



Lake Taupō Protection Trust – Trustee Meeting

Date:	Tuesday, 29 October 2024
Time:	11.00am
Location:	Council Chamber 107 te Heuheu Street Taupō

AGENDA

MEMBERSHIP: Taupō District Council

Members	Mayor David Trewavas Cr Kevin Taylor Cr Duncan Campbell Cr Karam Fletcher Cr Sandra Greenslade Cr Kylie Leonard Cr Danny Loughlin Cr Anna Park Cr Christine Rankin Cr Rachel Shepherd Cr Kirsty Trueman Cr Yvonne Westerman Cr John Williamson
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Quorum	7
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Order Of Business

- 1 Karakia**
- 2 Whakapāha | Apologies**
- 3 Ngā Whakapānga Tukituki | Conflicts of Interest**
- 4 Ngā Kaupapa Here Me Ngā Whakataunga | Policy and Decision Making**
 - 4.1 Adoption of Annual Report 2023-24
 - 4.2 New Delegations Schedule for Lake Taupō Protection Trust

LAKE TAUPŌ PROTECTION TRUST ANNUAL REPORT

Author: Tanya Wood, Senior Policy Advisor
Authorised by: Nick Carroll, Policy Manager

TE PŪTAKE | PURPOSE

To adopt the Lake Taupō Protection Trust Annual Report 2023-24.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

This paper seeks adoption of the Lake Taupō Protection Trust Annual Report 2023-24.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council, as the Trustee of the Lake Taupō Protection Trust adopts the Lake Taupō Protection Trust Annual Report 2023-24.

TE WHAKAMAHUKI | BACKGROUND

The Trust Deed requires the Trustee prepare and adopt, in respect of each financial year, a report on the annual activities and financial position of the Trust.

The Trust is not a Council Controlled Organisation and therefore is not required to adopt an annual report before the end of October. The Trust Deed does not set a date by which the report must be adopted.

NGĀ KŌRERORERO | DISCUSSION

There are two options.

NGĀ KŌWHIRINGA | OPTIONS

Analysis of Options

Option 1 – adopt the Annual Report with amendments

Advantages	Disadvantages
<ul style="list-style-type: none">Unknown without knowing the scope of the amendments	<ul style="list-style-type: none">May delay the adoption of the annual report.

Option 2 – adopt the Annual Report

Advantages	Disadvantages
<ul style="list-style-type: none">Will increase transparency.	<ul style="list-style-type: none">None.

Analysis Conclusion:

Option 2 is the preferred option: it will improve transparency.

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations

The financial information for the 2023/24 year has been presented in the Annual Report and shows that for the year, the Trust had made a \$28,000 surplus. The equity held by the Trust as at 30 June 2024 was \$742,029. Due to the estimated annual operating costs of approximately \$15,000 per annum, it is anticipated that the interest generated annually will be higher than costs, and the equity of the Trust should continue to grow.

Ngā Aronga Ture | Legal Considerations

Trust Deed

The Trust was established by a Trust Deed dated 9 February 2007. The Trust Deed and subsequent variations set out how the Trust operates.

Clause 14.2 of the Trust Deed:

14.2 *The Trustee shall prepare and adopt a report, in respect of each financial year, ending on the last day of June, a report on the annual activities and financial position of the Trust.*

14.3 *After the Trustee has adopted the report under clause 14.2 it shall make that report publicly available free of charge.*

It is not considered that there is any legislation that is relevant to this proposal.

Authorisations are not required from external parties.

Ngā Hīraunga Kaupapa Here | Policy Implications

There are no known policy implications.

TE KŌRERO TAHI | ENGAGEMENT

The Annual Report will be circulated to the partners – Waikato Regional Council, Tūwharetoa Māori Trust Board and the Ministry for the Environment.

Ngā Tūraru | Risks

There are no known risks.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

Clause 14.3 of the Trust Deed requires that the Annual Report be made publicly available. This includes making it publicly available on the Trust's website and sending to interested organisations such as Lakes and Waterways Action and Taupō Lake Care.

WHAKAKAPINGA | CONCLUSION

This paper seeks adoption of the Lake Taupō Protection Trust Annual Report 2023-24.

NGĀ TĀPIRIHANGA | ATTACHMENTS

Lake Taupō Protection Trust Annual Report 2023-24

Annual Report

On Trust operations

Financial Year Ended 30 June 2024



1.0 Background

- 1.1 In February 2007 the Crown, Waikato Regional Council and Taupō District Council an agreement to contribute to a joint public fund to be used to undertake strategies and actions to reduce the amount of nitrogen from entering the Lake Taupō catchment. This-saw the establishment of the Lake Taupō Protection Trust in 2007 to administer an \$80 million fund with the purpose of maintaining water quality in Lake Taupō through a reduction in the manageable nitrogen levels entering Lake Taupo by 20%.
- 1.2 The funds have been used to encourage and assist land use change, to purchase land/nitrogen In the Lake Taupō catchment and to fund any other initiatives that assisted landowners to reduce the nitrogen impact of their activities on Lake Taupō.
- 1.3 A key activity undertaken by the Trust had been to enter into 27 contractual agreements with landowners (nitrogen reduction agreements). These agreements have a term of 999 years and require ongoing monitoring and contractual oversight to ensure that the terms and conditions of the contracts are adhered to and the investment made by the funding partners to the of the project is protected.
- 1.4 The agreements provided for the purchase of landowner nitrogen allowances and for changes in land use. The Trust entered into the final nitrogen reduction agreement in 2015. Over the 2015 - 2018 period the Trust completed the remaining annual nitrogen reduction and on farm nitrogen reductions were achieved.
- 1.5 The Trust now focuses on monitoring landowner compliance with the agreements.
- 1.6 On 30 June 2023 Taupō District Council became the sole Trustee of the Trust and continues to monitor landowner compliance with the support of Waikato Regional Council.

2.0 Trust operations

Nitrogen Reduction Agreement Monitoring

The nitrogen reduction agreements have continued to be monitored for compliance throughout the year. Waikato Regional Council confirmed to the Trust that all contracted landowner's onsite operations achieved compliance with their allowable nitrogen discharge for the year.

Enquiries

The Trust has a dedicated inbox and phone number. In the 2023-24 financial year, the Trust received 16 queries made up of 12 emails and 4 phone calls.

3.0 Council Controlled Organisation exemption

3.1 On 27 February 2024 Taupo District Council resolved to exempt the Trust from the Council Controlled Organisation reporting requirements due to the limited nature and scope of the Trusts activities.

3.2 The Trust no longer requires a Trust specific annual audit saving about \$30,000 a year in audit fees. Audits are now completed as part of the wider Council audit.

3.3 The Trust is no longer required to produce an annual Statement of Intent.

4.0 Variation of Trust Deed

The Trust Deed has been varied to provide for the making of decisions by the sole Trustee, Taupō District Council, without the need for approval from Waikato Regional Council and the Ministry for the Environment.

Project Exit Agreement

A Project Exit Agreement was signed by the parties acknowledging that Taupō District Council will administer the operations of the Trust and the Waikato Regional Council and the Ministry for the Environment will no longer contribute funds to the Trust.

5.0 Financial position

The Trust operated on residual funds with income from interest earned from term deposit activities.

6.0 Audit

An annual audit by Audit NZ was completed by the Trust for the 2022/23 year. The audit for the 2023/24 year will be undertaken as part of the wider Taupō District Council audit, which had not yet been completed at the time of adopting this Annual Report.

7.0 Looking ahead

The Trust will continue to:

- Focus on ongoing compliance with nitrogen reduction agreements
- Process nitrogen reduction variation requests

Financial Statements

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2024

	LTPT	
	Actual 2024 \$	Actual 2023 \$
Revenue		
Finance revenue	20,199	32,857
Council operating Grant	-	195,418
Total revenue	20,199	228,275
Expenses		
Employee Benefit costs	-	101,469
Trustee Fees	-	61,000
Depreciation	566	568
Accounting & Advisory	9,747	36,366
Legal Fees	1,450	50,418
Monitoring Plan Expenses	2,103	19,953
Other Expenses	6,305	144,481
Total expenses	20,171	414,255
Surplus/(deficit)	28	(185,980)

Statement of Financial Position

as at 30 June 2024

	LTPT	
	Actual 2024 \$	Actual 2023 \$
Assets		
Current assets		
Cash and cash equivalents	21,538	811,320
Other financial assets	720,000	-
Trade and other receivables	491	12,416
Prepayments		5,158
Total current assets	742,029	828,894
Non-current assets		
Property, plant and equipment	-	567
Total non current assets	-	567
Total assets	742,029	829,461
Current liabilities		
Creditors & other payables	-	87,461
Total current liabilities	-	87,461
Total liabilities	-	87,461
Net assets (assets minus liabilities)	742,029	742,000
Equity		
Retained earnings	742,019	741,990
Trust Capital	10	10
Total equity	742,029	742,000

How can I find out more?

If you would like to find out more information, please visit <https://protectinglakeTaupo.nz/the-trust/> or email ltpt@Taupo.govt.nz

NEW DELEGATIONS SCHEDULE FOR LAKE TAUPŌ PROTECTION TRUST

Author: Tanya Wood, Senior Policy Advisor

Authorised by: Nick Carroll, Policy Manager

TE PŪTAKE | PURPOSE

To seek the Trustee's approval to ratify past signing of documents on behalf of the Trust by the Mayor and Chief Executive and to replace the existing Delegations Policy of the Trust with a new Delegations Schedule to enable the efficient day-to-day operations of the Trust.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

The Trust's existing Delegations Policy refers to roles that no longer exist. Taupō District Council officers are undertaking the day-to-day operations of the Trust, but without suitably worded delegations in place. This paper seeks the Trust's approval to appropriate delegations to Council's Chief Executive, Finance Manager, Policy Manager and Senior Policy Advisor and to ratify the signing of documents on behalf of the Trust by the Mayor and/or Chief Executive since 30 June 2023.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council, as the Trustee of the Lake Taupō Protection Trust:

1. Replaces the Delegation Policy received and approved in resolution LTPT23/021 at a meeting of the Trustees on 17 October 2022 with the Delegations Schedule as Attachment 2.
2. Ratifies the signing on behalf of the Trust, by David James Trewavas, as Mayor of Taupō District Council and/or Julie Ann Gardyne, as Chief Executive of Taupō District Council, of Client Authority and Instruction forms, deeds of Covenant, and any other deed or document relating to Deeds, Landowner Agreements, and Encumbrances registered over properties within the Lake Taupō catchment, prior to the date of this resolution.

TE WHAKAMAHUKI | BACKGROUND

The Trust implemented a Delegation Policy in 2009, which was updated in 2022. However, because the Trust no longer operates in the manner envisaged by the existing Delegations Policy, it needs to be replaced entirely.

This proposal has not been presented previously.

NGĀ KŌRERORERO | DISCUSSION

The existing Delegations Policy refers to Trust positions that were disestablished in 2024. A copy of the existing Delegations Policy is attached as Attachment 1.

The Trust Deed provided for delegations to Trust employees only. As the Trust no longer has employees this clause was varied in June 2024 to provide for delegations to any employee of the Trustee or any employee of the Chief Executive of Taupō District Council.

The Trustee was not able to make delegations until the Deed of Variation of Trust was signed. It took several months to agree the variations and to have the Deed signed by Waikato Regional Council and The Crown.

Currently, there are no formal delegations in favour of the Council officers involved in maintaining the Trust's day-to-day operations.

To ensure Council officers can undertake operational matters on behalf of the Trust lawfully, suitably worded delegations are needed. The proposed new delegations are in the Delegations Schedule attached as Attachment 2.

Since 1 July 2023 the following documents have been signed on behalf of the Trust as listed in the Schedule attached as Attachment 3.

None of the matters envisaged in the documents listed in Attachment 3 have any impact on the amount of nitrogen that is, or may be, discharged from the land concerned.

The proposed delegations are intended to enable Council officers to undertake day-to-day operational matters including:

- Approving payment of operational costs and expenses (e.g. software, website, legal).
- Making investment decisions.
- Preparing annual reports in accordance with the Trust Deed.
- Filing annual returns with the Charities Services.
- Agreeing to variations to existing landowner agreements to an extent that they do not impact the nitrogen reduction obligations imposed on landowners.
- Agreeing to variations to, or part discharges of, existing encumbrances registered in favour of the Trust against the title to land within the Lake Taupō catchment, where such does not impact the nitrogen reduction obligations imposed on landowners.

Based on this information there are two options.

NGĀ KŌWHIRINGA | OPTIONS

Analysis of Options

Option 1 – Do not adopt the Delegations Schedule in Attachment 2 and do not ratify past signing on behalf of the Trust

Advantages	Disadvantages
<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Inhibits the efficient day-to-day operation of the Trust. • Will require monthly Trust meetings to obtain the requisite authority to undertake day-to-day operational matters. • Lacks transparency. • Reputational risk.

Option 2 – Adopt the Delegations Schedule in Attachment 2 and ratify past signing on behalf of the Trust

Advantages	Disadvantages
<ul style="list-style-type: none"> • Allows for the efficient day-to-day operation of the Trust. • Provides Council officers clarity and certainty around the capacities of their roles, and empowers them to confidently make decisions to achieve the Trust's purposes. • Increases transparency. • Legitimises past signing actions on behalf of the Trust, undertaken as a matter of expediency in 	<ul style="list-style-type: none"> • None.

situations where there was assessed to be no impact on the level of nitrogen discharge to Lake Taupō.	
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Analysis Conclusion:

Option 2 is the preferred option: **Adopt the Delegations Schedule in Attachment 2 and ratify past signing on behalf of the Trust.**

NGĀ HĪRAUNGA | CONSIDERATIONS

Ngā Aronga Pūtea | Financial Considerations

The financial impact of the proposal is estimated to be \$nil.

Ngā Aronga Ture | Legal Considerations

Trust Deed

The Trust was established by a Trust Deed dated 9 February 2007. The Trust Deed and subsequent variations set out how the Trust operates.

The matter comes within the scope of the Trustee's powers under the Trust Deed. Under clause 11.11, the Trustee may delegate to any employee of the Trustee, or any employee of the Chief Executive of Taupō District Council, such of the powers and functions of the Trustee as the Trustee may decide, except the power to borrow or raise money or give any security or to purchase property or to lend or advance money by whatever means.

It is not considered that there is any legislation that is relevant to this proposal.

Authorisations are not required from external parties.

Ngā Hīraunga Kaupapa Here | Policy Implications

There are no known policy implications.

Ngā Tūraru | Risks

There are no known risks.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

No communication/media required. Previous members of the Lake Taupō Protection Trust Joint Committee will be informed.

WHAKAKAPINGA | CONCLUSION

For the above reasons, we recommend that the Trustee revokes the Trust's existing Delegation Policy and adopts the Delegation Schedule in Attachment 2.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Existing Delegations Policy
2. Proposed Delegations Schedule
3. Schedule of documents signed on behalf on the Trust post-1 July 2023

DELEGATION POLICY

Date implemented: July 2009
Review Date: October 2022
Date approved: - 17 October 2022
File: 04 10 57B; [Doc # 259]

Objective:

To set out the delegated authority that the Lake Taupo Protection Trust (the Trust) wishes to exercise in relation to its Chairperson, deputy chairperson and staff.

1. Introduction

- 1.1 The Delegation Policy is an important instrument in the Trustees achieving the operation of the Trust in an effective and efficient manner while maintaining their key accountabilities for the overall governance of the Trust. This Delegation Policy should be read in conjunction with other key documents including the Trust Deed, Funding Deed and the Trust's Treasury Policy. Where there is any apparent conflict the Delegation Policy will **not** apply and delegations will revert to the Trust Board.
- 1.2 The Trust believes that in the interest of good management and effective administration of their affairs that it is appropriate to delegate operational decision making to staff but maintain a governance overview. Noting that with such delegation comes the responsibility on the delegatee to act judiciously and in accordance with Trust Policies.
- 1.3 It is the intent that the Delegation Policy ensures that the Trust Board will retain all policy approval functions and powers, Trust strategy, key goals and the annual Statement of Intent including performance objectives. The Trust Board also retains the responsibility of approving annual budgets, the purchase of major assets not being part of the operational budget, approval of contracts over specified sums and for the approval of any financial audit report required under the Local Government Act or any other statute.
- 1.4 The Delegation Policy can be altered and revoked at any time by formal resolution of the Trust.

2.0 Role Profiles

2.1 Trust Board

The Trust Board holds ultimate responsibility for the operation of the Trust. It will ensure that it receives appropriate ongoing reports from the delegatee to ensure it can monitor and oversee key delegated powers.

- 2.2 The Trust Board retains responsibility for all policy and strategy decision making and for approving key documentation required of the Trust through the Trust Deed, Funding Deed, and requirements of the Local Government Act in relation to a Council Controlled Organisation (CCO).
- 2.3 The Trust Board retains the responsibility of approving annual budgets, approval of the purchase of any asset not being part of the operational budget, for approval of spending or contracts over a specified financial sum and for approval of any financial audit report required under law or the Trust Deed.

3.0 Delegation from Trust to Chairperson and Deputy Chairperson

3.1 To assist with efficient turnaround of operational matters where the 'one up' sign off principle applies, the Chairperson and Deputy Chairperson have the delegation to check and sign off on the following operational tasks:

- Approving term investment activities on report from the Trust Manager
- Visa expenditure incurred by the Trust Manager and reconciliation against statement
- Checking and sign off on monthly bank account reconciliations
- Approval for any deviation from the requirements of the Sensitive Expenditure Policy
- The Chairperson or Deputy Chairperson has the direct authority to make decisions on behalf of the Trust on any matter which is of an emergency nature and is one which needs to be made quickly to avoid embarrassment or would weaken the credibility of the Trust. It is foreseen that despite this power, the Chairperson or Deputy Chairperson of the Trust would take every opportunity to take advice from trustees and report to the Trust Board on any final decision made.
- Trust Manager's timesheet
- Any other minor matter that may arise from time to time.

4.0 Trust Manager

4.1 The delegations to the Trust Manager seek to provide sufficient authority to undertake in an efficient and effective manner the responsibilities outlined in the Trust Manager's Individual Employment Contract.

4.2 The Trust Manager is principally responsible for the recommendation of Policy and Strategy and for the effective and efficient operation of the Trust's daily activities, meeting key performance targets and for the secure and appropriate management of all funds, cash flow management and financial transactions as defined further within this Policy and in the Treasury Policy.

4.3 The Trust Manager is authorised to spend and to contract all operational works within the approved overall Annual Operating Budget. Any additional spend over any individual specified sum will be reported to the Trust Board through quarterly financial statements and reports to the Board.

4.4 The Trust Manager may be given delegated authority from time to time as appropriate by the Trust Board to complete any capital or asset purchase.

4.5 The Trust Manager will recommend capital expenditure (not being part of the operating budget) to the Trust Board.

4.6 The Trust Manager is delegated to approve not going to tender for any contract, the total annual value of which is less than \$20,000. Excluded from this is the provision of Legal and Accounting Services and any other expenditure which has had prior approval of the Trust Board.

4.7 The Trust Manager has the authority to use the credit card facility up to a maximum limit of \$2,000.00 for any Trust related transaction.

5.0 Review Processes

5.1 This Delegated Authority Policy can be reviewed at any time but at least annually in May each year by the Trust Board.

6.0 Legal Obligations

6.1 Nothing in this document allows any party to authorise, spend or approve any purchase on any matter which is contrary to any current or relevant legislation.

Delegations Schedule

The purpose of this schedule is to outline the delegations made by the Trustees of the Lake Taupō Protection Trust to Taupō District Council Officers.

These delegations stem from a Trustee Resolution made on X.

Delegations are made by the Trustee under Clause 11.11 (Delegation of Powers) of the Trust Deed dated 9 February 2007 as varied by a Deed of Variation of Trust dated 19 June 2024 as follows:

11.11 **Delegation of Powers**

The Trustee may delegate to any employee or contractor of the Trust or Trustee such of the powers and functions of the Trustee as the Trustee may decide except the power to borrow or raise money or give any security or to purchase property or to lend or advance money by whatever means and in respect of any such delegation:

- (a) *any employee or contractor of the Trust or Trustee acting under delegated power shall act in accordance with the terms of this deed and, in the absence of proof to the contrary, shall also be presumed to be acting within the terms of the delegation;*
- (b) *the Trustee may revoke wholly or partially any delegation of the powers or functions of the Trustee at any time;*
- (c) *subject to any directions given by the Trustee, any employee or contractor of the Trust or Trustee, to which any powers of the Trustee have been delegated, shall conduct its affairs as that employee or contractor may decide; and*
- (d) *the Trustee may provide restrictions within which or rules by which such delegated powers are to be exercised.*

In addition to those powers stated in clause 11.11 as being retained by the Trust the Trust retains the following powers:

- The power to amend any Nitrogen Reduction Agreement or Deed with a landowner that is likely to result in the undertaking of an activity on the subject land that will increase the discharge of nitrogen permitted under the subject agreement.
- Any decision on enforcement action against a breach of a landowner agreement by a landowner.

TRUSTEE DELEGATIONS TO CHIEF EXECUTIVE OF TAUPŌ DISTRICT COUNCIL

Clause	Description
9.2 (t)	To approve the variation or discharge of a registered encumbrance from a title where the effect will not increase the discharge of nitrogen and has been approved by the relevant Waikato Regional Council officer.

9.2 (t)	To approve the variation of any landowner agreement that will not result in an increase to the discharge of nitrogen under the subject agreement and the variation has been approved by the relevant Waikato Regional Council officer.
9.2 (t)	To approve landowner requests for the undertaking of an activity on the land that may result in a temporary discharge that has been approved by the relevant Waikato Regional Council officer.
9.2 (t)	To do all things incidental or conducive to the attainment of the purposes of the Trust.

TRUSTEE DELEGATIONS TO OTHER TAUPŌ DISTRICT COUNCIL OFFICERS

Clause	Description	Delegated to
9.2 (k), 10.1	Authorise the applications income or capital of the trust fund in, for, to or towards payment of any fees, costs, disbursements, debts or other liabilities to the maximum amount of \$15,000 in any one financial year.	Policy Manager
9.2 (e), (q)	Investment of funds, open or maintain bank accounts.	Finance Manager
9.2(t)	Submit annual returns to Charities Services.	Senior Policy Advisor

Schedule of documents signed on behalf of Lake Taupō Protection Trust since 1 July 2023

1. By the Mayor and the Chief Executive under Seal of the Trust:
 - Variations of a nitrogen reduction deed to enable the subdivision and development by Wharewaka East Limited of stages 11 and 12 of Nga Roto Estate.
 - a Deed of Covenant as a consequence of the sale of land subject to a nitrogen reduction agreement by which the purchaser becomes bound as landowner to the relevant nitrogen reduction agreement.
2. By the Chief Executive:
 - Encumbrancee Consent to the deposit of a subdivision plan and an electricity easement to enable a boundary adjustment transferring 0.0265ha from land subject to a nitrogen reduction agreement to adjoining land that is not subject to a nitrogen reduction agreement.
 - Authority and Instruction form authorising a part discharge of the Encumbrance in favour of the Trust, as part of the same boundary adjustment referred to above.
 - Authority and Instruction forms authorising a variation of the Encumbrance in favour of the Trust, enable the subdivision and development by Wharewaka East Limited of stages 11 and 12 of Nga Roto Estate.