$257.20 in koha with Waikato-Tainui donating a further \$1,000 to Diabetes NZ.

Water challenges for Auckland at forefront of summits

Several water summit hui were held between July and September 2020, to discuss the looming water crisis in Auckland. At the first water summit hosted in Hamilton, Waikato-Tainui met with representatives from Auckland Council, Watercare, Hamilton City Council, Waikato Regional Council and Waikato River Authority. Iwi and regional leaders agreed in principle to short-term solutions to address the problem. As a result of the discussions, all parties agreed to enter into an agreement. Although the agreement did not create binding legal rights and/or obligations, it confirmed the commitment of all parties to advance matters of mutual interest for the benefit of the awa and the communities of Auckland and Waikato. Waikato-Tainui also held its own hui in July with mana whenua between Raahui Pokeka, Te Puuaha and Taamaki to discuss this kaupapa. It was an opportunity for iwi leaders to talk about the proposed short-term measures. A board of inquiry was appointed by Minister for the Environment David Parker to review Watercare's application to take an additional 150 million litres of water a day. By March 2021, submissions were filed with the Board and we are now awaiting hearing dates.

Te Pae Kaakaa celebrates second cohort of practitioners

In October 2020, the iwi celebrated the graduation of the second cohort of te reo and tikanga practitioners for Te Pae Kaakaa. A special ceremony was held at Te Papa o Rotu Marae, with both Kiingi Tuheitia and Makau Ariki Atawhai attending the ceremony. A total of 22 practitioners graduated from the 2020 programme. Established in 2018, Te Pae Kaakaa caters to advanced te reo and tikanga practitioners and includes a series of waananga that focus on the future upholders of our marae paepae.





Special Marae Grant distributed with investment resources

At the end of 2020, marae trustee chairs received information to uplift a special marae grant, along with an investment concept resource called *Growing Marae Wealth for Future Generations*. The resource was created to support marae with their learning of financial investment. Te Whakakitenga passed a resolution in 2020 to disburse a special marae grant to raupatu marae over and above their annual grant. The total disbursement was \$20 million shared across the 68 raupatu marae. Disbursement to each marae included a \$100,000.00 baseline grant and a 'per capita' amount based on the number of registered tribal members to each marae as of the April 1, 2020. This \$20 million special grant was the highest on record. Special marae grants have occurred twice in the past with disbursements in 2017 and 2019.

Tainui Live join with Waikato-Tainui Group

A rebrand for Radio Tainui was one of several exciting changes the station made since joining the Waikato-Tainui Group in March 2020. The station officially opened its new offices in central Hamilton in November last year and relaunched itself with a rebrand from Radio Tainui to Tainui Live. The new brand broadcasts multimedia content 24/7 through social media platforms and internet interfaces, as well as traditional radio frequencies. The station continues to grow its brand and has over 17,000 Facebook followers, 1500 Instagram followers and 4000 Tik Tok followers. Future activities and initiatives will see Tainui Live collaborate closely with other iwi radio stations and media outlets to deliver language content and regional news coverage.

New and experienced governors welcomed into tribal leadership

In February 2021, Te Whakakitenga o Waikato held its Triennial Special Meeting. New members joined the ranks alongside stalwarts across both Te Whakakitenga (the

tribal parliament) and Te Arataura (the tribal executive committee). Almost 50 percent of members within this term of Te Whakakitenga are first timers. This milestone included new appointments to the chair and deputy chair roles. Linda Te Aho (Poohara Paa) was appointed the new Chair of Te Arataura, with Kaahui Ariki Representative Ngira Simmonds taking on the role of Deputy Chair. Parekawhia McLean (Te Papa-oo-Rotu Marae) was re-elected as Chair of Te Whakakitenga, with Ikimoke Tamaki-Takarei (Tuurangawaewae Marae) taking on the role of Deputy Chair.

Hui-aa-Tau reunites iwi despite COVID-19 uncertainties

Despite the possibility of potential alert level changes, members of Te Whakakitenga along with kaimahi, kaumaatua and tribal members, attended the tribe's Hui-aa-Tau in July 2020. Held over two days, approximately 350 people attended in person, whilst some 200 were joining online via our social media live stream. "Due to COVID-19 and ensuring we adhered to strict health and safety guidelines, the Hui-aa-Tau was very low-key but still very engaging for those who attended. Given the circumstances, it was great to see whaanau aa-tinana but also to those who watched our live stream," said Hinga Whiu, Events Manager.





Collaborative Maaori-led community hub share

A collective partnership between Waikato-Tainui, the Office of the King, Kāinga Ora and Ara Poutama Aotearoa (Department of Corrections), is proposing to build 47 new warm, dry homes and a community hub at Collins Road in Melville, Hamilton. The name of the development, Te Mauri Paihere ki Mangakootukutuku (weaving life principles) was gifted by Kiingi Tuheitia. The land being used for the proposed development will be leased from the iwi to Kāinga Ora and will create a safe and caring kaupapa Maaori-led community for all who live there. In March 2021, Waikato-Tainui supported Ara Poutama Aotearoa and Kāinga Ora with a series of information hui. Proposed project plans were shared with the community ahead of the application for resource consent being lodged. Some of the key areas outlined in the proposed plan include:

- ▶ **16 whare will be set aside to provide transitional housing and reintegration support for waahine who have recently left a corrections facility and their whaanau, as they reconnect with whaanau.**
- ▶ **Kiingi Tuuheitia's vision, Kiingitanga values, Maaori tikanga and protocols, and a strong connection with the whenua will underpin the development and how it operates.**
- ▶ **The proposed development will include a community centre and significant green spaces that will be available to the wider community.**
- ▶ **The proposed plans are subject to resource consent being approved. Subject to consent, work could start in late 2021, with completion in 2023.**

Iwi Comms Collective keep Maaori voices at the forefront

In April 2020, Waikato-Tainui convened an initial hui of iwi communications and engagement practitioners to gain a better understanding of the communications response to COVID-19. As a result, the Iwi Comms Collective was established to ensure engagement between the Government and Maaori communities was being met. It includes comms professionals representing perspectives from around 40 iwi-based organisations including Te Rarawa, Te Arawa, Ngaati Maniapoto, Ngai Tahu, Ngaa Puhī, Te Kahu o Taonui, Ngaati Whaatua ki Ooraakei, Ngaati Wai, Ngaati Tuhoe, Ngaa Taangata Tiaki o Whanganui, Ngaati Ranginui, Tuuwharetoa and Ngaati Awa. A priority for the group was to open a clear line of communication to agencies responsible for coordinating the all of government messaging for COVID-19. At a hui held in March 2021, members discussed the Government's COVID-19 immunisation programme and said they would continue to advocate for Maaori whaanau by prioritising access to information that would help them make informed decisions about the vaccine.





Habitat for Humanity and Shared-Equity housing wins for Te Kaarearea

The first group of houses built by Habitat for Humanity within Te Kaarearea, were officially handed over to whaanau at a special blessing ceremony held in March 2021. Three whaanau with connections to Maurea and Te Kotahitanga Marae, moved into their new homes as part of Habitat's Progressive Homeownership Programme. Partial funding for the project has been provided by the Ministry for Housing and Urban Development which prioritises Māori, Pasifika and families. A total of 12 sites were purchased by Habitat for Humanity, who then partnered with Golden Homes to build the houses. By the end of June 2021, all 12 homes will be allocated. Part of Habitat for Humanity's criteria for the programme includes:

- ▶ **Housing Need – Applicants must demonstrate housing need, for example, they live in poor-quality housing or housing that is unaffordable (ie, paying more than 30 percent of their household income on housing costs).**
- ▶ **Financial Capacity – Applicants must have a household income of \$55,000 to \$95,000 with a likelihood of being able to seek bank finance in five to seven years.**
- ▶ **Willingness to Partner - Applicants must be proactive and motivated families with a desire to improve their circumstances.**

Once families have completed five years and met the requirements of tenancy, they will then enter a long-term sale and purchase agreement to transition them ownership of the property (by obtaining a mortgage from the bank. Habitat for Humanity and Waikato-Tainui are in the process of developing a memorandum of understanding to help strengthen our relationship.

Through our shared ownership programme, 15 house and land packages were also purchased by whaanau at Te Kaarearea. Seven homes were completed in 2020, with the remaining eight to be ready the following year. The programme is supported by the New Zealand Housing Foundation (NZHF), a charitable trust established in 2001 to deliver affordable housing options for working New Zealand household. Following the guidelines of NZHF, the criteria for whaanau to access the shared ownership programme through Waikato-Tainui is that they must:

- ▶ **Be a Waikato-Tainui registered Iwi Member and first home buyer**
- ▶ **Have attended or will attend Waikato-Tainui home ownership workshops**
- ▶ **Intend to own and live in the home as their main residence for minimum of three years**
- ▶ **Meet lending criteria**
- ▶ **Have a household income of between \$65,000 to \$95,000**

Whaanau needed to show that they were able to get a mortgage offer from the bank for a minimum of 70 percent of the total house and land package cost. Waikato-Tainui then partnered with the whaanau for the remainder of the mortgage amount and the whaanau have 15 years to pay the balance back to Waikato-Tainui and take full ownership of their whare. Westpac agreed to partner with Waikato-Tainui to offer shared-ownership mortgages to whaanau. The partnership with Westpac was a major positive for the programme.



Advocacy for whaanau and mokopuna continues

In 2020 – 2021, Mokopuna Ora successfully improved the wellbeing outcomes for 94 Waikato whaanau with reports of concern for 260 mokopuna. An overwhelming majority or 99 percent of cases had their care and protection concerns addressed with solutions informed by a whaanau-led process, of which 70 whaanau and 203 mokopuna successfully exited the Oranga Tamariki system completely. This mahi alongside whaanau also informs Mokopuna Ora advocacy at a strategic level within the care and protection sector, where we actively input into legislation, strategies, policies, processes, practices, and procedures that impact whaanau. Mokopuna Ora started in 2015 and entered into a strategic partnership agreement with Oranga Tamariki in 2019. The aim of Mokopuna Ora is to stop mokopuna being taken into the care of the State, by supporting whaanau and creating pathways that are whaanau-led and mokopuna centred to help them achieve mana motuhake. Mokopuna Ora do this by working in the community as independent tribal advocates' that specialise in supporting whaanau who come to the attention of Oranga Tamariki, to navigate the care and protection system.







Ngaa Puurongo aa-Tahua

*Waikato Raupatu Lands Trust Consolidated
Financial Statements for the year ended 31
March 2021*

DIRECTORY

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Waikato Raupatu Lands Trust Directory

For the year ended 31 March 2021

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
FACSIMILE	+64 7 858 0431
WEBSITE	waikatotainui.com



Independent auditor's report

To the Trustees of Waikato Raupatu Lands Trust

Our opinion

In our opinion, the accompanying consolidated financial statements of Waikato Raupatu Lands Trust (the Trust), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2021, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 March 2021;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

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.

Our firm carries out other services for the Group in the areas of tax compliance, tax consulting, real estate advisory, the licencing of a software tool for statutory financial statement preparation, and executive remuneration training and benchmarking. The provision of these other services has not impaired our independence as auditor of the Group.

Emphasis of matter - Material uncertainty related to The Base Te Awa Limited (The Base Te Awa) investment property valuation

As discussed in notes 2.1(f)(iv) and 18 of the financial statements, the independent registered valuer of The Base Te Awa, included in investment properties, has included a material valuation uncertainty clause in their valuation report. This clause highlights that less certainty, and consequently a higher degree of caution, should be attached to the point estimate valuation as a result of the COVID-19 pandemic. This represents an increase in the significant estimation uncertainty in the valuation of the Group's investment property interest in The Base Te Awa. Our opinion is not modified in respect of this matter.



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 consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Trustees and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Trustees for the consolidated financial statements

The Trustees are responsible, on behalf of the Trust, for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards, and for such internal control as the Trustees determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs 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 these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

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 cursive script, appearing to read 'Richard Day', written in dark ink.

Chartered Accountants
Auckland, New Zealand
25 June 2021

Waikato Raupatu Lands Trust

Consolidated statement of comprehensive revenue and expense

for the year ended 31 March 2021

	Note	2021 \$'000	2020 Restated \$'000
Revenue from exchange transactions		60,569	58,734
Revenue from non exchange transactions		8,448	-
Other operating revenue		1,969	2,389
Total revenue	3	70,986	61,123
Expenses	4	(51,342)	(64,793)
Finance costs - bank loans		(6,044)	(7,092)
Finance revenue		3,448	11,315
Share of profit of investments accounted for using the equity method	27	6,736	3,531
Net operating surplus before other gains and tribal activities		23,784	4,084
Other gains / (losses) - net	5	116,647	(23,165)
Net operating surplus / (loss) before tribal activities		140,431	(19,081)
Other income		8,738	4,351
Social investment	6	(40,347)	(19,833)
(Loss) from tribal activities		(31,609)	(15,482)
Net surplus / (loss) before tax		108,822	(34,563)
Income tax expense	7	-	(1,298)
Net surplus / (loss) after tax		108,822	(35,861)
Attributable to equity holders of Waikato Raupatu Lands Trust		108,822	(35,861)
Other comprehensive income			
Items that will not be reclassified to surplus:			
Gain / (loss) on revaluation of hotels, farms and owner occupied properties	17,8	3,544	(5,365)
Gain on revaluation of carbon credits	8	4,159	2,949
Other	8	223	-
Items that may be subsequently reclassified to surplus or loss:			
Share of other comprehensive income of investments accounted for using the equity method	8, 27	-	1,110
Total other comprehensive income / (loss)		7,926	(1,306)
Total comprehensive income / (loss)		116,748	(37,167)
Total comprehensive income / (loss) attributable to:			
Equity holders of Waikato Raupatu Lands Trust		116,748	(37,167)
		116,748	(37,167)

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 2021

	Note	2021 \$'000	2020 Restated \$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	246,334	195,804
Trade and other receivables	10	27,443	20,421
Other financial assets	15	188,025	227,623
Inventories	11	5,233	10,226
Biological assets - livestock	12	4,634	4,469
Assets classified as held for sale	13	-	39,877
Total current assets		471,669	498,420
Non-current assets			
Other receivables		6,833	7,651
Other financial assets	15	58,867	43,559
Investments in joint ventures	27	70,908	54,575
Intangible assets	16	33,186	28,784
Biological assets - forestry	12	17,733	15,950
Property, plant and equipment	17	181,129	176,142
Investment properties	18	570,958	497,022
Te Wherowhero title properties	19	117,724	110,959
Total non-current assets		1,057,338	934,642
Total assets		1,529,007	1,433,062
LIABILITIES			
Current liabilities			
Trade and other payables	22	38,148	22,289
Accrued revenue	25	263	263
Interest bearing liabilities	20	100,000	111,948
Other financial liabilities at fair value through surplus or deficit	21	1,402	1,910
Total current liabilities		139,813	136,410
Non-current liabilities			
Accrued revenue	25	29,925	30,188
Interest bearing liabilities	20	30,762	53,550
Other financial liabilities at fair value through surplus or deficit	21	702	1,857
Total non-current liabilities		61,389	85,595
Total liabilities		201,202	222,005
Net assets		1,327,805	1,211,057
EQUITY			
Accumulated comprehensive revenue and expenses	8	1,281,374	1,172,329
Reserves	8	46,431	38,728
Total equity		1,327,805	1,211,057



LINDA TE AHO
Chairperson
25 June 2021



HINERANGI RAUMATI-TU'UA
Representative of Te Arataura
25 June 2021

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 2021

				Attributable to equity holders of the Trust		
				Reserves Restated	Accumulated comprehensive revenue and expense Restated	Total equity Restated
				\$000	\$000	\$000
Note						
	Balance as at 1 April 2019			40,034	1,205,736	1,245,770
	Carbon credit adjustment			3,545	2,454	5,999
	Restated balance as at 1 April 2019			43,579	1,208,190	1,251,769
<hr/>						
	Comprehensive revenue					
	Restated net loss for the year			-	(35,861)	(35,861)
	Other comprehensive revenue and expense					
	Items that will not be reclassified to surplus and deficit					
	Loss on revaluation of farms and owner occupied properties	8		(5,365)	-	(5,365)
	Restated gain on revaluation of carbon units			(596)		(596)
	Share of other comprehensive income from investments accounted for using the equity method	27		1,110	-	1,110
	Total other comprehensive revenue and expense			(4,851)	-	(4,851)
	Total comprehensive revenue and expense			(4,851)	(35,861)	(40,712)
	Balance as at 31 March 2020			38,728	1,172,329	1,211,057
<hr/>						
	Balance as at 1 April 2020			38,728	1,172,329	1,211,057
	Comprehensive revenue					
	Net surplus for the year			-	108,822	108,822
	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	8		3,544	-	3,544
	Gain on revaluation of carbon units			4,159	-	4,159
	Share of other comprehensive gain from investments accounted for using the equity method			-	-	-
	Other			-	223	223
	Total other comprehensive revenue and expense			7,703	223	7,926
	Total comprehensive revenue and expense			7,703	109,045	116,748
	Balance as at 31 March 2021			46,431	1,281,374	1,327,805

This consolidated statement of changes in 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 2021

	Note	2021 \$000	2020 \$000
Cash flows from operating activities			
Receipts from customers		67,920	57,929
Proceeds from relativity settlement received from the Crown		2,894	1,245
Payments to suppliers and employees		(42,823)	(41,293)
Payments to grant recipients		(23,794)	(20,535)
Interest received		3,448	6,603
Interest paid		(6,043)	(6,916)
Net cash inflow/(outflow) from operating activities		1,602	(2,967)
Cash flows from investing activities			
Receipts from disposals (investments in joint-venture)	13	51,038	-
Payments for other financial assets (investment in listed companies)		(42,967)	(42,033)
Receipts from sales of other financial assets (investments in listed companies)		57,009	45,300
Payments for other financial assets (investment in funds)	15	(90,337)	(3,965)
Receipts from other financial assets (investments in unlisted funds)	15	151,096	-
Distributions received from investments in companies		1,969	2,389
Payments for contribution/investment in joint venture	27	(14,214)	(15,600)
Receipts from joint venture dividends	27	4,802	15,525
Payments for property, plant and equipment	17	(5,451)	(12,698)
Payments for intangible assets	16	(554)	(257)
Payments for investment properties		(28,725)	(11,622)
Net cash inflow/(outflow) used in investing activities		83,666	(22,961)
Cash flows from financing activities			
Proceeds from borrowings		30,389	39,390
Repayment of borrowings		(65,125)	(19,180)
Net cash (outflow)/inflow generated from financing activities		(34,736)	20,210
Net increase / (decrease) in cash, cash equivalents, and bank overdrafts		50,532	(5,718)
Cash, equivalents and bank overdrafts at the beginning of the year		195,804	201,522
Cash, cash equivalents and bank overdrafts at the end of the year	9	246,336	195,804
Reconciliation of (loss)/surplus for the year to net cash inflow from operating activities			
Net surplus/(loss) after tax for the year		108,822	(35,861)
Non-cash items:			
Depreciation, amortisation and impairment	4	2,639	17,886
Share of total profits of joint ventures		(6,736)	(3,531)
Other gains/(losses) - net	5	(116,647)	23,165
Other movements		1,819	1,740
(Increase)/decrease in current assets:			
Trade and other receivables		(6,205)	(7,567)
Inventories		4,993	1,611
Biological assets		(2,679)	(2,532)
Increase/(decrease) in current liabilities:			
Trade and other payables and employee entitlements		15,859	2,384
Other financial liabilities		(263)	(262)
Net cash inflow/(outflow) from operating activities		1,602	(2,967)

This consolidated statement of cash flow should be read in conjunction with the accompanying notes. WAIKATO RAUPATU LANDS TRUST ANNUAL REPORT 2021

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

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.

The Trust is incorporated and domiciled in New Zealand.

These consolidated financial statements have been approved for issue by Te Arataura on 25 June 2021.

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, totalled \$170.0m.

As part of the Deed of Settlement, a relativity clause is provided which allows for further settlement redress. The payment of further settlement from the Crown was triggered in the financial year ended 31 March 2013, when all Treaty settlements since 1994 exceeded \$1.0b. The amount of \$70.0m was received in December 2012 upon first claim under the relativity clause. Further to this in December 2014 an amount of \$12.5m was received as a result of the arbitration process which followed the first claim. The second claim was made in December 2017 with an amount of \$189.6m. As a result of arbitration, further amounts were received of \$16.8m in April 2018, \$1.2m in April 2019 and \$2.8m in August 2020. The claims are made five yearly. No settlement is payable after 2045. For further details on accounting policy and treatment for relativity settlement 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;

(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 shall be 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. \$21.0m has been paid with an annuity payable to the Waikato River Authority of \$1.0m per year for a further 7 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 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 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 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

There have been no changes in accounting policies during the year ended 31 March 2021.

(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 2021 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 and owner occupied properties (note 17), investment properties (note 18) and Te Wherowhero title properties (note 19) are stated at fair value. The fair values have been determined by independent valuers as at 31 March 2021 and 31 March 2020 using a mixture of market evidence of transactional prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches. For a selection of these asset classes, they are valued triennially and assessed for impairment for out of cycle periods. If the assessment suggests a material movement in the valuation then a revaluation is completed.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

2 Summary of general accounting policies

Biological assets (note 12) 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 15) include shares in listed companies, unlisted equity funds 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 funds is determined using redemption price as determined by the Fund's administrator.

Interest rate swaps (note 21) are valued using discounted cash flow techniques and observable market information.

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.

Non-current assets are classified as assets held for sale (note 13) 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.

(iii) Impairment testing

Indefinite life intangible assets

Intangible assets with indefinite useful lives (note 16) 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 fishstock individually and providing an estimate of the likely market value for each fishstock which is based on market inputs.

Carbon credits are intangible assets with an indefinite useful life carried at revalued amount. In line with PBE IPSAS 21 the difference between fair value and fair value less costs of disposal is the direct incremental costs attributable to the disposal of the asset. The disposal costs of the carbon credits are negligible, therefore the recoverable amount of the carbon credits need not be estimated.

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.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

2 Summary of general accounting policies

(iv) COVID-19 pandemic

An assessment of the impact of COVID-19 on the Group's balance sheet has been completed for the current and prior year based on information available at the time of preparation of these financial statements.

Balance Sheet Item	COVID-19 assessment	Notes
Property, plant and equipment	<p>Farms and owner occupied properties, and hotels are held at fair value. Independent valuations were completed for farm and owner occupied properties at year end, taking into account active and perceived impacts of COVID-19 on the asset group. Hotels are held at fair value with current accounting policy requiring triennial valuation unless market conditions suggest there may be a material movement from the recorded value. Given the impacts of COVID-19, independent valuations were completed outside of the typical three year cycle both for the year ended 31 March 2021 and the year ended 31 March 2020.</p> <p>Forecasting market outcomes and hotel performance is difficult due to the large number of variables. Current market forecasts may be subject to more volatility than historically experienced due to the COVID-19 outbreak and the weight of new room supply in some markets and uncertainty in the extent of future demand growth. The valuer has factored in occupancy uncertainty. However the estimation uncertainty inherent in the current year hotel valuations is not considered material.</p> <p>In FY20 the valuers made reference to material valuation uncertainty as a result of COVID-19 in their valuations. There have been no references made to material valuation uncertainty by valuers in FY21. All other property, plant and equipment is held at cost less accumulated depreciation. The Group has not observed any evidence that these amounts have declined in value from COVID-19 which would require recognition of an impairment in either FY21 or FY20.</p>	17
Intangible assets	<p>Fishing quota is valued by an independent external valuer. This was completed post year-end to provide the most recent market information and allow for anticipated impacts of COVID-19 at 31 March 2021 and 31 March 2020. Given the immediate and long term benefits of seafood being part of an essential service, an assessment confirmed that there was no impact from COVID-19.</p>	16
Investment properties and Te Wherowhero title properties	<p>Independent valuations were completed for investment properties at year-end. In the prior year, given the restrictions on the economy at COVID-19 levels 2, 3 and 4, there were limited property transactions to draw comparisons from and therefore a greater reliance was placed on other methods of valuation. The valuers therefore made reference to material valuation uncertainty as a result in their valuations.</p> <p>For the year ended 31 March 2021 reference to material valuation uncertainty was made by the valuers in relation to The Base, refer to note 18 and 19. No other properties were valued on a material valuation uncertainty basis.</p>	18,19
Investments in joint ventures	<p>Investment in joint ventures are equity accounted. Impairment assessments were completed on all investments within the portfolio. Consideration included assessing the current accounting treatment used by the investee entity, the industry impacts of the pandemic and other observable inputs.</p> <p>Where impacts of COVID-19 were observed, an impairment loss has been recognised. In the current year, impairment indicators were identified for the Tainui Auckland Airport Hotel 2 LP. As a result an impairment loss of \$1.5m was recognised for the year ended 31 March 2021. Refer to note 27.</p>	27

No other line items have been materially impacted by the COVID-19 pandemic.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

2 Summary of general accounting policies

2.2 Comparative information - correction of prior year error

In the current year, it was identified that carbon credits were not correctly recorded in the financial statements for the year ended 31 March 2020. The error was due to:

- Certain carbon credits not being recorded in the financial statements;
- Certain carbon credits being recorded as biological assets rather than as intangible assets, this has resulted in gains on carbon credits being accumulated in retained earnings rather than in reserves through other comprehensive income in prior years; and
- The accounting policy for carbon credits previously indicated that carbon credits, which are intangible assets acquired by way of a government grant, were held at cost after initial recognition. However the Group's policy has always been to revalue these assets annually. The disclosure in note 16(c) has been updated to reflect the corrected policy.

These errors have now been corrected in the comparative information in the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and related notes. This correction had the following impact as at 31 March 2020:

	Note	Original \$'000	31 March 2020 (Restated) \$'000	Increase / (decrease) \$'000
Consolidated statement of comprehensive income (extract)				
Non-current biological assets - fair value gains	5	2,791	2,319	(472)
Consolidated statement of financial position (extract)				
Reserves	8	35,779	38,728	2,949
Opening accumulated comprehensive revenue and expense	8	1,205,736	1,208,190	2,454
Non current (Forestry) Biological Assets	12	17,154	15,950	(1,204)
Intangibles	16	22,552	28,784	6,232

In addition to the above summary, an adjustment to opening accumulated comprehensive revenue and expenses of \$2.5m and an adjustment to opening reserves of \$3.5m has been recognised in the statement of changes in equity for the year ended 31 March 2020 in relation to the carbon credit adjustment.

Other changes

Certain comparatives have been reclassified to ensure consistency with the presentation in the current year. Notable changes have been footnoted throughout the financial statements. All reclassifications and restatements have had no impact on net profit.

2.3 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.

2.4 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 27 for details of entities that have charitable status.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, 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. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

▶ **2 Summary of general accounting policies**

2.6 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.

2.7 Financial assets and liabilities

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

- (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.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

2 Summary of general accounting policies

Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured.

Evidence of impairment may include indication that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, high probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive revenue and expense.

2.8 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.

2.9 Accrued revenue

Accrued revenue comprises of The Base Joint Venture, a 50% joint-venture partnership with Kiwi Property Group Limited. The principal activity of the Joint Venture is to own and manage the Joint Venture Property, known as The Base. Accrued revenue comprises of lease revenue received in advance. This is amortised over 120 year term using the straight line method.

2.10 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 a number of 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 interest expense.

2.11 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, with the exception of receivables and payables, which include GST invoiced.

2.12 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 Summary of general accounting policies**

2.13 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.



Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

2 Summary of general accounting policies

2.13 Accounting standards issued not yet effective

The following are new, revised, or amended standards that are applicable to the Group which are in issue but are not yet required to be adopted for the year ended 31 March 2021:

(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.

PBE IFRS 9 is an interim standard, which introduced a number of changes to the recognition and measurement of financial instruments, including new classification and measurement requirements for financial assets, new hedging requirements and a new impairment model for financial assets. New Zealand Accounting Standards Board (NZASB) decided to develop PBE IPSAS 41 and withdraw PBE IFRS 9 to align the requirements in PBE standards with most recent IPSAS, equivalent NZ IFRS and allow entities to adopt an updated hedge account requirement which are closely aligned with entity risk management practices. PBE IPSAS 41 is substantially converged with PBE IFRS 9 except for specific modifications made by NZASB.

(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, the Group will be required to present service performance information for the first time in its financial statements for the year ending 31 March 2023.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

3 Revenue

	Consolidated	
	2021 \$'000	2020 \$'000
Revenue from exchange transactions		
Rental revenue	27,398	28,240
Amortisation of capitalised lease incentives	(518)	(462)
Hotel revenue	16,123	19,129
Fishing revenue	1,788	2,113
Dairy and livestock revenue	4,381	4,637
Other revenue	4,744	956
Sale of sections	6,653	4,121
Total revenue from exchange transactions	60,569	58,734
Revenue from non exchange transactions		
External funding for social investment projects	5,093	-
Wage Subsidy - Hamilton Riverview Hotel	1,857	-
Wage Subsidy - Tainui Group Holdings	306	-
Wage Subsidy - Waikato Raupatu Lands Trust	1,192	-
Total revenue from non exchange transactions	8,448	-
Other operating revenue		
Distributions from unlisted investments	674	618
Distributions from listed investments	1,295	1,771
Total other operating revenue	1,969	2,389
Total revenue	70,986	61,123

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.

(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.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

3 Revenue

(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 NZ COVID-19 wage subsidy and external funding for social investment projects. Non-exchange revenue is recognised as follows:

(h) Government Grants

The Group received \$3.4m of wage subsidies for COVID-19. This includes 100% owned entities, including Hamilton Riverview Hotel. Government grants received 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.

(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.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ 4 Expenses

		Consolidated	
	Note	2021 \$'000	2020 \$'000
Amortisation	16	311	263
Audit fees paid to trust auditors		421	296
Other fees paid to auditor		93	221
Additional audit fees in relation to prior year audit		25	-
Bad debt written off		68	15
Consultancy fees		1,943	1,887
Depreciation	17	4,012	3,956
Direct costs from hotel operations		5,243	6,801
Doubtful debt provision		(346)	(1,019)
Director and trustee fees		1,347	1,253
Employee benefits		20,326	18,706
(Impairment reversal) / impairment		(1,684)	13,570
Rates		3,128	2,857
Repairs and maintenance		2,863	2,864

PwC carries out other services for the Group in the areas of tax consulting and planning of \$28.9k, real estate advisory services of \$42.3k, the licensing of a software tool for statutory financial statement preparation of \$7.8k and other services of \$13.5k related to remuneration benchmarking and training. In the prior year, PwC carried out other services for the Group in the areas of tax compliance and tax consulting \$21.3k, tax pooling and tax financing services \$85.2k, real estate advisory services of \$90.7k and other services of \$24.3k related to remuneration benchmarking and training.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ 4 Expenses

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 a past practice that has created a constructive obligation.

▶ 5 Other (losses)/gains - net

		Consolidated	
	Note	2021 \$'000	2020 Restated \$'000
Investment property - fair value gains / (losses)	18	45,213	(12,714)
Gain on sale of joint-venture		9,711	-
Te Wherowhero title properties - fair value gains / (losses)	19	6,765	(7,754)
Interest rate swaps - fair value gains		1,662	779
Forestry assets - fair value gains	12	1,388	2,319
Livestock - fair value gains / (losses)	12	165	(406)
Shares in listed companies - fair value gains / (losses)	15	17,209	(4,240)
Property, plant and equipment losses on disposal		(20)	(89)
Investment in funds - fair value gains / (losses)	15	34,373	(221)
Shares in unlisted company AFL - fair value losses	15	-	(1,100)
Co-management fund - fair value gains		181	261
Total gains / (losses)		116,647	(23,165)

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

6 Social investment

	Consolidated	
	2021 \$'000	2020 \$'000
Social investment during the year comprised of the following:		
Ngaa Tohu Kaupapa		
- Marae Asset Development	750	2,209
- Marae Connection	155	-
- Tribal Engagement	-	692
- Mahi Tupuna	567	522
- Iwi Taonga	20	-
- Te Reo and Tikanga	1,188	1,070
- Heritage and Identity Grants	-	484
- College	360	720
Ngaa Tohu Hapori		
- Tribal Member Wellbeing	946	130
- Education	100	689
- Claims and Settlements	451	388
- Employment and Pathways	645	197
- Housing	233	162
- Tertiary Education Grants	665	1,125
- Kaumaatua Medical Grants	1,386	1,312
- Kaumaatua Travel Grants	152	277
Ngaa Tohu Taiao		
- Improve Wai and Whenua	785	351
- Mana Whakahaere	638	123
- Claims and Settlements	-	50
- Taiao Grant	1,051	722
Ngaa Tohu Whai Rawa		
- Tribal Member Wealth	-	157
- Strategic Procurement	272	18
- Annual Marae Distribution	3,000	3,000
- Special Marae Distribution	20,000	-
- Branding and Identity	35	71
- Claims and Settlements	299	738
- Group Investment	-	185
Mahi Tonu		
- Tribal Centre	360	307
- Kiingitanga Grant	2,500	2,500
- Tribal Engagement	-	49
- Digital Systems and Tools	196	771
- Governance and Administration	774	814
- Externally funded project	2,819	-
	40,347	19,833

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

6 Social investment

Recognition and measurement

Social investment includes grant expenses provided by the Trust or funded by external parties, and are recognised in the consolidated statement of comprehensive revenue and expense immediately once approved. Grants are measured at the amount paid or expected to be paid.

7 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 have a tax expense of nil for the year ended 31 March 2021 (2020: \$1.3m).

The taxable members of the group have losses of \$0.7m (2020: \$0.9m) to carry forward to meet any potential income tax liability. No deferred tax asset has been recognised for these unused tax losses. They can be carried forward indefinitely.

8 Reserves and retained earnings

		Consolidated	
Note	2021 \$'000	2020 Restated \$'000	
(a) Reserves			
	39,323	35,779	
	7,108	2,949	
	46,431	38,728	
(i) Hotel, farm and owner occupied properties revaluation reserve			
	35,779	39,756	
	-	1,388	
17	3,544	(5,365)	
	39,323	35,779	
(ii) Other comprehensive income from joint ventures			
	-	278	
	-	(1,388)	
27	-	1,110	
	-	-	
(iii) Carbon credits			
	2,949	3,545	
16	4,159	(596)	
	7,108	2,949	

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ **8 Reserves and retained earnings**

(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) Other comprehensive income from joint ventures

Other comprehensive income / (loss) from joint ventures includes the fair value of hedging reserves. The amounts are recognised in the profit and loss component of the consolidated statement of comprehensive revenue and expense when the associated hedged transactions affect profit or loss.

(iii) Carbon credits revaluation reserve

Carbon credits revaluation reserve recognises the change in fair value of Emmission Trading Scheme New Zealand Units held in this category.

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated	
	2021 \$'000	2020 Restated \$'000
Balance at beginning of year*	1,172,329	1,208,190
Net surplus / (loss) for the year	108,822	(35,861)
Other	223	-
Balance at end of year	1,281,374	1,172,329

*The amounts disclosed at the beginning of the prior year are after the restatement for the correction of the error disclosed in note 2.2.

▶ **9 Cash and cash equivalents**

	Consolidated	
	2021 \$'000	2020 \$'000
Cash at bank and in hand	9,137	2,782
Deposits at call	214,197	7,122
Term deposits	23,000	185,900
Total cash and cash equivalents	246,334	195,804

As at 31 March 2021, no cash or cash equivalents are pledged as security or restricted (2020: nil).

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ **10 Trade and other receivables**

	Consolidated	
	2021 \$'000	2020 \$'000
Trade and other receivables	26,475	20,084
Less provision for doubtful receivables	(104)	(422)
Prepayments	1,072	759
Total trade and other receivables	27,443	20,421

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.

▶ **11 Inventories**

	Consolidated	
	2021 \$'000	2020 \$'000
Land	4,884	10,002
Other inventories	349	224
Total inventory	5,233	10,226

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.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
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▶ 12 Biological assets

		Consolidated	
	Note	2021 \$'000	2020 Restated \$'000
Current - livestock			
Balance at beginning of year		4,469	4,875
Additions		372	189
Decreases due to sales		(372)	(189)
Changes in fair value	5	165	(406)
Balance at the end of the year		4,634	4,469
Non-current - forestry assets			
Balance at beginning of year		15,950	13,484
Additions		395	147
Changes in fair value*	5	1,388	2,319
Balance at the end of the year		17,733	15,950

*The amounts disclosed in the prior year are after the restatement for the correction of the error disclosed in note 2.2.

As at 31 March 2021, livestock comprised of 3,351 cattle and 4,351 sheep (2020: 3,588 cattle and 4,286 sheep) which are held for dairy and drystock farming. M Gaustad from NZ Farmers Livestock determined the fair value of sheep, cattle and cows at 31 March 2021 and 31 March 2020. The valuation is based on reference to market evidence of current market prices less point-of-sale costs.

The livestock valuation is based on market comparison, specifically current market prices less point-of-sale costs. Market prices include assumptions of livestock of similar age, breed and genetic merit.

As at 31 March 2021, forestry assets comprised of Pinus Radiata forest planted from 1996 to 1997, Pinus Radiata forest planted from 2001 to 2002 and Californian Coast Redwoods planted from 2005 to 2012. It is expected that the rotation age for the Pinus Radiata crop will be 27 years and Californian Coast Redwoods, 35 years, at which time the crop will be harvested. All non-current biological assets were valued by Woodlands Pacific Consulting Limited as at 31 March 2021. (2020: K Reardon from Forme Consulting Group).

The trees are valued using the Discounted Cash Flow (DCF) method except for Onewhero and Rotowaro forest. Stands aged under five years are valued by the replacement cost method. Stands aged five to fourteen inclusive are derived by merging replacement costs (cost compounded) and discounted net cash flow. The non-current biological assets are held for investment.

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.

Recognition and measurement

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

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ **13 Assets classified as 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.

In the prior year, February 2020, the directors resolved to sell shareholdings in Go Bus. The sale was completed on the 4th of August 2020 to Melbourne-based industry operator, Kinetic.

Note	Consolidated	
	2021 \$'000	2020 \$'000
Directly owned investment in a joint venture	-	39,877
Total assets held for sale	-	39,877

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
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▶ 14 Related party transactions

(a) Key management personnel compensation

	Consolidated	
	2021 \$'000	2020 \$'000
<u>Class 1 Key management personnel - Senior management</u>		
Total remuneration	4,646	3,773
<u>Class 2 Key management personnel - Directors and representatives</u>		
Tainui Group Holdings Limited:		
H Raumati-Tu'ua* ***(appointed chair May 2021, previously Director)	45	50
M Allen	53	113
T J R Simpson ***	45	50
D Bracewell***	45	47
M Petersen***	48	-
H van der Heyden*** (Chair) (Retired April 2021)	92	100
L Te Aho* *** (Retired March 2021)	45	50
M Cockram (Retired August 2019)	-	21
Te Arataura:		
L Te Aho* (Chair)	70	44
N Simmonds (Deputy Chair) (appointed January 2021)	15	-
H Raumati-Tu'ua*	49	44
J Colliar	50	45
D Turner	49	44
H Matatahi (appointed January 2021)	12	-
T Ngataki (appointed January 2021)	12	-
M Graham (appointed January 2021)	11	-
R Wilson (appointed January 2021)	11	-
V Clark (appointed January 2021)	9	-
T Morgan (appointed January 2021)	9	-
R Schaafhausen (Chair) (retired January 2021)	124	115
P Te Ao (Deputy Chair) (retired January 2021)	68	70
H W Rau (retired January 2021)	41	45
H Chong (retired January 2021)	40	45
T H Rangiawha (retired January 2021)	39	44
A Te Kanawa (retired January 2021)	40	45
K Wilson (retired January 2021)	50	44
B Takiari-Brame**	11	8
G Carter**	25	38
M Butcher**	46	75
T Nicholas**	35	41

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
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▶▶▶ **14 Related party transactions**

	Consolidated	
	2021 \$'000	2020 \$'000
Te Whakakitenga o Waikato Officers		
P McLean (Chair)	60	55
T Tamaki-Takarei (Deputy Chair) (appointed January 2021)	8	-
T T A S Mahuta (Deputy Chair) (retired)	32	35
Te Whakakitenga O Waikato Inc representatives	101	174
Whaanau members of key management personnel		
Total remuneration	77	-
Total key management personnel compensation	6,113	5,610

▶▶▶
Kaahui Ariki Representative: R Schaafhausen (retired January 2021)
Kaahui Ariki Representative: N Simmonds (appointed January 2021)
Negotiator: R Papa

Whanau members of key management personnel are spouses, children, children of spouses, or other dependants as defined by PBE IPSAS 20 Related Party Disclosures. The prior year has been restated to adhere to this definition from accounting standard.

Number of persons recognised as:

Class 1 - Senior management	13	15
Class 2 - Directors and representatives	137	137

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

** Independent sub-committee members

*** TGH Directors took a 20% decrease in Director fees for a 6 month period during the financial year

Te Whakakitenga o Waikato representatives are made up of two elected members from 66 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				
2021	45	2,282	-	-
2020	91	3,150	-	-

▶▶▶
In 2014 the Trust moved into the premises located at 4 Bryce Street, Hamilton, and in 2019 the Trust extended its office space and moved into the premises located at 2 Bryce Street, Hamilton. These properties are classified as property, plant and equipment (see note 17).

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021


▶▶▶ 15 Other financial assets

	Listed Companies \$'000	Investments in funds \$'000	Unlisted company AFL income shares \$'000	Total \$'000
Opening net book amount 1 April 2019	52,988	206,483	12,300	271,771
Gains / (losses) recognised in surplus and loss	(4,240)	(221)	(1,100)	(5,561)
Purchases	42,033	3,965	-	45,998
Sales	(43,163)	(4,805)	-	(47,968)
Dividends	(1,771)	-	-	(1,771)
Other	3,219	5,496	-	8,715
Closing net book amount 31 March 2020	49,066	210,918	11,200	271,184
▶▶▶				
Opening net book amount 1 April 2020	49,066	210,918	11,200	271,184
Gains or losses recognised in surplus and loss	17,209	34,373	-	51,582
Purchases	42,967	90,337	-	133,304
Sales	(57,009)	(151,096)	-	(208,105)
Dividends	(1,295)	-	-	(1,295)
Other	222	-	-	222
Closing net book amount 31 March 2021	51,160	184,532	11,200	246,892

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.

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

	Consolidated	
	2021 \$'000	2020 \$'000
Current other financial assets		
Listed companies	48,120	46,668
Investments in funds	139,905	180,955
Total current other financial assets	188,025	227,623
Non-current other financial assets		
Listed companies	3,040	2,398
Investments in funds	44,627	29,961
Unlisted company AFL income shares	11,200	11,200
Total non-current other financial assets	58,867	43,559



Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

15 Other financial assets

(a) Listed companies

The shares in listed companies comprise of investment portfolios managed by Salt Funds Management, Harbour Asset Management and other investments. 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 \$17.2m (2020: loss \$1.1m).

(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 AMP NZ Short Duration 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 AMP NZ Short Duration 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 fair value of the Group's investment in AMP NZ Short Duration Fund is determined using the latest available redemption price of such units based on the underlying value of the investments held by the fund, as determined by the fund's administrators. The gain for fair value for investment in funds, recorded through the statement of comprehensive revenue and expense, was \$34.4m (2020: \$5.3m).

(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.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ 16 Intangible assets

	Computer software	Fishing Quota	Carbon Credits Restated	Total Restated
Note	\$'000	\$'000	\$'000	\$'000
Consolidated				
Year ended 31 March 2020				
Opening net book amount*	939	20,340	8,107	29,386
Additions	261	-	-	261
Disposals	(4)	-	-	(4)
Amortisation	(259)	-	(4)	(263)
Fair value loss	-	-	(596)	(596)
Closing net book amount	937	20,340	7,507	28,784
At 31 March 2020				
Cost and revaluation reserve	3,693	20,340	7,507	31,540
Accumulated amortisation	(2,756)	-	-	(2,756)
Net book amount	937	20,340	7,507	28,784
Year ended 31 March 2021				
Opening net book amount	937	20,340	7,507	28,784
Additions	554	-	-	554
Disposals	-	-	-	-
Amortisation	(311)	-	-	(311)
Fair value gains	-	-	4,159	4,159
Closing net book amount	1,180	20,340	11,666	33,186
At 31 March 2021				
Cost and revaluation reserve	4,244	20,340	11,666	36,250
Accumulated amortisation	(3,064)	-	-	(3,064)
Net book amount	1,180	20,340	11,666	33,186

*The amounts disclosed in the prior year are after the restatement for the correction of the error disclosed in note 2.2.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

▶ 16 Intangible assets

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 2021 and 2020 relate to 4,191 NZ units that were allocated by the Ministry for the Environment as part of the fisheries allocation for quota owned. The units in 2021 were valued at \$36.90 per unit (2020: \$23.75) resulting in a fair value gain of \$0.1m to the Group (2020: fair value loss of \$0.1m).

(ii) Carbon credits on Forestry Land

Carbon credits for 2021 and 2020 relate to 311,895 NZ units that were allocated to the pre-1990 and post-1989 forests owned by the Group. The units in 2021 were valued at \$36.90 per unit (2020: \$23.75) resulting in a fair value gain of \$4.1m to the Group (2020: fair value loss \$0.5m).

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 original cost. Revaluation decreases below original cost are recognised in the income statement and reversals are recognised in the income statement until the valuation equals original cost.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ **17 Property, plant and equipment**

Consolidated		Farm and owner occupied properties	Work in progress	Tribal properties	Plant and equipment	Motor vehicles	Computer, office equipment, furniture & fittings	Land and buildings (Hotels)	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 March 2020									
Opening net book value		51,974	2,852	11,738	512	1,348	12,742	51,730	132,896
Transfer		-	-	-	-	-	-	-	-
Additions		831	9,530	1,071	128	83	1,094	-	12,737
Disposals		(198)	-	(14)	-	(411)	(135)	-	(758)
Net revaluation	8	(1,916)	-	-	-	-	-	(3,449)	(5,365)
Transfer to investment properties	18	-	-	39,868	-	-	-	-	39,868
Depreciation	4	(294)	-	(417)	(52)	(303)	(1,909)	(981)	(3,956)
Reclassification of assets		288	-	(2)	(2)	409	(163)	190	720
Closing net book value		50,685	12,382	52,244	586	1,126	11,629	47,490	176,142
At 31 March 2020									
Cost and revaluation reserve*		50,692	12,382	61,103	1,426	1,857	23,101	48,471	199,032
Accumulated depreciation*		(7)	-	(8,859)	(840)	(731)	(11,472)	(981)	(22,890)
Closing net book value		50,685	12,382	52,244	586	1,126	11,629	47,490	176,142
Year ended 31 March 2021									
Opening net book value		50,685	12,382	52,244	586	1,126	11,629	47,490	176,142
Transfer		-	(13,200)	-	-	-	4,414	8,786	-
Additions		2,481	1,012	1,546	19	116	277	-	5,451
Disposals		-	-	-	-	-	(13)	-	(13)
Net revaluation	8	(1,462)	-	-	-	-	-	5,006	3,544
Depreciation	4	(268)	-	(433)	(52)	(215)	(1,583)	(1,461)	(4,012)
Other		-	-	-	-	-	34	(17)	17
Closing net book value		51,436	194	53,357	553	1,027	14,758	59,804	181,129
At 31 March 2021									
Cost and revaluation reserve		51,507	194	62,649	1,446	2,504	28,712	61,265	208,277
Accumulated depreciation		(71)	-	(9,292)	(893)	(1,477)	(13,954)	(1,461)	(27,148)
Closing net book value		51,436	194	53,357	553	1,027	14,758	59,804	181,129

*The comparative information has been restated for all categories except Hotels. The restatement relates only to a reclassification of cost and accumulated depreciation and does not impact the carrying value or amounts reported in the consolidated statement of financial position and consolidated statement of comprehensive income.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

17 Property, plant and equipment

Valuation of hotel, farm and owner occupied properties

Telfer Young (Waikato) Limited, Curnow Tizard, Silverton Alexander 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:

- the direct comparison approach (based on analysis of sales of vacant property. This analysis includes determination of land value, other improvements and residual value for principal improvements);
- the traditional capitalisation approach (focusing on the net maintainable revenue and the level of investment return);
- the discounted cash flow approach (based on establishing a cash flow budget for the property having particular regard to the length of lease term and nature of the leasehold interest and the following factors; discount rate, land inflation and rental rates);
- 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	
Discount rate	The discount rate is applied to future cash flows of a hotel 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
Average daily rate	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
Occupancy rate	Ratio of rooms occupied to rooms available over a given period.	Increase in property values	Decrease in property values	Discounted cash flow

As at 31 March 2021	Discount rate	Average daily rate	Occupancy rate
Hotels	10.25% - 13.5%	\$177.31	52.7%
As at 31 March 2020	Discount rate	Average daily rate	Occupancy rate
Hotels	11.50% - 15.00%	\$189.72	76.6%

The total value of hotels valued by CBRE Limited at 31 March 2021 for the Group is \$72.5m (2020: \$72.3m) and is spread across furniture and fittings \$12.7m (2020: \$12.4m) and work in progress \$0.2m (2020: \$12.4m) land and buildings \$59.8m (2020: \$47.5m).

The total value of farm properties valued by Telfer Young (Waikato) Limited at 31 March 2021 for the Group is \$24.5m (2020: \$16.2m) and by CBRE for the Group at 31 March 2021 is \$16.4m (2020: nil). Curnow Tizard did not value any farm properties at 31 March 2021 (2020: \$25.4m).

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

17 Property, plant and equipment

The total value of owner occupied properties valued by Telfer Young (Waikato) Limited for the Group at 31 March 2021 is \$9.7m (2020: nil). Silverton Alexander Limited did not value any owner occupied properties at 31 March 2021 (2020: \$9.2m).

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.

Tribal properties

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

Land and buildings (Hotels) pledged as security

The Bank of New Zealand has security agreements over the assets owned by the Hamilton Riverview Hotel Limited, refer to note 20.

Recognition and measurement

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. Current accounting policy requires this to occur on a triennial basis with a valuation being completed for the year ended 31 March 2021. Due to impacts of COVID-19, an external valuer was engaged in the current year to ensure the value presented in these financial statements reflects the current environment.

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, vehicles, equipment, fixtures and fittings 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.

In the prior year the Group opted to transfer some of its holding from investment property to tribal properties within property, plant and equipment. This was on the basis that those assets are not held for commercial use and have cultural significance to Waikato-Tainui. Assets totalling \$39.9m as at 31 March 2019 were reclassified from investment property to property, plant and equipment as at 31 March 2020. These properties are revalued every 3 years but tested annually for impairment. Impairment losses are included in the consolidated statement of comprehensive revenue and expense.

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.

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.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ **17 Property, plant and equipment**

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

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

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.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ **18 Investment properties**

	Note	Consolidated	
		2021 \$'000	2020 \$'000
Balance at beginning of year		497,022	533,438
Development		28,723	8,862
Net gain/(loss) from fair value adjustment	5	45,213	(12,714)
Transfer from current assets currently held for sale		-	4,546
Transfer (to) property, plant and equipment	17	-	(39,868)
Additions		-	2,758
Balance at end of year		570,958	497,022

Included within investment property is \$560.1m of land and buildings held at fair value and \$10.9m of commenced developments held at cost.

(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.

Investment properties are initially recognised at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open market value determined annually by external valuers. Changes in fair value are recorded in the statement of comprehensive revenue and expense. Where fair value can't be measured reliably the cost model has been used.

Amounts recognised in surplus or loss

During 2021, investment property expenses from income-generating property were \$0.8m and \$0.1m from vacant property. The significant methods and assumptions applied in estimating the fair value were:

- the direct comparison approach (based on analysis of sales of vacant property. This analysis includes determination of land value, other improvements and residual value for principal improvements);
- the traditional capitalisation approach (focusing on the net maintainable revenue and the level of investment return);
- the discounted cash flow approach (based on establishing a cash flow budget for the property having particular regard to the length of lease term and nature of the leasehold interest and the following factors; discount rate, land inflation and rental rates);
- comparing market evidence of transaction prices for similar properties.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

18 Investment properties

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:

Significant Input	Description	Fair value measurement sensitivity to significant:		Valuation Method
		Increase in input	Decrease in input	
Market capitalisation rate	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
Discount rate	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
Price per square metre	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

As at 31 March 2021	Market capitalisation rate	Discount rate	Price per square metre
Investment Properties and Te Wherowhero title properties	2.05% - 6.30%	5.00% - 8.00%	\$93 to \$7,673

As at 31 March 2020	Market capitalisation rate	Discount rate	Price per square metre
Investment Properties and Te Wherowhero title properties	3.90% - 6.50%	4.00% - 8.10%	\$100 to \$7,500

Investment property valuations were completed as follows:

D.J. Saunders from Telfer Young (Waikato) Limited valued properties at fair value of \$110.5m on 31 March 2021 (31 March 2020: \$97.8m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

K Sweetman and M Snelgrove from Colliers International NZ Limited valued properties at fair value of \$18.3m on 31 March 2021 (31 March 2020: \$27.4m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

M Silverton and J Alexander from Silverton Alexander Limited valued properties at fair value of \$29.7m on 31 March 2021 (31 March 2020: \$26.7m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

Waikato Raupatu Lands Trust
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18 Investment properties

P.A. Curnow from Curnow Tizard Limited valued properties at fair value of \$51.5m on 31 March 2021 (31 March 2020: \$39.4m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

T Arnott and A Segar from CBRE Limited valued properties related to The Base at fair value of \$375.0m on 31 March 2021, \$187.5m being 50% group share (CBRE 31 March 2020: \$198.0m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

Scott Millar and Jamahl Williams from CBRE Limited valued properties at fair value of \$193.6m (2020: \$146.4m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow 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.

In the prior year, the Directors opted to transfer some of its holding from investment property to property, plant and equipment. This is on the basis that those assets are not held for commercial use and have cultural significance to Waikato-Tainui. These properties will be independently valued triennially but tested annually for impairment. The properties will next be fair valued for the year ended 31 March 2022.

Impact of the COVID-19 global pandemic

(i) Material valuation uncertainty - The Base

The Group's valuer for the Base has noted the difficulty in undertaking valuations as a result of income and investment uncertainties and accordingly the valuation for the Base continues to include a Material Valuation Uncertainty clause as investment uncertainty remains due to an absence of transactions of scale in the retail market. In the absence of relevant market evidence, the valuers have adjusted valuation inputs and estimates to reflect the impact of the pandemic on investment property value. The valuers have tended to place greater emphasis on the discounted cash flow approach as this methodology allows them to more explicitly model assumptions and events that are not expected to prevail long into the future. This implies the valuations were current at the date of the valuation only and that less certainty and a higher degree of caution should be attached to the valuation. In addition, it was recommended that the valuations should be kept under frequent review as the assessed value may change significantly and unexpectedly over a relatively short period of time.

(ii) Seismic uncertainty – The Base

The valuation for the Base contains deductions for costs associated with identified seismic remediation works. The cost deductions are based on quantity surveyor assessments with additional allowances for professional fees and other associated costs. Allowances for profit and risk have also been adopted by the valuer. Cost assessments for seismic works contain some uncertainty. The level of accuracy of design solutions and cost estimates can vary as the design and remediation process progresses. Initially, estimates may be based on structural plans of a building which can sometimes be found to be inaccurate once more intrusive building investigations are carried out. Therefore, costs associated with current or imminent remediation works will be more accurate than those for a project in the early phases of investigation or planning.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ **19** Te Wherowhero title properties

	Note	Consolidated	
		2021 \$'000	2020 \$'000
Balance at beginning of the year		110,959	118,713
Net gain/(loss) from fair value adjustments	5	6,765	(7,754)
Balance at end of year		117,724	110,959

(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.

Te Wherowhero property that is not investment land is not leased and is recorded at historical cost as at 31 March 2021 of \$1.7m (2020: \$1.7m).

As at 31 March 2021 and 31 March 2020, the title is protected by the Custodial Trustee Kiingi Tuheitia.

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 Kawhia, 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 \$117.7m (2020: \$111.0m).

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

- the direct comparison approach (based on analysis of sales of vacant property. This analysis includes determination of land value, other improvements and residual value for principal improvements);
- the traditional capitalisation approach (focusing on the net maintainable revenue and the level of investment return);
- the discounted cash flow approach (based on establishing a cash flow budget for the property having particular regard to the length of lease term and nature of the leasehold interest and the following factors; discount rate, land inflation and rental rates);
- comparing market evidence of transaction prices for similar properties;

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶▶▶ **19** Te Wherowhero title properties

The key inputs used to measure fair value of investment properties (note 18) 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	
Market capitalisation rate	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
Discount rate	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
Price per square metre	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

As at 31 March 2021	Market capitalisation rate	Discount rate	Price per square metre
Investment Properties and Te Wherowhero title properties	2.05% - 6.30%	5.00% - 8.00%	\$93 to \$7,673

As at 31 March 2020	Market capitalisation rate	Discount rate	Price per square metre
Investment Properties and Te Wherowhero title properties	3.90% - 6.50%	4.00% - 9.36%	\$100 to \$7,500

Te Wherowhero title properties valuations were completed as follows:

K Sweetman and M Snelgrove from Colliers International NZ Limited valued properties at fair value of \$46.6m on 31 March 2021 (31 March 2020: nil) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows approaches.

D.J. Saunders from Telfer Young (Waikato) Limited valued properties at fair value of \$1.3m on 31 March 2021 (31 March 2020: \$37.1m) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flow approaches.

M Silvertown and J Alexander from Silvertown Alexander Limited did not value any Te Wherowhero title properties at 31 March 2021 (31 March 2020: \$2.4m) using a mixture of market evidence of transaction prices for similar properties, capitalisation and discounted cash flow approaches.

\$63.0m of The Base is classified as Te Wherowhero title properties, being the ground lease.

P Schellekens from CBRE Limited valued properties at fair value of \$5.1m on 31 March 2021 (31 March 2020: nil) using a mixture of market evidence of transaction prices for similar properties, direct comparison, capitalisation and discounted cash flows 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.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

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20 Interest bearing liabilities

	Consolidated	
	2021 \$'000	2020 \$'000
Secured		
Bank loans	100,000	111,948
Total secured current interest bearing borrowings	100,000	111,948
Secured		
Bank loans	30,762	53,550
Total non-current interest bearing liabilities	30,762	53,550
Total interest bearing liabilities	130,762	165,498

The Group has a multi option credit facility agreement with Westpac New Zealand for \$50.0m which matures on 31 March 2023. Nil (2020: \$30.3m) had been drawn down at balance date. As part of the facility arrangement, the Group has agreed to a negative pledge with Westpac New Zealand. In essence, this means the Group will not enter into any transaction or agreement that will increase the Group's indebtedness without Westpac New Zealand's prior consent.

The Base Limited has debt facilities of \$100.0m (2020: \$100.0m). The facilities include a multi option credit line facility agreement with Westpac New Zealand for \$35.0m (2020: \$50.0m), a committed cash advance facility with Bank of New Zealand for \$35.0m (2020: \$50.0m), and a term facility with Industrial and Commercial Bank of China (New Zealand) Limited for \$30.0m (2020: nil). The Industrial and Commercial Bank of China (New Zealand) Limited facility matures on 28 May 2021. All other facilities mature on 31 May 2021. Borrowings of \$100.0m of the available facilities had been drawn at balance date (2020: \$100.0m). The Bank of New Zealand, Westpac New Zealand and Industrial and Commercial Bank of China (New Zealand) Limited have an equal proportion charge over the present and future acquired assets of The Base Limited as security for the finance facilities in 2021 (2020: Bank of New Zealand and Westpac).

Hamilton Riverview Hotel Limited has debt facilities of \$40.0m (2020: \$45.5m). The facilities include a term loan with the Bank of New Zealand for \$29.0m (2020: \$29.0m) which matures on 30 November 2023, and a committed cash advance facility with Bank of New Zealand for \$11.0m (2020: \$16.5m) which matures on 28 July 2023. Borrowings of \$30.8m of the available facilities had been drawn at balance date (2020: \$35.2m). The Bank of New Zealand holds a first and preferential security interest over all property owned by Hamilton Riverview Hotel Limited.

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.

Event occurring after balance date

As at 28 April 2021, a new facility agreement was agreed upon of \$48.8m in relation to finance for TGH Fixed Income to assist with the development of a commercial building. The maturity of these facilities is currently the earlier of 18 months from the date of first drawdown and the date construction is complete.

As at 31 May 2021, new facility agreements were agreed upon of \$100.0m in relation to finance for The Base. This effectively renews a majority of the facilities recognised in these financial statements under current interest bearing liabilities. The maturity of these facilities is 31 May 2022.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶ **21 Other financial liabilities**

	Consolidated	
	2021	2020
	\$'000	\$'000
Categorised as at fair value through surplus or deficit	-	-
Interest rate swaps	1,402	1,910
Total current other financial liabilities	1,402	1,910
Interest rate swaps	702	1,857
Total non-current other financial liabilities	702	1,857
	2,104	3,767

The notional amount of interest rate swaps is \$49.0m with maturity dates that range from 1-5 years, (2020: \$65.0m, maturing between 1-4 years).

▶ **22 Trade and other payables**

	Consolidated	
	2021	2020
	\$'000	\$'000
Trade payables	598	1,070
Income received in advance	546	1,476
Accrued expenses	19,818	12,345
Grants payable	16,553	6,458
Employee entitlements	949	953
Other payables	32	80
GST payable	(348)	(93)
Total creditors and other payables	38,148	22,289

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.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

23 Contingencies

23.1 Contingent liabilities

Guarantees

The Trust had contingent liabilities at 31 March 2021 and 31 March 2020 in respect of:

Raukura Whare Limited has agreed to underwrite certain Housing Corporation of New Zealand mortgages. Raukura Whare Limited is liable for any mortgages which default if total claims exceed \$23.3m. The life of the loan is 20 years. Te Arataura believe that the expectation of defaulting mortgages exceeding \$23.3m is remote.

Te Arataura believe that the expectation of a liability arising due to the guarantees and mortgages in place is remote.

23.2 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. Both were recognised in the year ended 31 March 2018.

The Trust is still in an ongoing dispute in relation to the first relativity claim made in 2012. The dispute relates 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.

24 Capital commitments

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

	Consolidated	
	2021	2020
	\$'000	\$'000
Investment property	62,359	4,826
Other	20,004	13,290
Total capital commitments	82,363	18,116

Other commitments include the capital call commitment for investment in Pioneer Capital Partners Fund II and fund III for \$4.8m (2020: \$7.4m), Waterman Fund 3 LP \$3.2m (2020: \$3.4m) and a commitment to contribute capital to the joint venture Tainui Auckland Airport Hotel 2 LP of \$12.0m (2020: \$2.5m) upon a capital call notice.

25 Leases

(a) Accrued revenue

	Consolidated	
	2021	2020
	\$'000	\$'000
Within one year	263	263
Later than one year	29,925	30,188
	30,188	30,451

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.

Waikato Raupatu Lands Trust
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▶ **25 Leases**

(b) Operating leases as lessee

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

	Consolidated	
	2021	2020
	\$'000	\$'000
Within one year	130	291
Later than one year but not later than five years	66	201
Total non-cancellable operating leases	196	492

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

The operating lease that exists between the Trust and TGH for land owned by the Trust for University of Waikato is rent free until the first rent review date which is in 2022.

(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	
	2021	2020
	\$'000	\$'000
Within one year	26,678	27,644
Between one and five years	68,402	74,118
Later than five years	77,984	84,712
Total non-cancellable operating leases	173,064	186,474

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.

▶ **26 Disposals**

As at 31 March 2021, the Group disposed of \$0.0m within the asset class of property, plant and equipment (2020: \$0.8m).

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

27 Trust Structure

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

(a) Controlled entities:	Charitable Status	Principal activity	Control and voting interest	
			2021	2020
Hamilton Riverview Hotel Limited	Yes	Hotel	100%	100%
Raukura Moana Seafoods Limited	Yes	Fishing	100%	100%
Raukura Whare Limited	Yes	Investment	100%	100%
Ruakura Limited	Yes	Property	100%	100%
Ruakura Whenua Holdings LP	No	Investment	100%	-
Ruakura Port LP	No	Investment	100%	-
TGH Centre Place Limited	No	Property	100%	-
Tainui Development Limited	Yes	Property	100%	100%
TGH Fixed Income Limited	Yes	Property	100%	100%
Tainui Group Holdings Limited	Yes	Investment	100%	100%
TDL No. 1 Limited	Yes	Hotel	100%	100%
TDL No. 2 Limited	Yes	Direct Investment	100%	100%
TDL No. 3 Limited	Yes	Direct Investment	100%	100%
TGH Direct Investments Limited	Yes	Direct Investment	100%	100%
TGH Equities Limited	No	Equities	100%	100%
TGH Farms and Forestry Limited	Yes	Primary Industries	100%	100%
TGH Hotels Limited	Yes	Hotels	100%	100%
TGH Property Limited	Yes	Property	100%	100%
TGH Primary Industries Limited	Yes	Primary Industries	100%	100%
The Base Limited	Yes	Property	100%	100%
Waikato-Tainui Distributions Limited	No	Investment	100%	100%
Waikato-Tainui Fisheries Limited	No	Fishing	100%	100%
Waikato-Tainui Koiora Collective LP	No	Investment	100%	100%
Waikato-Tainui Koiora Limited	No	Investment	100%	100%
Te Whakakitenga O Waikato Incorporated	Yes	Investment	100%	100%
Waikato-Tainui Tribal Authority LP	No	Investment	100%	100%
Waikato Raupatu River Trust	No	Investment	100%	100%
Golden Koi Industries GP Limited	No	Investment	60%	60%

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.

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
for the year ended 31 March 2021

▶▶▶ **27 Trust Structure**

(b) Joint operations

The Group has entered into a joint operation called The Base Te Awa Limited. The Group has a 50% participating interest in this joint operation. The Group's interests in the assets employed in the joint operation are included in the balance sheet, in accordance with the accounting policy described in this note. For the year ended 31 March 2021 there was no activity within the other joint operation listed below.

Name	Principal activity	Ownership and voting interest	
		2021	2020
The Base Te Awa Limited	Property	50%	50%
Ruakura Inland Port LP	Infrastructure	50%	-

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 joint operations. Joint operations are accounted for using proportionate consolidation.

The jointly controlled entities assets and liabilities accounted for using proportionate consolidation was:

	Consolidated	
	2021 \$'000	2020 \$'000
Assets		
Current assets	2,510	514
Non-current assets	187,500	198,000
Total assets	190,010	198,514
Liabilities		
Current liabilities	1,168	1,440
Non-current liabilities	43	-
Total liabilities	1,211	1,440
Net assets	188,799	197,074

Statement of comprehensive revenue and expense

	Consolidated	
	2021 \$'000	2020 \$'000
Revenue	16,826	17,256
Fair value loss on investment property	(13,679)	(22,208)
Expenses	(4,656)	(5,034)
Loss before income tax	(1,509)	(9,986)

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

27 Trust Structure

(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 the 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.

		2021	2020	2021	2020
				\$000	\$000
Ngai Tahu Tainui Go Bus Holdings Limited*	Direct investment	-	33%	-	-
Raukura Moana Sealord Limited Partnership	Primary Industries	50%	50%	-	-
Rotokauri Development Limited	Property	70%	70%	10,943	10,625
Waikato Milking Systems Limited Partnership	Direct investment	32%	32%	4,684	-
Tainui Auckland Airport Hotel LP	Hotel	50%	50%	24,046	23,930
Tainui Auckland Airport Hotel 2 LP	Hotel	50%	50%	31,235	20,020
				70,908	54,575

* Held for sale at 31 March 2020 and sold during the year ended 31 March 2021. Refer to note 13

Tainui Auckland Airport Hotel 2 LP Impairment

Tainui Auckland Airport Hotel 2 LP (TAAH2) is a joint venture partnership between the Group and Auckland International Airport Limited. The principal asset of the joint venture is the Te Arikini Pullman Auckland Airport Hotel, which is currently under construction. The Group reviewed its investment in TAAH2 as at 31 March 2021 and determined that there were indicators of impairment as a result of the impact of the COVID-19 pandemic on the Hotel market.

The Group utilised the Fair Value less cost of disposal (FVLCO) method to measure the recoverable amount of the hotel using a discounted cashflow model, that utilised the following assumptions to estimate the Hotel FVLCO:

- Discount rate of 7.5%;
- Terminal Capitalisation rate of 6.25%

As a result, \$1.5m of impairment loss was recognised for the year ended 31 March 2021 (refer to note 4) noting that delays beyond proposed opening dates of August 2023 could further increase the impairment loss recognised for the hotel.

		Consolidated	
	Note	2021 \$'000	2020 \$'000
Movements in carrying amounts			
Carrying value at the beginning of the year		54,575	104,539
Share of surplus after income tax		6,736	3,531
Elimination of profits on transactions with joint ventures		(49)	86
Share of other comprehensive income	8	-	1,110
Reclassification to non-current assets held for sale	13	-	(39,877)
Disposal		(1,450)	(635)
Contribution		14,214	15,600
Impairment reversal / (impairment)		1,684	(14,254)
Dividends received		(4,802)	(15,525)
Carrying amount at the end of the financial year		70,908	54,575

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27 Trust Structure

	Consolidated	
	2021 \$'000	2020 \$'000
Statement of financial position		
Current assets	14,631	20,607
Non-current assets	88,173	79,687
Total assets	102,804	100,294
Current liabilities	2,183	10,793
Non-current liabilities	29,713	34,926
Total liabilities	31,896	45,719
Net assets	70,908	54,575

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

	Consolidated	
	2021 \$'000	2020 \$'000
Statement of comprehensive revenue and expense		
Revenues	35,558	96,172
Expenses	(28,822)	(92,296)
Profit before income tax	6,736	3,876

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 recognise 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.

Waikato Raupatu Lands Trust

Notes to the consolidated financial statements

for the year ended 31 March 2021

28 Financial instruments

28.1 Financial risk factors

Exposure to credit, market (currency, price and interest) and liquidity risks arise in the normal due course of the Group's business. The Group has various financial instruments with 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 is the risk that a third party will default on its obligations to the Group, causing the Group to incur a loss. The Group does not have any significant concentrations of credit risk, other than the relativity settlement receivable and the co-management settlement receivable expected from the Crown. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as shown in the statement of financial position. The Group does not require any collateral or security to support financial instruments as it only deposits with, or lends to, banks and other financial institutions with high credit ratings except for funds lent to a related party and an external entity for which the Group has appropriate security and guarantees. The Group further minimises credit exposure by limiting the amount of surplus funds placed with any one financial institution. The cash and cash equivalents of \$246.3m (2020: \$195.8m) are held with bank and financial institution counterparties, which are rated BBB- to A+, based on Standards and Poor ratings. The Group does not expect non-performance of any obligations at balance date. There are no material financial assets held by the Group at balance date which are past due but not impaired.

(b) Market risk

(i) Currency

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 2021, 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 \$5.3m (2020: \$4.9m) higher/(lower).

As at 31 March 2021, 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 \$17.6m (2020: \$21.1m) 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 (2020: \$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 \$1.2m (2020: \$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 40 and 90 per cent 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.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed contract and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows at reporting date and the credit risk inherent in the contract and are disclosed below. The average interest rate is based on the outstanding balances at the start of the financial year.

Waikato Raupatu Lands Trust
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▶▶▶ **28 Financial instruments**

Sensitivity analysis

As at 31 March 2021, 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 (2020: \$0.5m) higher or lower. This movement is attributable to the decrease of outstanding loans from \$165.5m to \$130.8m and greater exposure to floating interest rates via term deposits.

(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.

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.

Consolidated at 31 March 2018

	Note	Less than 1 year \$000	Between 1 and 2 years \$000	Between 2 and 5 years \$000	Over 5 years \$000	Total contractual cash flows \$000	Carrying amount liabilities \$000
Trade and other payables		14,972	-	-	-	14,972	14,972
Borrowings	20	115,050	2,906	56,923	-	174,879	165,498
Total non-derivatives		130,022	2,906	56,923	-	189,851	180,470
Derivative financial instruments (outflows)		1,910	1,237	620	-	3,767	3,767
Total derivatives	21	1,910	1,237	620	-	3,767	3,767

Consolidated at 31 March 2019

Trade and other payables		20,994	-	-	-	20,994	20,994
Borrowings	20	112,133	2,169	55,490	-	169,792	130,762
Total non-derivatives		133,127	2,169	55,490	-	190,786	151,756
Derivative financial instruments (outflows)		1,402	555	147	-	2,104	2,104
Total derivatives	21	1,402	555	147	-	2,104	2,104

Waikato Raupatu Lands Trust
Notes to the consolidated financial statements
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▶▶▶ **28 Financial instruments**

(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).

Consolidated - as at March 2020	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	49,066	-	-	49,066
- Investments in investment equity funds	-	-	29,960	29,960
- Investment in fixed interest fund (AMP)	-	180,958	-	180,958
- Investments in unlisted company (AFL income shares)	-	-	11,200	11,200
Total financial assets	49,066	180,958	41,160	271,184
Financial liabilities				
- Interest rate swaps	-	(3,767)	-	(3,767)
Net financial assets (liabilities)	49,066	177,191	41,160	267,417
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	(4,240)	(1,494)	173	(5,561)

Consolidated - as at March 2021				
Financial assets				
Financial assets at fair value through surplus or deficit				
- Investments in listed companies	51,160	-	-	51,160
- Investments in investment equity funds	-	-	49,066	49,066
- Investment in fixed interest fund (AMP)	-	139,904	-	139,904
- Investments in unlisted company (AFL income shares)	-	-	11,200	11,200
Total financial assets	51,160	139,904	60,266	251,330
Financial liabilities				
- Interest rate swaps	-	(2,104)	-	(2,104)
Net financial assets / (liabilities)	51,160	137,800	60,266	249,226
Total gains or losses for the period included in surplus or deficit for assets held at the end of the reporting period	17,209	5,254	29,119	51,582

Waikato Raupatu Lands Trust
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for the year ended 31 March 2021

28 Financial instruments

(e) Financial instrument by category

Financial assets as per consolidated statement of financial position	Assets at fair value through surplus or deficit \$'000	Assets at amortised cost \$'000	Total balance \$'000
Consolidated			
At 31 March 2020			
Investment in listed equities and unlisted investment funds	271,184	-	271,184
Trade and other receivables	-	20,084	20,084
Cash and cash equivalents	-	195,804	195,804
	271,184	215,888	487,072
At 31 March 2021			
Investment in listed equities and unlisted investment funds	246,892	-	246,892
Trade and other receivables	-	26,475	26,475
Cash and cash equivalents	-	246,334	195,804
	246,892	272,809	519,701

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

	Consolidated	
	2021 \$'000	2020 \$'000
Balance at the beginning of the year	29,678	26,985
Purchases	2,820	3,964
Disposals	(17,272)	(3,127)
Gains and losses recognised in other comprehensive revenue and expense	29,119	1,856
Other	282	-
Balance at the end of the year	44,627	29,678

(ii) AFL income shares

	Consolidated	
	2021 \$'000	2020 \$'000
Balance at the beginning of the year	11,200	12,300
Gains and losses recognised in other comprehensive revenue and expense	-	(1,100)
Balance at the end of the year	11,200	11,200

Waikato Raupatu Lands Trust
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▶ **28** Financial instruments

(e) Financial instrument by category

Financial assets as per consolidated statement of financial position	Liabilities at fair value through surplus or deficit \$'000	Liabilities at amortised \$'000	Total \$'000
Consolidated			
At 31 March 2020			
Investment in listed equities and unlisted investment funds	271,184	-	271,184
Trade and other receivables	-	20,084	20,084
Cash and cash equivalents	-	195,804	195,804
	271,184	215,888	487,072
At 31 March 2021			
Investment in listed equities and unlisted investment funds	246,892	-	246,892
Trade and other receivables	-	26,475	26,475
Cash and cash equivalents	-	246,334	195,804
	246,892	272,809	519,701

(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 Bank of New Zealand, Westpac New Zealand Limited and Industrial and Commercial Bank of China (New Zealand) Limited during the reporting period (see note 20) (2020: no breach). There are no externally imposed capital requirements at balance date (2020:nil).

	Consolidated	
	2021 \$'000	2020 \$'000
Total borrowings	130,762	165,498
Less: cash and cash equivalents	(246,334)	(195,804)
Net debt	(115,572)	(30,306)
Total equity	1,318,884	1,211,057
Total capital	1,203,312	1,180,751
Net debt to equity ratio	(9)%	(3)%

▶ **29** Events occurring after the balance date

Loan renegotiation

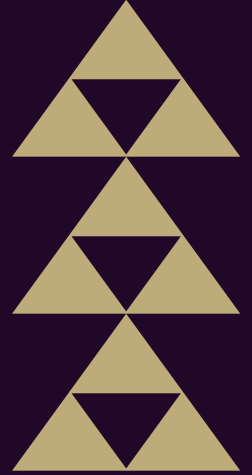
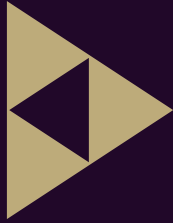
As at 28 April 2021, a new facility agreement was agreed upon of \$48.8m in relation to finance for TGH Fixed Income to assist with the development of a commercial building. The maturity of these facilities is currently the earlier of 18 months from the date of first drawdown and the date construction is complete.

During May 2021, new facility agreements were agreed upon of \$100.0m in relation to finance for The Base. This effectively renews a majority of the facilities recognised in these financial statements under current interest bearing liabilities. The maturity of these facilities is 31 May 2022.

Centre Place

On 1 April 2021, TGH and Kiwi Property Limited (KPL) entered into a joint venture for Centre Place in central Hamilton. This agreement commits a \$8.4m payment from TGH to KPL to form a new 50/50 joint venture. The outcome of this investment results in TGH acquiring 50% of all the leasehold interests in Centre Place South, 65 Bryce Street and 100% of the freehold whenua below the multi-storey carpark. The existing ground lease is extinguished and replaced by a 100-year prepaid ground lease over all the whenua including the two corner properties along Victoria Street. The combined property and improvements has been independently valued by Jones Lang LaSalle (JLL) at \$75.1m as at 31 March 2021.





AMOHA AKE TE ORA O TE IWI,
KA PUTA KI TE WHEI AO
To protect the wellbeing of our people is paramount

