

LAKE WANAKA TRUST

(known as the Upper Clutha Lakes Trust Board, since April 2018)

CHAIRMAN'S REPORT

To March 31, 2018

It is my pleasure to report on behalf of the Trustees, on the Trust's second financial year, its first full year of operations to March 31, 2018.

The Trust's first financial year was only of six months duration from October 2016 to March 2017, to meet Charities Services and IRD requirements. Reporting on the first financial year is on the Trust's website www.lakewanakatrust.org and on the Charities Service website, with reference number CC53728.

Background

The Lake Wanaka Trust (LWT) is an independent community Trust formed by the Guardians of Lake Wanaka in September 2016, in response to the growing concern of the Guardians and the Upper Clutha Community concerning the water quality/health of Lake Wanaka and runoff from its catchments.

The LWT was formed as a separate entity from the Guardians, as the latter's role is constrained by their enabling legislation, to simply advising the Minister of Conservation on water quality issues relative to Lake Wanaka.

In forming the LWT, the Guardians were of the opinion that there was need for an independent group to encourage, fund and drive scientific research to better inform management decisions on the Lake's and catchment's water quality, and the mitigation of undesirable issues such as the recent development of "Lake Snow" in Lake Wanaka (and other nearby lakes). A whole-of-catchment approach is intended.

The LWT is seen as an umbrella group to facilitate such work on water quality, and as a registered charity has the power to raise funds from government & local agencies, community trusts and the general public. The LWT will own assets purchased or funded in furtherance of its objectives.

In early 2017 at the *Save our Lake* workshop in Wanaka organised by the Wanaka Branch of the Royal Society of NZ, the Trust opened membership to the general public, and was pleased to also announce that the Upper Clutha Water Group (UCWG) was joining the Trust as an Organisational Member.

The LWT is a registered charity with the NZ Charities Commission, number CC53728

Trust Projects

On formation, the Trust established three projects:

- Alpine Lakes Research & Education Centre (ALREC)
- Floating Scientific Monitoring Buoys for the Upper Clutha Lakes
- Use of Satellite imagery to trace the distribution and abundance of Lake Snow in surface lake water.

a) ALPINE LAKES RESEARCH & EDUCATION CENTRE

This project, ALREC for short, is a project coming under the umbrella of the Lake Wanaka Trust (LWT). The project is being guided by a Steering Committee with representation from:

- Lake Wanaka Trust
- Guardians of Lake Wanaka
- Guardians of Lake Hawea
- Department of Conservation
- Wanaka Branch, RSNZ
- other community groups

This project envisions that a Research Centre will be built in Wanaka at the old now unused Fish & Game Society Fish Hatchery, to be used as a base for conducting research work by the University of Otago and others relating to the health and management of the large alpine lakes in the South Island. The Centre will include eventually offices, educational rooms, and laboratories, and will be supported by a residential facility for the accommodation of visiting researchers. The involvement of schools in Central Otago is seen as an important adjunct activity of the Centre.

The project was the brainchild of the late Dr Maggie Lawton and Dr Marc Schallenberg, of Otago University, and Maggie's untimely death in early 2017 has delayed its implementation.

A Memorandum of Understanding (MOU) has been signed between the Lake Wanaka Trust, Fish & Game Otago and the University of Otago for the development of ALREC, under which Fish & Game Otago undertake to make a suitable site available at the Fish Hatchery. In the current reporting period, the LWT Trustees drew up proposals for governance structures for the project. These proposals were accepted by all parties to the MOU, and an Establishment Board has been set up guide the project, with representatives from all the parties to the Memorandum of Understanding. This Board will guide the project through to the preparation and approval of its business case. Once the business case has been approved, a company will be established to operate the facility. Maggie Lawton's daughter, ORC Councillor Dr Ella Lawton has taken over leadership of the project.

Preliminary building designs for ALREC have been prepared, but it is likely that the project will start with a temporary facility on this site or elsewhere. This is to be followed with a permanent facility, once operating experience has demonstrated what long term facilities are necessary, and the financial sustainability of the project.

The LWT Trustees have had a draft lease for the Fish Hatchery site prepared covering lease of land for an initial temporary structure, and a long-term option for lease of land for a permanent facility. The Trustees are grateful to Peter Gowing of Wanaka Law for assistance in preparing this lease, and for his other assistance and advice to the Trust.

b) FLOATING SCIENTIFIC MONITORING BUOYS

The Guardians of Lake Wanaka first proposed the installation of a monitoring buoy with scientific measuring instruments down a tail from the buoy to near the floor of the Lake, in 2008. For various reasons, this proposal was declined funding and support.

Since its formation, the Trust has negotiated a potential funding arrangement for a buoy on Lake Wanaka, with an international party seeking to make a land purchase. This arrangement was dependent on Overseas Investment Office approval of the land purchase. Unfortunately, the Overseas Investment Office approval was not forthcoming in a reasonable time frame, and the potential purchaser cancelled the purchase contract (and the funding offer to the Trust) at the end of 2017

However, a local donor who wishes to remain anonymous, has offered to fund a buoy on Lake Hawea, and several members of the Trust have indicated their willingness to assist with funding for a buoy on Lake Wanaka.

The timeline for this project was delayed by the NIWA review of the ORC's monitoring programmes, and ORC's subsequent modification of their programmes to include monitoring buoys. It is hoped that the project will be reactivated in the second half of 2018.

c) Use of Satellite Imagery to Trace the Evolution of "Lake Snow" in Lake Wanaka

The LWT is working up the subject project in association with CSST, the new space research facility being developed in Alexandra that already has significant Government funding.

Satellite images clearly show the development of discoloured areas in the lake that may be Lake Snow. The LWT intends to assess whether historical satellite images may provide data for mapping the presence/absence and development of the lake snow incursion. Spectral readings from the images may facilitate an understanding of the relative densities of the incursion over the entire lake, including the identification of "hot spots". This project is still in its formative stage.

Other Trust Activities in the 2017-18 Financial Year

a) Membership

The public response to the Trust opening membership was immediate and positive. As at March 31, 2018 the Trust's email register of interested parties was as follows:

- Number of Households 98
- Number of individuals 132
- Number of Organisations 3
- Number of Complimentary 19

b) Newsletter

After opening public membership in the Trust, it was realised that the proliferation of groups working in "water" in the district was confusing to those not involved on a day-to-day basis. The Trust decided that it could help the public be aware of the various groups' activities and commenced publication of a Newsletter on a four-monthly basis, with input solicited from the various groups working in "water". Pamela McGeorge edited the Newsletter and the Management Committee are grateful to her for undertaking this task. Three issues of the Newsletter were published in the reporting period.

c) Assistance to Unstructured Groups

During the financial year the Trust provided banking and payment services to the following two groups associated with Lake Wanaka:

- John Darby's Grebe Project – funds held at March 31, 2018 \$4,736.89
- Upper Clutha Water Group – funds held at March 31, 2018 \$9,994.35

The arrangements with both groups are documented by co-signed Letters of Agreement, and provide that:

- the Trust will receive donations, grants and payments on behalf of the client group, and
- the Trust will only pay out on behalf of the client group, on receipt written authorisation.

With the merger of the UCWG with the Trust at April 16, 2018, (see below) the above arrangement with UCWG was terminated at the commencement of the 2018-19 financial year.

d) Hosting of Sustainability Lecture By Dr Mike Joy

The Trust hosted the subject lecture in Wanaka on December 7, 2017, with the proceeds of \$180 put to the ALREC Project.

Upper Clutha Water Group

During the reporting period, Trustees have supported the UCWG in their successful bid for funding from the Government's Freshwater Improvement Fund (FIF). The Trust could not itself be part of the bid, as it lacked the financial resources necessary, which required 50% funding from the bidders to match 50% funding from the FIF.

After the UCWG's project group were awarded the FIF funding, the UCWG approached the Trust proposing a merger of the two organisations. Under this proposal, the UCWG would bring the FIF project into the merged organisation and the Trust would provide a legal entity to commit to the project. After discussions and due diligence by both parties, the parties agreed to a merger, effective April 16, 2018.

The terms of the merger agreed were:

- that the Trust would change its name to the *Upper Clutha Lakes Trust* with focus on the lakes and waterways of the Upper Clutha rather than just Lake Wanaka, as had been the focus of the Trust initially.
- That the UCWG would nominate an additional Trustee for the Trust, with Dr Mandy Bell, the UCWG convenor, being so nominated.
- That the UCWG would merge all its operations and activities into the Trust and thereafter cease to operate.

As this merger was effective post March 31, 2018, it does not form part of the Trust's activities or reporting for the 2017-18 financial year.

Governance & Management

The Trust's foundation Trustees appointed in the Trust Deed established by the Guardians of Lake Wanaka, were as follows:

- Jeff Donaldson
- Dr Maggie Lawton
- Calum MacLeod
- Russell McGeorge
- Dr Don Robertson

The Trustees elected Russell McGeorge as Chairman after their first meeting in October 2016, and he also agreed to act as the Trust's Treasurer.

Heather Kerr accepted the Trustees invitation to become the Secretary for the Trust and filled this role from November 2016 to November 2017. I wish to sincerely thank Heather for her willingness to take on this role and come to grips with the challenging number of different parties involved in the "water scene".

In March 2017, Dr Maggie Lawton died after a short battle with cancer. This was a serious loss, as Maggie was an active Trustee, particularly in respect of the ALREC project, and her wise and thoughtful contributions have been missed. See the Trust's website for an "In Memorium" for Maggie. The Trustees decided not to immediately to replace Maggie to allow time for the governance needs of the Trust to be better understood.

When the Upper Clutha Water Group joined the Trust as an organisational member, the Trustees invited the UCWG to nominate two of their members to join the Trustees to form a Management Committee for the Trust. Ruth Harrison and Mike Saunders were so nominated.

Following Heather Kerr's request that she stand down from the Secretary's role, the Management Committee appointed Julie Perry from the UCWG, as Secretary in November 2017, with her agreement that she would take over as Treasurer for the 2018-19 financial year. The Trust is very fortunate to have Julie's skills and experience

The Management Committee for the Trust for the 2017-18 financial year was as follows:

- Jeff Donaldson Trustee
- Ruth Harrison Committee member
- Calum MacLeod Trustee
- Russell McGeorge Chairman, Trustee & Treasurer
- Dr Don Robertson Trustee
- Mike Saunders Committee member
- Heather Kerr Secretary (*until November 2017*)
- Julie Perry Secretary (*from November 2017*)

During the 2017-18 financial year the Management Committee took the decision to incorporate the Trust under the Charities Act 1957, which would establish the Trust as a legal entity in its own right and reduce the obligations on the Trustees. Incorporation was

achieved in April 2018, with the organisation’s name modified to “Upper Clutha Lakes Trust Board” to reflect its incorporation.

Financial Reporting

The full Annual Financial Statements for the Lake Wanaka Trust, for the year ending March 31, 2018 are available on request to our Secretary. As a registered charity, the Trust makes annual reporting of both services provided and financial results, to the Charities Service and this reporting may be viewed on the Charities Service website at www.register.charities.govt by entering our registration number CC53728.

In summary the Trust’s financial reporting as at March 31, 2018 is as follows:

Financial Performance	2018⁽²⁾	2017⁽¹⁾
• Donations & grants	\$ 15,563	\$ 1,746
• Subscriptions	\$ 130	\$ 325
• Other	\$ 2,163	-
• Expenses	<u>\$ 2,314</u>	<u>\$ 104</u>
• Surplus for the year	\$ 15,542	\$ 1,967
Financial Position		
• Opening Capital	\$ 1,967	\$ -
• Plus Current Year surplus	<u>\$ 15,542</u>	<u>\$ 1,967</u>
• Total Capital Funds	<u>\$ 17,509</u>	<u>\$ 1,967</u>
Represented By		
• KiwiBank	\$ 16,849	\$ 1,967
• Plus Accounts Receivable	\$ 1,800	\$ -
• Less Accounts Payable	\$ 1,140	\$ -
• Net Assets	<u>\$ 17,509</u>	<u>\$ 1,967</u>

Notes

- (1) Six months October 2016 to March 2017
- (2) Twelve months to March 31, 2018

Donations

The Trustees wish to sincerely acknowledge the donation of \$1,000 in December 2016, from the Wanaka Branch of the Royal Society of New Zealand, which got the Trust operating before other funding was received.

In addition, the Trustees wish to thank the many individuals who have made financial donations to the Trust as members. Your donations materially assisted the Trust.

The Upper Clutha Water Group have asked that the donation of \$10,000 by the Sargood Bequest to the UCWG be acknowledged.

Acknowledgement

The Trustees wish to thank Peter Gowing of Wanaka Law who has most generously supported the Trust in the establishment of the Trust Deed and the registration of the Trust with the Charities Service.

The Trustees also wish to acknowledge the assistance of Andrew Gawith who advised on the formation of the Trust and was the settlor for the establishment of the Trust.

Additionally, I wish to particularly thank my fellow Trustees and Committee members for their work for the Trust, and for their support. In particular, I wish to acknowledge and thank our Secretaries Heather Kerr and more recently Julie Perry, for all their work on the Trust's behalf.

This will be my final report for the Trust, as it is my wish to retire from the Trust as at September 30, 2018, to reduce my workload.

Russell McGeorge
Chairman
Wanaka, July 2018