



Minutes of Te Runanga O NgaiTakoto Board of Trustees Meeting Pioke House, Kaitaia, Friday 31 July 2015, 2pm

Attendees:

Wallace Rivers (Chairman), Trudy Brown-Patuwairua, Jasmine Marino, Cyril Cook, Dion Hobson, Rangitane Marsden (CEO), Robert Tamati (arrived 3pm)

Apologies: Mangu Awarau, Malcolm Karipa

Karakia: Cyril Cook

Mihi: Dion Hobson

Meeting commenced: 2:30pm

Minutes of the 22 May 2015:

Resolution

Receive the Minutes of the last Te Runanga o NgaiTakoto Board meeting, 22 May 2015 as circulated with the board papers. **Accept the Minutes** as a true and accurate account of the meeting.

Moved: Cyril Cook

Seconded: Trudy Brown-Patuwairua

No matters arising from Minutes of previous May Board Meeting.

CEO Report

Meeting progressed with the review of The CEO Report that was circulated to the board prior to meeting. The purpose of the report is an update to the Board as to progress completed since our last board meeting and to highlight the need for Board approval/consideration of any tasks to action.

(This months Board agenda (and subsequent Minutes) build on each of the CEO Report items, and these minute items do not need to be repeated verbatim, but simply add any additional comments or actions resulting from Board discussion of the Report).

1. Crown:

Third Reading:

The original suggested date for the Third and final reading of the Te Hiku Settlement Bill of 10th September is not possible, but it is likely to be September / October. We may go as a NgaiTakoto roopu – goal is to take those relevant to the claim. Parliament will be limited to 2 hours per Iwi so although waiata or haka would be occurring we need to factor this in the timetable. Consider taking some Rangatahi to see the handover, of what has been achieved. It is a significant achievement and we will arrange as to how we get our people down to the signing.

NgaiTakoto joint Marae submission to the Select Committee hearings produced no changes or amendments to the NgaiTakoto Settlement Legislation. The Committee also determined that Te Runanga o NgaiTakoto had communicated extensively over the settlement process to members and that those marae had been given plenty of opportunities to participate and be included in the process of the settlement and that was sufficient.

Ngati Kahu has taken the Waitangi Tribunal to the High Court in Wellington and the results of that hearing are still pending a decision from the judge. Those lands pertaining to NgaiTakoto that were secured in our settlement and are under dispute with the Ngati Kahu Runanga will stay with us in our settlement. (NgaiTakoto Rohe)

1.1 and 1.2 Crown Settlement Implementation table presented. Post Settlement Tasks required to be completed after Deed of Signing is completed.

2.0 PSGE:

2.1 Te Paa A Parore letter and invitation

General discussion of the letter and invitation for the Board to attend meeting at Te Paa A Parore Marae on August 29th. Concerns that the letter was a repeat of old ground matters and that the response's provided to a 'framework for change' document were still being taken out of context and the facts disregarded despite the Roadshows clarifying matters specifically to those present at the hui's. The financial figures are out of context and there seems to be a lack of transparency and accountability as those who had supposedly signed the letter on behalf of marae committees – but had never presented the letter to the relative committees for endorsement. The Framework for change hui was a positive and forward step and the CEO had agreed to meet with marae to talk through the eligibility and criteria framework with Marae so it was clear as to how the change's required could be implemented, but this letter does not move things forward.

Resolution

That, Te Runanga o NgaiTakoto Board received the letter and invitation from Te Paa A Parore dated 17 July 2015 and supports that Rangitane and the associated Board representative arrange to meet with each marae individually to discuss the framework for change eligibility and criteria.

And that, Rangitane Marsden will write a formal response to the invitation and circulate to the Board, and direct to Marae committee's identified in the letter.

Moved: Robert Tamati

Seconded: Dion Hobson

Charitable Trust Deed

Trust Deed needs to be further developed and TRONT trustees will be asked to feedback into this. Trustees discuss this with Marae members at future points in time.

What are the opportunities for distribution? What does our distribution policy cover? Clear understanding of benefits that the Charitable Trust space has to work with require development. Marae could potentially sit in the Charitable Trust space.

x3 Current Marae committee's are wanting to revert back to original structure outlined/proposed in the 2012 Ratification document. X3 Marae representation pulled out of settlement participation in 2010 - 2012 before the Deed of Settlement signed, so we moved to Beneficiary Representation.

We are mandated to building the PSGE with the best interests of beneficiaries, not marae committee's. Marae are not the mandated authority on any of the land settlement legislation. New structure will be in place 2016 and beneficiaries will vote in the representation and structure that best protects the future of NgaiTakoto.

2.2, 2.3, 2.4 MyFiduciary

Discussion of the 3 document items circulated, pertaining to MyFiduciary discussions and scope of engagement. Commercial Agreement in progress, meeting in August with commercial entity team. \$45M land, farm, forestry, commercial property, cash all bought into one asset management strategy with an objective view on how best to manage that. What sort of % distribution, 25-30%? What is the distribution policy?

My Fiduciary will be engaged to develop an Investment Policy, so our commercial entity alongside of the Board will be governed by this POLICY - and the INVESTMENT STRATEGY comes from that. We will engage My Fiduciary in specific services only to a total value of \$16,750 + GST as outlined in the attachment.

Resolution

That, Te Runanga o NgaiTakoto Board agrees to the Terms and Scope of the Service Agreement as presented with MyFiduciary.

Moved: Robert Tamati

Seconded: Trudy Brown-Patuwairua,

4.1 OPERATIONS

Discussion of the circulated and Proposed Financial Budget for Te Runanga O NgaiTakoto for the year ending 30 June 2016. Forecast is \$1.2M and includes significant allowance for due diligence and legal and financial services. Specialist Advice is needed to progress agreements and secure our NgaiTakoto assets coming back through settlement including: Forestry structure, Farm (Sweetwater) agreements and partnerships. The Chairman asked for any questions from the Trustees as to comments pertaining to the budget. No questions received.

Rangitane explained that compared to other tribes we are doing a lot of work ourselves; but when we get to the finer details we need additional specialist services to ensure that we get the bottom lines right. We agreed to a total of 2.4M over three years to complete the settlement process. When

we signed the Ratification Deed in 2012 the Crown no longer picks up the cost of the Settlement and the ongoing work and negotiations. We have moved from doing the job for free to having an assets base of \$46M. The Crown spent 2M on us to get us through to Settlement. We budgeted to spend 2.4M to get the settlement and the PSGE work completed, this was approved by beneficiaries in 2012.

Resolution

That, *Te Runanga o NgaiTakoto Board accept and approve the TRONT Budget, year-end June 2016 as forecasted at \$1.2M.*

Moved: Robert Tamati

Seconded: Jasmine Marino

IRD, Audit and Financial accounts are still in progress with Awhi Marsden and Sarah Kessell from Sumpter Baugher as we move to the ZERO system. Drew's contract for Administration has been extended and Lau'rell Pratt has requested to reduce her hours which is currently in discussion with CEO, as per CEO Report circulated.

5.0 COMMUNICATIONS

Copies of the June Panui circulated to members as per our communications strategy, along with copy of the Framework for Change Roadshow presentation.

Beneficiaries need to understand the PSGE structure and representation, Board members need to keep up with this work; raise your communications profile in those spaces via email etc and continue to have conversations with beneficiary members so they understand the structure and potential roles within that. There will be follow up Roadshow's in November.

Succession Strategy:

How do we start that Succession Plan? We need a rationale and strategy to do this. We can get smarter with a long-term business strategy, getting younger people in the governance group to create a shadow cabinet so to speak, of future leaders. They could work along side this Board and there is an opportunity to mentor the younger board (30-40 year olds). Identify and grow our future leadership, Investment needs to be made in those identified, so they are qualified and know the business. Transfer of learning does not work necessarily at the Board table and we have started with our Tane Hikoi, but Board members need to look out for the next generation of leaders.

We are 18 years through our original 20 year plan, the next 20 years belongs to the next generation of leaders - who are they? Our job is progressing to the PSGE structure, landing our assets in a secure structure and one that offers true representation; transparency, accountability and we are on track to do that by 2016. If we get that right we can then give the next generation a blank canvas, and ask them where do they see themselves in the next 20 years....

The Succession Strategy is a work in progress, and Robert Tamati suggested that it should have some sense of urgency, sooner rather than later, the challenge is to identify potential in your membership/hapu now so we can progress with this next generation of leadership.

6.0 BENEFICIARIES/MARAE

Wharemaru Marae

Rangitane confirmed the budget is there and ready for the renovations and initial build of the Wharemaru Marae; the Marae committee need to take the next step and progress with the building team. Those funds will come from the negotiated financial figure that was given by OTS in order to contribute to build a marae at Wharemaru, as a result of the settlement negotiations.

NgaiTakoto Festival 2015

Planning is underway for 2015. This year's event will be a shorter event, with arrival and accommodation at Waimanoni Marae on the Friday night with a powhiri and dinner. Then a day of sports and activities at Waipapakauri Domain, followed by dinner and a music concert at Lake Ngatu. This leaves the Sunday for whanau to catch up in their own time and relax. Details to be circulated to members soon. Awhirangi and Drew are organising this event.

Trustees Trudy Brown-Patuwairua has agreed to get the NgaiTakoto Awards organized and Dion Hobson will be our MC. (To be confirmed with organiser's).

Scholarships

Scholarships have been allocated in full to the budgeted value of \$35,000 for the year ended June 2015. Registrations are now open, August-November, for the 2016 year. New Applications are available online or through the office. Direct discussions from applicants should be had directly with Awhirangi, via the office. 0508 TAKOTO.

Australia

Malcolm Karipa gave his apologies for today's meeting as he is attending a funeral. Australia are yet to confirm a date for Rangitane to go to Australia and discuss with the representatives the PSGE Framework for Change document, and their own needs. A date is yet to be confirmed. Australia is also looking at distribution of scholarships and have sought to develop an Australian application template. (Template has been provided)

7.0 ENVIRONMENTAL

The NgaiTakoto Environmental strategy document is in progress which looks at the relationship arrangements in the NgaiTakoto rohe and identifies clearly what the NgaiTakoto position is as to our roles and responsibilities of managing our lands / waters. This is a policy and planning guideline that builds on settlement legislation and must be taken into account with Resource Management, Local Government (district and regional council), DOC, and identifies our participation and partnerships with other organisations of lands, lakes, beaches, forest etc.

Korowai discussions are underway within Iwi and around setting up the Te Hiku Conservation Board. Understanding the kaupapa, once agreements are completed and legislation has been completed, we can start this work.

CEO aware of council initiatives and assumptions over administration in areas relating to our settlement space. All of this before the Korowai / Beach Board legislation has been passed and before how things will operate, have been agreed.

If anyone wants to do business on the NgaiTakoto rohe conservation estate then it will be on our terms. We are already looking at honey, Manuka plantations and avocados; we may have our own people to bring into that space but we will be doing our own planning on these opportunities first.

We are also working with the Motutangi Drainage Board - DOC, Council, Iwi and observing the activity and opportunity for a Walk way / Cycle way in Te Hiku.

Kaio / Benjamin is working to develop the final stage of our Tane Hikoi and CEO has opened up korero with other iwi to invite them into this leadership space. Snow Tane from Te Roroa and Rangi Hinii from Ngati Hine, with the connection to Sir James Henare and the history of Kawiti. That will make it a total of six legs over six weekends, and contribute to building relationships with other iwi.

There are also discussions with Snow Tane regarding kauri log extraction and an opportunity for both NgaiTakoto and Te Roroa to work together in this space, sharing teams/equipment/contacts etc for future business potential. (For consideration only)

Trudy also raised the earlier discussions of a wahine hikoi, and Rangitane mentioned that there was an intention to expand the Hikoi to include woman in the programme, acknowledging both are in the future leadership space.

8.0 PARTNERSHIP ALLIANCES

CEO Report details progress in this work task, with Rangitane updating on the move to a new structure across iwi that aligns the Political - Economic - Operational entities. It challenges leadership to integrate a new structure that moves iwi forward collaboratively and builds economies of scale.

Te Kupenga leadership group meeting is to be held in August to confirm path forward.

NgaiTakoto made a number of concessions on land settlement claims that are not being considered in the context of working together; examples of Te Rarawa overstepping NgaiTakoto in Forestry, Fishing, Farming; Te Aupouri in the Fisheries claim. We need to challenge other v iwi leadership as to what working together looks like, you cannot say one thing and then continue to behave differently. We have two weeks of court hearings (hopefully March 2016) and Rangitane is working with Anita on The Te Aupouri Fisheries claim seeking more of a financial share than NgaiTakoto / Ngati Kuri. We need to align the land settlement with fisheries, aligning contemporary boundaries; mana whenua - mana moana.

We also need to question retaining the status quo of Social Service Delivery as our future in Te Hiku, and that will be a challenge to a number of Iwi who have built this as their economic platform; social services is not economic growth. We need to think beyond that.

Social Accord Administration:

Te Runanga o NgaiTakoto is umbrelling a number of project funds for the Social Accord. These funds will be received in a separate NgaiTakoto account and Awhi will manage the payments on behalf of TPK, MSD for projects in: Early Childhood (Geneva Harrison managing), Forestry Strategy (MPI funding).

8.1 Beach Park at Waipapakauri Ramp

Following on from May TRONT Board meeting the agenda paper 8.1 Potential Purchase of Waipapakauri Beach Park was a report circulated by Craig Wells of Sumpter Baugher.

Report recommendation from Sumpter Baugher was to secure the park, but not the business lease. Stating *"The purchase of the park provides a sufficient return to progress to more detailed investigation in regard to possible capital costs. the return will be higher than bank investments and will provide a base to eventually begin NgaiTakoto's tourism strategy."*

It is further noted that the CEO will also progress with an initial scope of potential tourism opportunities and start to explore a tourism strategy for NgaiTakoto.

Lakes/Sand dunes, Wetlands projects, Forest, Conservation estate, Peat/Oil extraction, Cycle trail, Honey, walking tracks, horticulture, kauri logs - the park is potentially well placed for tourism. It's an opportunity to showcase ourselves to the world. We need a place for our young people to grow into the strategy. Let's bring some of our young people into this space and develop a strategy, get the business side up and going and build tourism product offerings on that, i.e.: next generation leading the tourism strategy, Tane Hikoi stories over the trail, connect to the economic and environmental relationship with the land. Peat/Oil extraction will be interesting as a tourism attraction in the context of our Manuka honey plantations, horticulture, wetlands and conservation estate/forest trails. (Noting all of this has scoping potential)

Resolution

That, Further to Craig Wells Report, Te Runanga o NgaiTakoto Board approve that the purchase of the Waipapakauri Ramp Beach Park be referred to the NgaiTakoto Commercial Entity for further investigation and final recommendation to the Board.

Moved: Robert Tamati

Seconded: Cyril Cook

8.2, 8.3, 8.4 Hives and Trespassing

Further to the Papers 8.2, 8.3. 8.4 circulated to the Board, there was general discussion about the placement and arrangement of hives on Kaumaumau and conservation estate. Letters outlined King Honey (Ian Broadhurst) hive placement arrangement on Kaumaumau, for 12 months only, and for Haines Apiaries to remove hives from NgaiTakoto land and stay within their concession on the DOC estate. This could be renegotiated under the Korowai agreement as time permits. Haines were also advised that the key for access via Norton Rd would no longer be made available to their staff as there is sufficient access via department of conservation land. A formal Notice will be put up on site, advising affected parties to phone NgaiTakoto manager for access.

Resolution

That, Further to letters drafted;

- a) King Honey Hive Placement Agreement on Kaumaumau block (12 months only), and*
- b) Haines Apiaries existing concession on the conversation estate only,*

Te Runanga o NgaiTakoto Board agrees to the arrangements outlined in the letters and for them to be sent to affected parties.

Moved: Robert Tamati

Seconded: Cyril Cook

8.5 Te Hiku Forestry Working Party

The Aupouri Forest is on 8000ha of NgaiTakoto land. NgaiTakoto is the land owner and we won't be supporting any proposals that undermine or do not understand that. At the moment we are all 'tenants in common' of the forestry business, with shares in the Crown Forestry Rentals and profits shared with Ngati Kuri and Aupouri, but this does not include the land.

Rangitane is working with SUMMIT about working together and what they want to do in that space. We agree that Forestry Management can be done ourselves and SUMMIT already run the forest.

8.6 Te Hiku Hauora Rent Holiday proposal

Discussion of the letter circulated as Agenda Item 8.6 outlining a request from Te Hiku Hauora seeking a rent holiday on the property 49 Redan Road, Kaitaia. It is unfortunate that the proposal outlined and apparently already agreed with Te Rarawa had not been agreed or discussed with NgaiTakoto. A discount of reduced rent for seven years has already been agreed too and put in place on this property with the tenant and it is not recommended that we further subsidize the practice to the suggested subsidy/rent holiday of \$460,000. Unfortunately the proposal was not discussed with NgaiTakoto before Te Hiku Hauora progressed with the buy out deal, and Haami Piripi on behalf of Te Rarawa had made a commitment on their own accord without prior knowledge or approval from our board. Te Hiku Hauora will need to follow up the agreement with Mr Piripi.

Resolution

That, Te Runanga o NgaiTakoto Board do not agree to the proposal of a rent subsidy of \$460,000 on 46 Redan Road, Kaitaia. And further suggests, that any such financial support needed to be sought and agreed too by TRONT prior to Te Hiku Hauora progressing contractual arrangements as outlined in the letter.

Moved: Robert Tamati

Seconded: Cyril Cook

8.7 Sweetwater Farm

Report 8.7 circulated from Sam Johnson of our NgaiTakoto Commercial entity, detailing progress being made with the Sweetwater Farm partnership. Agreement was reached with LFL for the profit share to be apportioned 67% to NgaiTakoto / Te Rarawa (equally) and 33% to LFL. The profit share is based on Iwi purchasing and owning the Fonterra shares.

Dividend is paid on profit per kgMS, and it is also paid on shares; consideration of the Board at this meeting is the possibility of NgaiTakoto purchasing Fonterra Shares.

As part of the 67/33% profit share agreement, Iwi have decided on the option to purchase Fonterra Shares this is approximately 865,000 shares.

The current market price for these shares is \$4.62 (as at 4:45pm, 24/07/15). Total purchase price will be around \$4m, with funding and ownership split equally between both NgaiTakoto and Te Rarawa. NgaiTakoto will be required to pay approximately \$2m for their share.

We had set aside money to purchase the Masters farm from within the cultural redress fund, but perhaps Fonterra Shares are a better purchase at this stage. Current shares are priced low and are a good buy (42% less than May 2011 at \$8/share), as opposed to buying another farm to add to the

dairy platform, shares allow us to get a bigger return from our current investment and we will not need to borrow money to do that. It also moves us significantly into the realm of future full control of the business.

Resolution

That, *further to the Sweetwater Farm Report 8.7 from Sam Johnson, Te Runanga o NgaiTakoto Board support the purchase of Fonterra Shares.*

Moved: Cyril Cook

Seconded: Jasmine Marino

GENERAL BUSINESS

Te Hiku Development Trust

Jasmine Marino requested an update following May's TRONT board presentation from Paul White regarding the Te Hiku Development Trust review. Rangitane mentioned the Report will be discussed at the August Te Kupenga meeting and is a challenge for leadership to clarify roles and interrelationships between Chair's, CEO's, Economic/Asset Holding Companies. What does leadership look like? The report confirmed many of the obvious overlaps and dysfunctions in a number of our forums, and our intended meeting will consider those.

Kaitaia Water Supply

Jasmine Marino also sought an update on the Kaitaia water supply issue. Rangitane said there was an opportunity to use the Bores on Sweetwater farm as a town supply option and this had been discussed with council last year (in partnership with Te Rarawa). Subsequently FNDC released their Long Term Plan with no mention of the Sweetwater option, just the H2O deal which is the Haywood deal. Rangitane has followed up FNDC CEO Colin Dale and requested more disclosure on where this option is at, but it is apparent that the council are avoiding the iwi opportunity, as it brings up the 'Wai-Water' project kaupapa about 'who owns the water?'. Council have not been able to work in partnership and at this stage are not looking at a bigger picture water management strategy that would see lower quality water used in industry and higher quality in drinking water. Council are undecided on the final

Robert also suggested that iwi should be looking at alternative energy and that Rangitane also needs to consider succession strategy with his role. He reiterated earlier comments that succession planning and the idea of a 'shadow board' needs to start now.

Trudy suggested that a Board and Staff Induction manual would be a good place to start. That also detailed requirements from the board such as fees, paperwork, claims, i-pads etc along with background information on NgaiTakoto.

Consider:

- Confidentiality agreement
- Conflict agreement
- Policy & Board expectations
- BNZ papers and Economic/Investment strategy
- Ratification and Deed of Settlement documents
- Vision & Values
- Environmental Strategy

Reminder that TRONT meeting Minutes and CEO Report are available to all members on the www.ngaitakotoiwi.co.nz website and that if Trustees let the office know of upcoming meetings, Drew can print out a pack of the latest reports for them to take to marae meetings. Reminder too that all Board members were given a folder and if they bring to each meeting it can be kept up to date with communications.

Meeting concluded at 6:15pm

Next Meeting date to be determined