



Minutes of Te Runanga O NgaiTakoto Board of Trustees Meeting Pioke House, Kaitaia, Friday 27 November 2015, 2pm

Attendees:

Jasmine Marino, Cyril Cook, Dion Hobson, Robert Tamati, Mangu Awarau, Malcolm Karipa, Rangitane Marsden (CEO), Wallace Rivers (Chairman)

Apologies: Trudy Brown-Patuwairua, Chairman arrived 2:45pm

Karakia: Mangu Awarau

Mihi: Dion Hobson

Meeting commenced: 2:30pm

Minutes of the 31 July 2015:

Resolution

Receive the Minutes of the last Te Runanga o NgaiTakoto Board meeting, 31 July 2015 as circulated with the board papers. **Accept the Minutes** as a true and accurate account of the meeting.

Moved: Robert Tamati

Seconded: Jasmine Marino

Matters arising from Minutes of previous July 31 Board Meeting.

- a) The time since last meeting was discussed and trustees confirmed that they continue to agree to schedule board meetings on a “as required” policy, rather than ‘meeting for meetings sake; noting that for planning purposes we have include a bi-monthly meetings in our operational calendar, but can move the dates according to work task requirements and with notification to and agreement from the board.
- b) The Chairman enquired as to any follow up from Marae, further to minuted item 2.1 Te Paa A Parore letter and invitation. CEO advised letter was sent to all marae. Mahimaru had indicated they wanted a meeting, but have yet to send agenda or detail of what they want to discuss with the CEO. No further response received from Te Paa A Parore.

Annual Management Report

The Board meeting follows the format of the Annual CEO Management Report for the year December 2014-December 2015 that report was circulated to the board prior to meeting. The purpose of the report is an update to the Board as to progress completed for the year and a draft of what will be circulated to all NgaiTakoto members in December by way of an update and report on progressed activities for the last 12 months.

There are also a number of attached agenda papers that had been circulated to trustees prior to today's board meeting, and for any further matters requiring Board approval/consideration of tasks, the potential to meet and action further tasks, where required, is possible, before the close of business, Friday, December 18 2015. CEO to notify of any activities required.

1.0 Crown:

Third Reading:

9th September was the final reading of the Te Hiku Settlement Bill and the NgaiTakoto Settlement Act was passed in the House. We had excellent representation in Wellington with our travel down to Parliament (November 2015 panui). That is a completion of the legislation process through Parliament and we move officially into Post Settlement Legislation activities.

A large amount of work is further required with signing and transferring of properties/ documents prior to and after the 17 December 2015. Tuia Group / Crown (OTS) have a list of tasks This includes transfer of land, easements, conservation agreements, relationship agreements, protocols, place names and RFR of Crown land properties. Sweetwater farm / Commercial Properties / Aupouri Forest Lands – funding, interest, investment, liabilities, etc will all be our responsibility from 17 December 2015. The CEO, Asset Holding company team and Tuia Group are working through the legalities of these requirements.

Chairman asked two questions regarding this point:

- a) Insurance – is there a hand over period for insurance? CEO clarified that the Property Management Portfolio manages the sale and lease back of properties. Current arrangements stay in place i.e.: Lease specifies payment of insurance as an outgoing, this does not change; likewise with the farm and forest current lease/management arrangements are in place including insurance cover.
- b) Rates – With ownership comes rate responsibility; again this is managed through lease/management agreements in place, and we are working on a bigger picture Iwi Collective Strategy around rates and unused land, whereby we only pay rates on commercial land where we are connected to and supported by infrastructure. We are working to a solution in the post treaty settlement environment. This also considers marae, community facilities and public access land.

2.0 PSGE:

Annual Management Report details progress on PSGE structure. Governance Group is operating (TRONT current Trustees), Asset Holding Company (AHC) is coming together with the people in place and some fine tuning; a couple of test scenarios clarifying roles, relationships, and responsibilities e.g.: Sweetwater Farm partnership agreement and fiscal considerations, The Aupouri Forest Land transfer and the purchase of the Beach Park provide for considerations/opportunity and the need to develop a management agreement between the Governance and Commercial entity.

The Charitable Trust entity on hold until we have a better understanding of what we can afford from a sustainability financial perspective and further identify what that distribution entity will deliver on. This will progress once Asset Holding Company is confirmed and operating fully.

Chair: I see it as a dividend payment and not sure distribution is the best use of dollars, as dollars is what is needed for re-investment and growth?

CEO. 'How do we advance our people forward in an affordable way?' We can only distribute what we can afford. We promised that these settlements would deliver to our people and 'building their capacity within the iwi future. The business cannot be the priority before the people, we don't want to grow business at the cost of leaving our own behind, but we do need to be financially sustainable for the long term, and beyond.

We need to develop a guided and informed framework for member benefit distribution, and be able to sustain it across generations. The Asset Holding Company will come back to the Board and advise what we can and can't afford from a financial perspective. This is part of the MyFiduciary 360 process, to identify the overall investment and distribution portfolio / strategy.

We have to grow our people as well as the asset base. Bringing in the right skillsets, protect the bottom line, Management Agreement between Asset Holding Company and the Governance Board with clear roles and parameters will be set in place. The final stage will be the development of the Charitable Trust which will distribute according to a sustainable formula.

3.0 VISION

Succession Strategy: We need to think hard and creatively about what does the future leadership for NgaiTakoto look like? We are investing back into our young people already through scholarships, festival, Tane hikoi, Youth Hui, but let's really get our people in the know about who they are and what is their potential into the future. Can we engage our youth leadership into our key business operational areas? Develop a future board we mentor through the next couple of years? This needs serious consideration in 2016 as to how we achieve our future leadership and support that vision. More details can be found in the Annual Management Report.

4.0 OPERATIONS

Staff update:

Awhirangi Marsden will be taking a couple of months parental leave in Jan-Feb to spend time with her baby, as she has not had a break since his birth. Missy Marsden is back from Australia and will cover the account/finance role in Awhirangi's absence.

Business Planning:

We have reviewed the Te Ara Hapara Business Plan, 2013-2016 and have updated our work progress against the identified timelines with commentary in the Annual Management Report. We are tracking well to timeline's with the biggest delay being Crown legislation, but otherwise meeting planned timeframes and work in progress goals and objectives.

Audit - Investment - Budget:

Annual Management Report details on account and investment summary.

\$1.3M interest equals a return at approx. 9-10% (instead of Govt 3%), so our Investment Strategy (in place to 2017) has had a good first year.

Audit to follow GST evaluation. GST claims that we should be getting back from the Crown, estimated \$83,000 GST that we are owed, early 2016.

ZERO Accounting System is being set up to work across all entities;

- a) Asset Holding Company
- b) Charitable Trust
- c) Governance
- d) Operations

Reviewed circulated papers:

- a) Summary Report showing reconciled transactions by expense category 01 July-30 Nov 2015
- b) Financial Summary Narrative 01 July- 30 Nov 2016
- c) July – November current spend total: \$379,573.00

Total Transition period budget allocated of \$2.4M for the three years 2014, 2015, 2016. \$1.3M allocated for 2015,. This includes a couple of unbudgeted activities such as funding to Waimanoni and Wharemaru Marae as well as the firewood-clearing project on Sweetwater Farms.

5.0 COMMUNICATIONS

November Panui circulated to Board and members in mid November (copy circulated in papers).

2014-2015 Annual Management Report will be printed and distributed to all registered members in NZ and Australia before Christmas (per circulated draft).

6.0 BENEFICIARIES/MARAE

Marae:

Trustees reported that there has been some positive shifts in the marae spaces. Marae seem to have softened slightly, with a number of Marae projects approved and Marae participating in the membership delegation to Wellington for the third reading. Waimanoni also has some new people on their committee that are more accustomed to process and working with budgets and accountability.

Positive environment, people are asking more questions and interacting on Facebook. The Australian roadshow was a success and they are progressing positively with their plans.

Chairman questioned the opportunity for other Marae to step forward for an investment from the Runanga (further to Waimanoni Marae opening \$35K, Wharemaru Marae plan \$35K). CEO confirmed that there has always been an opportunity for Marae funding but is part of the Distribution and Framework for Change strategy. Marae have been encouraged to develop Marae plans and strategies, identify needs and a plan to get there. This is all about building our capability and capacity of our members, of our marae and the iwi as a whole, not becoming an organisation that's hands out money.

Marae need to identify needs first and work with their members to demonstrate support for those projects they propose. This would be a requirement of the Runanga, and other external funders. Waimanoni Marae had also received funds from the Fisheries Settlement entity, Nga Taonga, and that should also be an opportunity for our other Marae to access those funds too, before coming to the Runanga.

Festival:

Final festival programme and budget were circulated with the Board papers for today's meeting.

The Festival is to be a one-day event this year, Boxing Day at Lake Ngatu – Sweetwater Festival. Strictly no drugs or alcohol, the focus being as usual, on a whanau friendly event. Security will be in place and entry will be with identified wristbands. Awhirangi is managing this event.

Following this years event, we will move the Festival event to every two years, giving whanau the opportunity to plan for and attend each festival. Could also consider an event in Australia?

Scholarships:

Annual Management Report details scholarships awarded this year. Application forms are available at the office and whanau are encouraged to come in and discuss their ideas. The policy does stipulate that studies must be completed first and then fees will be reimbursed.

Member Benefits:

Annual Management Report outlines a number of proposed member benefit packages that we are looking to initiate and distribute in 2016. Five packs to assist whanau ranging in price from \$150-\$300.

7.0 ENVIRONMENTAL

World Wetlands Day

Planning underway for event at Lake Ngatu on 3 March 2016 (in case of rain, date 10 March). 80 students, four activities. Details circulated in paper to Board.

Dune Lakes – Te Mana o Te Wai

Project includes 2 lakes in NgaiTakoto rohe, plus lake further north (Te Kao). \$400,000 fund with partners from Te Hiku Iwi, DOC, Summit, Sweetwater Farms, Reconnecting Northland, NRC, Bushlands Trust. A proposed 2 year project 2016 -18. Develops, local nurseries, training, and employment.

Lake Ngatu

CEO letter circulated to Board as sent to DOC, NRC, FNDC regarding water quality and risk of Lake Ngatu. Community are getting involved, but key partners need to lead the strategy and then co-ordinate community. Drainage, Kauri log extraction, motor vehicles/boats, farm run off are all issues that contribute to the lakes condition. Solutions to be discussed and agreed at a partnership level first and a strategy developed from there. CEO and Kaio to lead this strategy.

NgaiTakoto Environmental Plan

Plan is underway and details policy, position and NgaiTakoto's role as kaitiaki as detailed in the Annual Management Report.

8.0 PARTNERSHIP ALLIANCES

Kauri logs

The annual management report summarises the Kauri logging activity as part of the farm strategy this year to clear land that was currently unable to be used in the dairy platform. Following logging trial, land is now fenced, re-grassed and utilized for farm pasture and stocking. This has saved the iwi approximately \$/ha with all costs recovered through the logging operation and a small return in the bank.

Sweetwater Farm

Further to AMR discussion additional papers were circulated to the Board this week for consideration:

'Sweetwater Farms Expansion Review, Kim Robinson AgFirst 23 Nov 2015 ' and,

'Sweetwater Farms Strategic Growth Paper – Masters Purchase, Mark Johnson Farm Business Manager, 24 Nov 2015'

The papers present a Land Acquisition Investment opportunity, with the purchase of neighbouring Gill Road property, the Masters Farm. This creates an alternative growth strategy to that agreed at the July 31st TRONT Board meeting when the board resolved to purchase Fonterra Shares.

This proposal would see the purchase of Gill Rd in partnership with Te Rarawa iwi and Landcorp would purchase the Fonterra shares and provide the additional 520 cows. The proposal builds on reports that irrigation and purchasing adjoining land are seen as two options that would provide the best return on investment and would leverage off the existing Sweetwater farm business and Irrigation systems.

Hemi Toia, CEO Te Waka Pūpuri Pūtea Ltd, has requested that TRONT Board discuss the proposal and resolve to an investment agreement at today's Board meeting.

Discussion convened with a general consensus that this was a rushed proposal for a number of key reasons; that being the issues including: newly formed commercial relationship with Landcorp and Te Rarawa, no long-term strategy for the farm yet developed and the resolution at last Board meeting was to purchase Fonterra shares, there is already under utilised land in the Sweetwater block, should this be activated first within the platform?, There are still mana whenua issues to discuss with Te Rarawa and the Gill Rd property purchase would then put Te Rarawa into our rōhe.

Malcolm; questions why we need to change tact? We made the commitment to Fonterra shares at our July Board meeting? Our joint venture agreements with Te Rarawa and Landcorp have not even been signed yet? What is the rush? Robert; as a board we resolved to Fonterra shares as this was a good and sustainable growth investment. Wallace; We should stick to the kaupapa and purchase Fonterra shares. We need to work with Te Rawara in our space and need a strategy to agree to that. We also need to consider due diligence on our partners? What position is Te Rarawa in to purchase Gill Rd, and to commit to sustainable growth strategy?

Resolution

That, as a board TRONT remain committed to our decision of 31 July to purchase Fonterra shares and stick to our original kaupapa for growth and investment

Moved: Robert Tamati

Seconded: Cyril Cook

That, TRONT trustees request that a Due Diligence process be conducted on our potential business partners, Te Rarawa Asset Holding company – Te Waka Pūpuri Pūtea and associate commercial entities.

Moved: Jasmine Marino

Seconded: Dion Hobson

And that, TRONT agree to the development of a long-term farm growth strategy within the next 12 months with our Sweetwater partners; Te Rarawa and Landcorp.

Moved: Robert Tamati

Seconded: Jasmine Marino

The following draft papers were also circulated to the Board for review;

- a) Constitution of Sweetwater Farms General Partners
- b) Shareholders Agreement for Sweetwater Farms General Partners - Te Rarawa Farming Ltd and Te Make Farms Ltd.
- c) Relationship Agreement in relation to Joint Farming Assets: Te Make Farms Ltd, Te Rarawa Farming Ltd, Te Runanga o NgaiTakoto Trust, Te Waka Pūpuri Pūtea Ltd
- d) Sweetwater Farms Management Agreement – Sweetwater Farms Ltd Partnership and Landcorp Farming Ltd

Mekerene:

Further to Annual Management Report CEO has discussions underway with interested parties in the Mekerene space.

Key understanding for board and membership is to know that with land that size (over 2,000 acres) comes a commitment to maintaining the land. Suggestions are that we will need some tools to do this job: Potential proposal to buy a 30 ton digger as this will save countless man hours in clearing wattle, gorse and scrub. Will also help with maintaining lake edges and tracks. Kings Avocado have also offered to lease the digger off us for further work they will be doing, including Avocado's, Honey, Manuka. Maybe a consideration for 2016, including a quality Drone for Arial mapping purposes.

CEO is also attending a marae meeting at Kaimaumau with Wharemaru whanau this weekend to discuss the issues with unlawful access, horses and stock on the land. This is an iwi owned asset and no one individual/whanau should be engaging in that space without authority to do so.

Beach Park at Waipapakauri Ramp

Further to the Resolution of our July 31st TRONT Board meeting the CEO has progressed negotiations and legal/finance processes with our Asset Management team for the purchase of Waipapakauri Beach Park. The draft Sale and Purchase agreement has been circulated with board papers, offer of \$1.M subject to a due diligence report on the septic system and final approval of the board. The Asset Holding Company, legal team and accountants have advised that the park is a sound investment and offers a good return, but we should not buy out the current lease; meaning the current operators should continue to lease the premise. This gives the iwi a couple of years to develop the right people within the tribe to manage the operation and other connected tourism opportunities to come online.

Resolution

That, Te Runanga o NgaiTakoto Board approve that the CEO proceed to negotiations and that the draft Agreement for Sale and Purchase of \$1,000,000 be presented for the purchase of Waipapakauri Ramp Beach Park (6 Matai St, Waipapakauri); subject to final due diligence report on the Septic System and other general terms of sale.

Moved: Robert Tamati

Seconded: Cyril Cook

Social Accord:

Continuing to develop progress on a Tai Tokerau Forestry School in Kaikohe and an Environmental work strategy with WINZ built around our Dune Lakes and Te Mana o Te Wai project as a case study (work, education bundle).

The Social Accord has committed to conduct a review of the number of providers in Kaitiaia in 2016. This is a first positive step to look towards redirecting government funding into an investment strategy into Kaitiaia rather than a welfare strategy. We need to move beyond the welfare mentality and into that of positive investment. Te Aupouri and Te Rarawa are tied into the social service sector provision so there will be resistance; but currently there is no return on government investment and no progress for Te Hiku so the review will clarify the investment picture as it currently stands and the deliverable (or otherwise not) for that investment.

Te Hiku Forestry Working Party

Forest committee almost up and running. Consider how we develop the structure; all we are agreeing to be parking up the forest decision making whilst we develop the longer-term strategy. Our NgaiTakoto priority is of ownership of 8,000ha of land within our rohe. The forestry committee cannot determine land use in our space, just what happens with the forest (trees).

CEO working with on strategy with SCION on land diversification in the forest, alternative fuels, research and development into complimentary processes/ byproducts of forest production. This will be a big part in the future of our Forestry strategy. Pine is more cost effective than dairy. Pine is more environmentally friendly than dairy. We are looking to challenge the industry about finding balance, Riparian planting, Biofuels, better uses/ manufacturing etc and having this done in a sustainable environmental way.

CONCLUSION:

CEO talked through balance of Annual Management Report as reported.

2016 is going to be a busy year. We are not negotiating details and specifics anymore with the Crown. It will be about confident decision making, planning long-term governance strategy and asset management planning. Farms, Forestry, Kaumaumau, Beach Park and assets. It is also about growing our young and our people in our new space.

GENERAL BUSINESS

Signing of Settlement documents and Protocols to follow board meeting today; if there are any final documents there is the potential for another Board meeting before Christmas (the likely dates for that would be on (14-17 December). CEO will advise on any requirement.

Te Kupenga Hui: Sunday 13 December (CEO, Robert, Mangu, Wallace)

Te Hiku Media: 25 Year Maori Language Broadcasting: 11am, Friday 11 December, Roma Marae (RSVP: Maria@tehiku.co.nz)

Office Summer Closing Friday 18 December 2015 – 10 January 2016. Reopens Monday 11 January 2016

Office Christmas Dinner – 18 December 2015

Sweetwater Festival – Registrations close Friday 11 December.

26 December, Boxing Day - 7am Waipapakauri Sports Complex, for Uniforms, Breakfast and Opening of Festival

**Meeting concluded at 6:30pm,
Next Meeting date to be determined**