

Te Tātarakihi

October 2014





*Above: Dennis Barker of Kerifresh with Pita Cherrington inspect one of the Trust's kiwifruit orchards
Below: Harvesting operations captured from the air*



Front Cover: Sonny Livingstone conducting a blessing of the first tree to be harvested within the TFL Matawaia Forest on 18 December 2013 and beneath is a photo taken at the time planting commenced in the 1980's at the Matawaia Marae

Ngati Hine Forestry Trust – Panui 12

October 2014

Notice of the 2014 Annual General Meeting

We invite you as beneficial owners of the Trust to the 2014 AGM – Nau mai, haere mai ra e te iwi.

The arrangements for the hui are:

Venue: **Ngawha Marae, Ngawha**
Date: **Saturday 1st November 2014**

Agenda

8.30 am Owner registration and morning tea

9.30 am Karakia and mihi

Meeting commences, Apologies, Trustee's Report, Financial Report for 2013/ 2014, Auditors Report, Appointment of auditors for 2014/2015

12.30 pm Karakia whakakapi

Lunch will be served at the conclusion of the hui.

Trustee Retirements

Clause 4.8 of the Trust Order deals with the retirement and election of nominees for appointment as Trustees. Usually a third of the Trustees are required to retire at each Annual General Meeting (AGM). This regular requirement for Trustees to retire after three years then triggers the need for a Trustee election process. Resignations would also create vacancies which would be filled using the same process. The number of Trustees for the Trust is currently fixed at 7.

Clause 4.8.2 of the Trust Order only requires those Trustees who have served three years since their last election to "retire".

The election tie at the 2011 AGM resulted with the Maori Land Court making an order retaining those then current Trustees as Trustees until the 2012 AGM. Essentially the 2011 Trustee election was cancelled.

The Court Order went on to stipulate that at the 2012 AGM four Trustees would be required to retire which was the case and a Trustee election was duly held and subsequently the Maori Land Court appointed the four Trustee nominees elected at the 2014 AGM.

As a consequence of the Court Order relating to the 2011 AGM election tie and the results of both the 2012 AGM and 2013 AGM Trustee elections there will be no Trustees, who will in November 2014, have served for 3 years since their last election. Four of the current Trustees have served two years and three Trustees have served one year.

Hence there is no requirement for any current Trustee to retire (and there have been no resignations) and therefore there are no Trustee vacancies and no need to hold Trustee elections at this 2014 AGM.

The situation at the 2015 AGM will be that four Trustees will by then have served for three years since their last election will be required to retire. A Trustee election process will therefore occur at the 2015 AGM.

Other Information

New Trustee:

As a consequence of the election for Trustees at the 2013 AGM held at the Tau Henare marae, a new Trustee was appointed by the Maori Land Court. The new Trustee is Pita Cherrington who resides in Pipiwai. A list of the Trust's seven Trustees appears at the end of this panui.

Harvesting of the Matawaia Forest:

The harvesting of the 416 hectares of the Matawaia pine forest crop has now commenced. A blessing ceremony was conducted on the 18th December 2013 by Sonny Livingstone in the presence of many of the local whanau.

The Matawaia Forest pine crop is owned by Taitokerau Forests Ltd (TFL) which has a forestry right (which is similar to a lease). TFL has awarded the Harvesting and Marketing contract to the Ngati Hine Forestry Trust and Kiwi Forestry International Ltd 50/50 Joint Venture Partnership Company.

This partnership involves the harvesting and marketing of the Matawaia first rotation crop and for the planting and management for 28 years of the second rotation crop of the Matawaia Forest area.

It is envisaged that harvesting will take around three years and that the first plantings of a second rotation pine crop will occur during the winter of 2015.

This 50/50 JV partnership has a number of advantages to the beneficial owners; these being:

- The Trust being directly involved in the harvesting and marketing operation to ensure that employment opportunities for local people and contractors are maximised, for example Ernest Morton currently has a harvesting crew working in this forest.
- The cost of planting the second rotation and managing the crop for 28 years will be met from income generated by undertaking the harvesting and marketing contract with TFL meaning that no cash is required from the Trust
- At the time of harvest of the second rotation crop in 28 years the Trust will receive 50% of the harvest proceeds
- The Trust will also receive the Crown grant monies via TFL during the current harvest as provided for in the loan arrangements with the Crown.

At the instigation of the Trustees, Pita Tipene was nominated and subsequently appointed as a Director of TFL at the TFL AGM in October 2013.

Ruatangata Forest – Trustees Forest Area (TFA):

This is an area of the forest comprising some 430 hectares of forest crop, although owned by the lessee TPL 4 (Taumata Plantations) the Trustees have a 100% interest in the net stumpage. This Trustees Forest Area (TFA) is included within the lease to TPL 4.

The Trustees are nearing the completion of negotiations with the lessee TPL 4 and the Trust's mortgagee Housing New Zealand, which if successful will see this TFA removed from the lease and to transfer the ownership of the pine forest crop to the Trust at no cost. This action is in line with the Trust's new strategic direction to become active managers of the assets of the beneficial owners, as opposed to being a passive landlord.

The Trustees also believe that by gaining 100% ownership and control of the TFA the Trust will be better placed to maximise the financial returns from this forest area for the benefit of you the owners.

Once the transfer of the ownership of the forest crop is complete, subject to final lessee and mortgagee consents being given, the Trustees will arrange for the harvesting and marketing of the forest with harvesting possibly commencing during the 2014/2015 summer.

Kiwifruit Orchards:

As you will no doubt be aware Psa V has this season arrived in Kerikeri with around 30 orchards being identified as having Psa V to date.

The Trust has commenced a process to convert the Trust's orchards to another variety(s) of kiwifruit that are less susceptible to Psa V and also to be more profitable with respect of the Trust's three Green kiwifruit orchards. This year one orchard Te Tara Kowhai has been converted to A19 a Turners and Growers variety. Conversion of the remaining orchards will take place over the ensuing years.

Review of the Ngati Hine Forestry Trust by the Maori Land Court:

At the request of the Maori Land Court (MLC) the Trust applied on the 25th November 2011 for a review of the Trust to be undertaken by the MLC pursuant to Section 231 of Te Ture Whenua Maori Act 1993.

This application for a review was first heard at the MLC on the 20th August 2012 at which time the hearing was adjourned to enable Judge Ambler to issue directions.

Subsequently on the 27th September 2012 Judge Ambler issued various directions and orders including the appointment of RBH Chartered Accountants (RHB) of Tauranga to prepare an independent report on aspects of the Trust's performance.

RHB subsequently submitted their report on the 29th November 2012 and the review hearing took place at the MLC on the 22nd March 2013. This day long hearing canvassed widely all facets, operations and decisions of the Trust both past and present.

This hearing culminated in generating some eighty pages of typed minutes and was concluded with Judge Ambler adjourning proceedings for a reserved decision.

Judge Ambler on the 28th January 2014 released his reserved judgement with respect of the review of the Trust which concluded the MLC review process.

Judge Ambler's reserved judgement is available on the Trust's web site www.ngatihine.maori.nz

The Future:

The Trustees are now very much looking to the future, taking the past lessons learnt with them.

The Trustees have remained focused on our Trust's new strategic plan which

concentrates on being 'active' managers of our collective assets after being 'passive' custodians for some time now.

Ultimately, this vision means we will hold our destiny in our own hands and will not be reliant on others to manage our various assets for us. Otira, me u tonu tatou ki te kaupapa, 'ma Ngati Hine ano a Ngati Hine e korero' or 'Ngati Hine will determine what is important for Ngati Hine'. This is the world that we want to leave for our mokopuna – for them to control their own destiny.

The Trustees are considering limiting the planting of further pine trees beyond the planned planting of a second rotation pine crop on the Matawaia Forest Area.

Trustees have, therefore, examined various options that will include looking at converting the areas presently being harvested by Hancock's to native species and related industries such as rongoa Maori, eco-tourism, mānuka honey production, nursery stocks, food production, etc.

To these ends the Trustees have been engaged in a process to develop an Alternative Land Management Model (based predominately on native trees) and we have called it the **Paparata Kaupapa**. The purpose of this kaupapa is to heal our whenua by following a staged ecological restoration process of native plants, following best practice biodiversity principles and methods, and to provide social, environmental, cultural and economic development opportunities.

To assist with implementing this new Paparata kaupapa the Trustees are negotiating a potential Joint Venture partnership with the Nga Uri o te Ngahere Trust based in Opotiki. The Nga Uri o te Ngahere Trust has successfully implemented a similar kaupapa on their whenua in the Bay of Plenty. This Trust also has linkages into the scientific community and through a subsidiary company undertakes scientific research of plants to analyse their bio active elements that may be used to heal various health conditions.

This proposed Joint Venture partnership, if finalised, will give the Trust access to a wealth of knowledge and experience from an organisation which has already achieved what the Trust wishes to achieve with its Paparata Kaupapa.

Within the Trust's forest lands there are pockets of around 570 hectares of native forest reserves. The seeding and plant material to be used to restore pine harvested areas back into native forest will be sourced from these pockets of native forest.

Manuka Honey Business:

During 2013 the Trust established a small joint venture as a trial with the aim, if successful, of establishing what is hoped to become over time a significant new business activity. This trial 50/50 joint venture of 50 hives with Tai Tokerau Honey Limited subsequently proved to be very successful achieving a 78% rate of return on investment. The trial also provided evidence that the Trust's forest lands are capable of sustaining a manuka honey operation.

The Trust has since established two separate 50/50 joint venture partnerships as the next step to the Trust's entrance into the manuka honey industry.

The first 50/50 joint venture is with Tai Tokerau Honey Ltd, building on the initial trial JV last year. This company is owned and operated by Rob Murray who has whanau links to Ngati Hine and resides in Ahipara. Rob Murray is a long established and successful beekeeper. This JV is an incorporated joint venture for which a Company called Puawai Honey Limited has been formed. Each party owns 50% of the company.

Puawai Honey Limited currently owns 450 single brood bee hives and so long as this enterprise remains successful it is intended to increase the number of hives on a gradual basis over time. The hives within this JV will be located on a number of other locations as well as on part of the Trust's forest lands

The second JV is with Nga Bush Honey Limited a company owned by local resident and bee keeper Jim Ngawati. This is a smaller unincorporated 50/50 joint venture operating predominately on part of the Trust's forest land comprising a total of 120 hives. Again, if successful, it is hoped to be able to extent this joint venture over time.

The entry of the Trust into the manuka honey industry is a significant step for the Trust in terms of generating a new and alternative revenue stream to replace the current forestry rental income which is diminishing and will become zero in 2021.

This new business is also environmentally sustainable and it fits well within the goals of the Trust's Paparata Kaupapa.

Review of Te Ture Whenua Maori Act 1993

This Trust is administered in terms of Te Ture Whenua Maori Act 1993.

The Government is drafting a new Te Ture Whenua Maori bill to reform the governance and management of Maori land based on the findings of an expert

review panel released in April 2014 by Associate Minister of Maori Affairs Christopher Finlayson.

Key features of the bill will include:

- allowing engaged owners to make governance and utilisation decisions without needing approval by the Maori Land Court;
- continued safeguards to support the retention of Maori land;
- provisions allowing for external managers to administer under-utilised blocks pending owner engagement;
- a clearer framework for Maori land governance entities such as trusts and incorporations;
- greater emphasis on mediation;
- the Maori Land Court remaining an accessible forum for Maori land issues but with fewer matters needing Court involvement; and
- options for dealing with fragmentation.

The Trustees are keeping a watching brief on progress and will be making submissions on the proposed new legislation once it is available.

Na reira haere mai, nau mai, piki mai ra koutou



Pita Tipene
Chairman
Ngati Hine Forestry Trust

Ngati Hine Forestry Trust Trustees:

Pita Tipene (Chairman)
Edward Beattie
Alex Critchfield
Len Bristowe

Pita Cherrington (Deputy Chairman)
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