

# Minutes of the Ruapuha Uekaha Hapu Trust AGM 2014, 10am, 15 March 2014, Te Tokanganui-a-Noho Marae, Te Kuiti

**Attendees:** Aroha Costar, Tai Jones, Waimarama Anderson, Carol Murray, Chuck Davis, Betty Davis, Rangiwatea Tane, Ratema Tane, Karen King, Bebe Love, Mere Kohe-Love, Patricia Turner, William Taane, Ariana Hemara-Wahanui, Ngahua Hemara-Wahanui, Patricia Davis, Thea Taane, Tui Davis, Wana Haumaha, Pania Uerata, Rewa Jerry, Sara Sullivan, Josephine Anderson, John Hohaia, Garth Costar, Elsie Jacqueline Tane, Michelle Green, Angel Te Pou, Gwen Pou, Terri King, Roimata Anderson, Newa Carr, Cecilia Hodson, Patricia Turu, Georgina Gibbons, Maurice Davis, Maia Davis, Dan Hikuroa, Sonny Ormsby, Virginia Ormsby, Eric Tane, Emma Green, Sandy Tamainu, Kristene Tamainu, Peter Pou Haereiti, Josie Church, Cornelius Pou, Robert Tane, Norman Tane, Lani-Dawn Stockler, Betty Mathews, Ethan Mathews, Carlo Taane, Daniele Taane, Anthony Martin, Kevin Bennett, Grant Morgan, Chante Morgan, J Campbell, Esme Astle, Paula Carr, Adalyn Bell, Kevin Utiku-Roberts, Riki Brown, Kelly Ngatai, Waehapara Tapara, Carolynne Roberts-Utiku, Barney Thompson, Liane Green, Tuke Tahī, Miria Davis, Peter Douglas, Steve Keung, Lynn Green, Aroha Carnachan, Eugen Carnachan.

**Apologies:** James Holden, Thomas Holden, Robert Tahī, Mathew Kohe-Love, Hiria Kohe-Love, Wikitoria Tane, Manuel Ogle, Valma Hemara-Wahanui, Betty Holden, Irene Davis, Huia Davis, Lee-Anne Hohaia Brown, Joseph Hohaia-Tahī, Brenda Tahī-Wallace, Nathan Tahī, Te Aue Tahī, Josie Henry, Lana Henry, Peggy Kerr, Tilda Anderson, Joey Anderson, Graeme Anderson, Pania King, Sam Pou, Julia Pou, Jo-ella Hura Tupaea, Alan Gibbons, Wayne Gibbons, Gloria Soundy, Selwyn Hikuroa, Kuini Takiari, Rachel Dargaville, Raymond Pou, Te Aroa Haami Pou, Richard Wright, Whatupuku Wright, Patrick Wright, Marsha Te Rongohau, Mary Anne Morgan, Ngarangi Tapara, Yvonne Iti, Stephen Iti, Anaru Haumaha, Erana Green, Marea Pollock.

**Karakia/Mihi:** Peter Douglas opened with a karakia and welcomed everyone to the meeting. The idea of the hui was to share information and the work that the Trust has been doing. It has been some years since an AGM had been held and today was about presenting the accounts and giving people a chance to ask questions. There were no plans for any voting to take place.

Peter gave an outline on the presentations that would be made; economic development, education, workforce development, financial statements, a management report and information relating to the Glowworm Caves. Peter introduced the Trustees of Ruapuha Uekaha and gave a brief background on each Trustee.

## **Economic Development Strategy – Peter Douglas**

Peter started his report on Economic Development with background information on the settlement relating to the license to operate the Caves for 16 years with one right of renewal and the \$1m dollar loan to assist with economic development which had been repaid over 8 years. Income of 12.5% was generated from the Caves with 75% been paid to the Trust and the other 25% to the Crown under the administration of Department of Conservation.

In 2006 the licence was due to be renewed, however in December 2005 a fire destroyed the Caves facilities building. Both of these events eventually led to Tourism Holding Ltd ("THL") wanting to build a new building costing around \$12.5m. For THL to recover their \$12.5m investment they wanted to extend the licence from 16 years to 32 years. THL approached Peter who told them he wasn't prepared to do that but was prepared to look at their figures and find out what would be a reasonable approach.

During the licence renewal process it was agreed that a lease replace the licence. The lease would operate for 21 years, the royalty would increase from 12.5% to 15% and the owners will own the building outright in 2027. As a result of the new lease, royalties have grown from around 700k to 900k a year which is about a 30% lift in revenue to previous years.

The lease expires in 2027 so we have to think about what we will do, lease again in 2027 or run the business ourselves. Peter advised that in 2027 it will be 37 years since the settlement and it is his view that the Trust should consider taking over the operational management of the Caves prior to 2027. Our people are already working in management roles, however it is important to prepare ourselves and not to be rash. We have met with Ngai Tahu (Kaikoura Whalewatch) to see how they do things and were impressed with their operation. It is important for us to ensure that our visitors have a quality experience.

From Peter's perspective it was important to take a careful approach to managing the Trust's finances and a sensible approach to economic development.

There were a number of questions from the floor. Waehapara Tapara spoke in Maori and then in English that \$15m could build a lot of houses. Peter clarified to Waehapara that the Trust has not spent any money. The new building had been built by THL as part of their business operation to generate money and employ people who could earn their own money to build their own homes. Another comment from Waehapara (said first in Maori and then in English) related to the Trust no longer distributing monies to the whanau trusts. Peter advised Waehapara that the Maori Land Court has prevented the Trust from making any distributions but hasn't stopped the Trust from saving money and making sure it is managed well. It was important to make sure that the 100% is safe and grows. Until we know what the Trust is allowed to do with that 100%, distribute it in a particular way, Peter wants to ensure that it is worth as much as possible. Further comment from Waehapara (said first in Maori and then in English) related to the current Trustees being on the Trust since 1998 and that it was time for them to think about getting off and letting somebody else take over. Waehapara referred to a trustee from Whatakaraka Whanau Trust who was supposed to be appointed to the Trust but that hadn't happened. (A debate amongst some of the other attendees took place with Waehapara). Peter advised Waehapara that it had been the Maori Land Court who had stopped the appointment of Rueben Tapara and not the Trust. Further repetitive questions from Waehapara resulted in Peter advising the attendees that it was time to move on.

Peter spoke on the plans the Trust has been making to prepare for any number of eventualities. The Trust's Economic Development Strategy contains the mission, vision, objectives and actions the Trust wants to achieve to meet its goals. Peter advised Steve Keung would talk about the Investment Portfolio Strategy. An important aspect was investing in our people to develop their skills base so that in time they would be in positions to run the Caves business. Another area the Trust had been involved in was scientific research relating to the glow worms. Dr Daniel Hikuroa, a hapu trust member with a science background had recently been appointed to the Caves Management Committee. Looking after the Caves and making sure it is being managed properly is an important role of the Trust. This ensures that the Caves will still be a place people want to visit when it comes back to us. It is important that the Trust develops good relationships in the tourism sector, has a good reputation, know what we are doing, is trustworthy and hardworking.

The main focus of the Strategy was to prepare and position ourselves in anticipation of what our roles are going to be for the eventual return of the Caves in 2027, which is 13 years away. The Strategy was based on leveraging assets by taking the value we have and creating more value. The value we have includes not only the commercial operation but having good products that people want to buy, and delivering great experiences. The Trust would become more involved in the community and with its people. An important role of the Trust was to work out how you benefit the beneficiaries. It's easy to just give everybody a bit of money and say it's their responsibility. It's a lot harder when you operate a trust to work out what to do with the money so it benefits as many people as possible. Education and training are important for our young people to make a place for themselves in the world. The overall object of the Strategy is to use our financial assets for the best advantage to create more value i.e. money to share that can be used for economic, cultural and community development. The Caves is a huge contributor to the local economy bringing many thousands of tourist dollars into the area. Our people are part of that economy and benefit from the money so they can find their place in the world.

Our portfolio is sustainable and will grow over time. With the money we invest, we leverage the interest it generates to run our activities. To regain full control of the Caves we need to prepare ourselves for when the time comes. Peter ended his presentation by asking if there were any questions. There were no questions. Peter introduced Liane Green to present the Education Strategy.

### **Education Strategy – Liane Green and Lloyd Keung**

Liane gave a brief introduction to the background of developing the Education Strategy with Lloyd Keung and other members of the Education Sub-Committee. As a teacher she is passionate about education and helping our young people achieve their educational aspirations. Liane described the whakatauki associated with the Strategy and the symbolism of the limestone likening its layers to the past and as the layers increase they build an evolution into our hapu and tribe moving into the future. The vision for the Strategy is a desire to see our people live productive lives and take their place as future leaders of the hapu and of their communities. Discussions within the Education Sub-Committee had centred on how the Trust might assist our tamariki and our rangatahi. There is a need for various forms of assistance and will require support from the Trust and other stakeholders.

Liane gave statistics from 2012 relating to Maniapoto. Population is 33,627 with one third of the population under 15 years of age which is huge. 4.3% of our people are aged 65 years or over. With regard to unemployment a high percentage of people aged between 15 to 24 years are unemployed. Liane posed the question "should we be worried"? Liane continued "yes because they are our future".

Liane presented National Education Statistics which indicated that Maori students were not doing very well. The Strategy offers active visionary support for our whanau and focuses on helping our people gain marketable skills and qualifications in the tertiary and secondary areas. We want to assist our parents and whanau in achieving success.

Proposed initiatives include offering financial assistance, running parent workshops to assist their tamariki's learning, supporting Gateway camps, Gateway work experience opportunities in and around Waitomo, to facilitate and investigate online learning opportunities and to strengthen Te Reo Maori through wananga. The Trust is looking at developing an iwi and sector scholarship/grant database which lists all of the national, iwi and sector scholarships on offer and strengthening its communication link via social media. The outcomes of investing in our students studies will help to strengthen literacy and numeracy, create career awareness, confidence and opportunities for their future. Liane finished her presentation and was thanked by Josephine Anderson and Peter.

### **Workforce Development Strategy – Patricia (Trish) Davis**

Trish introduced herself. Pleased to be here today and learn of where the Trust has got to and what it plans to do to assist our people. Trish explained the relationship between the Education Strategy and Workforce Development Strategy. Education takes place for the whole of your life. Enter it when you are younger and can pick it up during any point in your lifetime. Workforce development happens from about 15 years onwards. If you don't have a good start then that can limit people's choices and what options are available to them. Trish believes it is important to whakamana our people, to provide opportunities and the Education Strategy is a good start.

The Workforce Development Strategy is about planning for tomorrow. The Caves is our taonga and we need to look after it. Our hope is to develop our people to take over the running of the Caves when it comes back. The Strategy is a plan with actions that gives people options. We want our people to run all aspects of the Caves business including front line staff (guides, retail, food and beverage) as well as be the accountants, marketing people and managers. It is important to support our frontline staff to ensure we have an effective and sustainable workforce to run the Caves. An integral part of running the Caves is having the scientific knowledge to do so and encouraging our people into science is important from a kaitiaki role. It is important to work with the environment that we are in. It is more likely that people that live close by to the Caves will want to work there (not as likely that people in Northland will travel to Waitomo to work). It therefore becomes important to develop good relationships with schools, wananga institutions and other universities. We need to talk to them about tourism and how to get our people into this sector creating a pipeline of people who choose this career as their first option rather than their last or going somewhere else. We need to plan in such a way to develop a well-trained work force.

With around three quarters of our Maori population under 30 years we have to make sure that our young people coming through have the best schooling possible to broaden their career choices. The Economic Development is about individuals getting into work and being able to provide for themselves but often the barrier to getting in is education.

With people's permission the Trust can use the information it currently has to understand what our people are doing, what their skills are, where they are and what their age is. Also need to look at our people currently working at the Caves and get an understanding of what their skill sets are. It is important to access information from local councils to understand what is happening in the youth age group in terms of employment training including apprenticeships. Using this information will help form a picture of what is happening locally in terms of career pathways and what the Trust can do to assist our rangatahi. It is important to maintain a good relationship with THL and share this information with them as a lot of our whanau work for them and will help create opportunities to meet their needs.

Creating pathways into tourism is an important aspect of running the Caves in the future and there will be different steps depending on what our people want to do. Strong governance is also an important aspect of any organisation including the Trust and whanau trusts. You have to grow people into these roles and I am hoping to see some of our younger people become trustees in the future because their world is going to be different from ours. It is more technology based. In 20 years the picture will have changed and we have to have young people involved to become our leaders. Training people with transferrable skills gives them more options.

More detail of the framework is contained in the Annual Report which has three goals and three outcomes which link in together. The framework looks at not only preparing to take over the running of the Caves but also the health of the Caves and looks wider at who is likely to come into the workforce and organisations that can assist in creating a pipeline. Lastly the framework looks at specific planning for meeting the needs of our rangatahi. Trish concluded her presentation by acknowledging staff at the Glowworm Caves who were upskilling. Liane received questions from the floor. Peter thanked Trish for her contribution in developing the framework.

### **Management Report- Miria Davis**

Miria acknowledged Lloyd Keung, Liane Green and Trish Davis for helping on a voluntarily basis to develop the Trust's strategies and frameworks. Miria also acknowledged the attendees. Miria's report started with 2014 being the 125th Anniversary of guiding at the Glowworm Caves and moved on to the planning and developments the Trust has undertaken in the last year and why they were able to do this. The Trust distributed monies to the four whanau trusts until a decision from the Maori Land Court in 2010 prevented the Trust from doing this. This meant that all of the royalty monies would remain within the management of the Trust until such time the Trust Review process was completed and the future form and direction of the Trust was determined.

The Trust has invested the monies and as a result the investment portfolio has grown to around \$6m. Understanding the role the Trust has to play in delivering benefits to hapu trust members has been a priority for the Trustees and planning has been undertaken to ensure

that the Trust continues to be a sound and financially robust organisation in one hundred years' time.

Miria's report touched briefly on the 5 Year Strategy, Economic, Education and Investment Plans. The report also focussed on the importance of using people with the right sort of expertise to ensure that the Trust did things in the right way. There are many well-qualified hapu trust members that we hope to call upon in the future to help us run the Trust and the Caves operation.

Communication is a key component of keeping hapu trust members informed of what is happening and what is available to them. The Trust had launched a new website, Facebook page and its own newsletter Tomokia to build awareness of the Trust's activities. The Trust was in the process of developing an online database so people could register online. There are over 4,000 people registered on the database and we need to develop ways that can make access to information and education grants easier and quicker.

Other things included in the report included the Trust's involvement in Waitomo with Tere Waitomo Community Trust and planning for the future of Waitomo village. There is also scientific research been undertaken at the Caves regarding glow worms and the appointment of Dr Daniel Hikuroa to the Caves Management Committee and Advisory Group. It is good to have our own people building our knowledge base in the science and environmental side of managing the Caves.

Miria completed her report by talking about the archival projects the Trust is undertaking. A book is being produced which tells the story of what took place with the Glowworm Caves starting with the partitioning of the Waitomo lands in the 1880's to the settlement in 1990. The other project is recording the knowledge of our kaumatua from our four whanau trusts. One of the projects has started with the recording of Josephine Anderson's knowledge on Waitomo place names.

### **Financial Report - Steve Keung**

Steve introduced himself and opened his report by referring to his Chinese heritage and a proverb that says that the best time to plant a tree is 20 years ago. The proverb continues to say that the second best time to plant a tree is now. Steve reflected upon the implementation of the settlement over the past 20 years and how that has influenced the position of the Trust today as well as recent decisions that have been made in the Maori Land Court and the impact that has had on the Trust's operations. We have the opportunity now to really do something as a hapu. We are at the second best time to plant and it starts today.

Steve commented on the financial performance and position of the Trust's finances on Page 12 of the Annual Report. Net income was 930k. As a result of the ruling by the Maori Land Court not to distribute funds we have retained those funds and invested that money. In terms of investments in 2013, 32% of our income came from the Caves royalty and 68% from the investment funds. Going forward there is a need for the Trust to diversify in the event of something happening to the glow worms which would have an impact on the Trust's income.

Referring to the Financial Position table as at 31st March 2013 the Trust equity is \$6m up from \$5m dollars in the previous year. Had

we distributed those funds we would not have had so much. The Trust has a strong and solid footing. Moving onto the Balance Sheet Steve noted that the value of the Caves and the forestry investment are not included. If they were the Trust's assets would be larger than the \$6m capital base recorded. The Trust has not valued the forest. Steve talked of a 100 year business plan to take care of our people and our moko. It is important to work for the future generations and our taonga (the Caves) gives us the ability to do that.

There was a question from the floor about who owns the land where the forest is? Steve and Peter advised that the Trust was in a joint venture with the land owners. They own the land and we planted the trees. The Trust had provided the finance to develop the forest blocks.

Lynn Green commented that the idea behind investing in the forest blocks was done to buy back the improvements when the Caves licence expired. However, the terms of the licence had changed under the new lease arrangements and the Caves wasn't returning until 2027.

There are a number of factors such as the global crisis and an upturn in visitor numbers which have caused the Trust's income to fluctuate over the years. Steve was asked if there were other investments to which he replied no.

Steve pointed out that there was an error in the Financial Position 2013 table for which he took full responsibility for. The amounts under Funds Management did not add up. The figure \$4,632,812 should be around \$5.4 m and the number next to it should be \$4.5m.

Steve referred to the advance made to the Tanetinorau Opataia Whanau Trust that was recorded in the Auditors Report. The auditors are still trying to work this out and the current situation in the Maori Land Court had had an impact on sorting this matter out. Once the Trust Review process is completed Tanetinorau will be freed up and be able to return those funds.

Steve referred to the Statement of Investment Parameters and Objectives ("SIPO") and the purpose of having one which is to ensure the Trust is prudent in how and where they invest the funds. ASB are our bankers and fund managers and we use their financial advisors to invest our funds. The important factors are summarised as follows; Capital Protection is the highest priority for the Trust; we have a medium to low risk which will protect our funds from degrading due to fluctuations in the market. Investment Timeframe is our second priority and our timeframe for investments is 4-5 years which is enough time to take on some risk and recover if shares drop. Income Growth is our third priority. We have to ensure we have enough money to fund the Trust's activities now and into the future. Volatility is our fourth priority. We have a medium risk level towards volatility and over our investment timeframe this should balance out any income or losses that are made. Liquidity is our last priority because we do not have a huge need to call upon funds. The risk profile we have is all about the long term.

Steve answered questions relating to the amount of interest on \$6m which is just over 15% returning nearly a million dollars. Funds are in government bonds and about 14% of the shares are in well known businesses such as SKY, Telecom, Fletchers and Fisher & Paykel Health Care which are stable and safe and make good returns.

Miria answered a question from the floor about being able to access the financial information from the Trust website and Steve was happy for people to contact him if they had any further queries regarding any of the financial matters. Peter thanked Steve for his presentation.

There was a question regarding one of the whanau trusts who had been distributing education, kaumatua and hardship grants and how that had stopped due to the funds been frozen. There was another comment from the floor whether the Trust would be open to discussing this situation. Peter responded saying he did understand the difficulties the whanau trust was experiencing due to them no longer receiving distributions. Peter pointed out that while the Trust Review process was going on the funds were appreciating. At the end of the review process everyone will have a better understanding of what we can do together. Whether it's the whanau trust or the hapu trust it is important to remember that we are all related.

Peter responded to a question about how he became a representative on the Te Aroa Haami Haareiti Whanau Trust and then became the Chairperson of the Trust. Peter has a responsibility to everybody and deals with the issues.

Peter introduced Dr Dan Hikuroa who is the Research Director of Nga Pae O Maramatanga National Centre of Research Excellence. Dan is an Earth System Scientist with interests in integration of Mataranga Maori and science to realise indigenous development. Based on his geological background Dan was asked to join the Caves Management Committee and the Environmental Advisory Group in 2012. We are fortunate to have Dan help us.

Dan introduced himself by saying it was a great pleasure to do the work he does on behalf of the people. During his university days he was fortunate to receive education grants that helped with his studies. As a result of being a recipient he wanted to give back. Dan spoke about the work he does with Nga Pae O Maramatanga and Mataranga Maori which fits the criteria for science. Daniel's work is about encouraging rangatahi to become experts in Mataranga Maori and as a result of that they will actually be experts in science. Dan explained his role on the Caves Management Committee and on the Advisory Group and giving advice from a Mataranga Maori perspective. Dan gave an update on the glow worm research project being undertaken at the Caves and our role as kaitiaki.

There was a question from the floor regarding the person's concern for the limestone and what are we going to do about it? Peter advised that the discolouration was caused by water seeping into the caves and depositing dirt and from people touching the formations. Guides advised the visitors not to touch the formations. Eugene Carnachan acknowledged the work of Arthur Cowan who had planted many trees around Waitomo. There was a discussion on offering eeling (tuna watch) as a tourism activity in Waitomo. There was a question regarding whether education grants would be made available. The answer was yes.

Peter closed the meeting with a karakia.