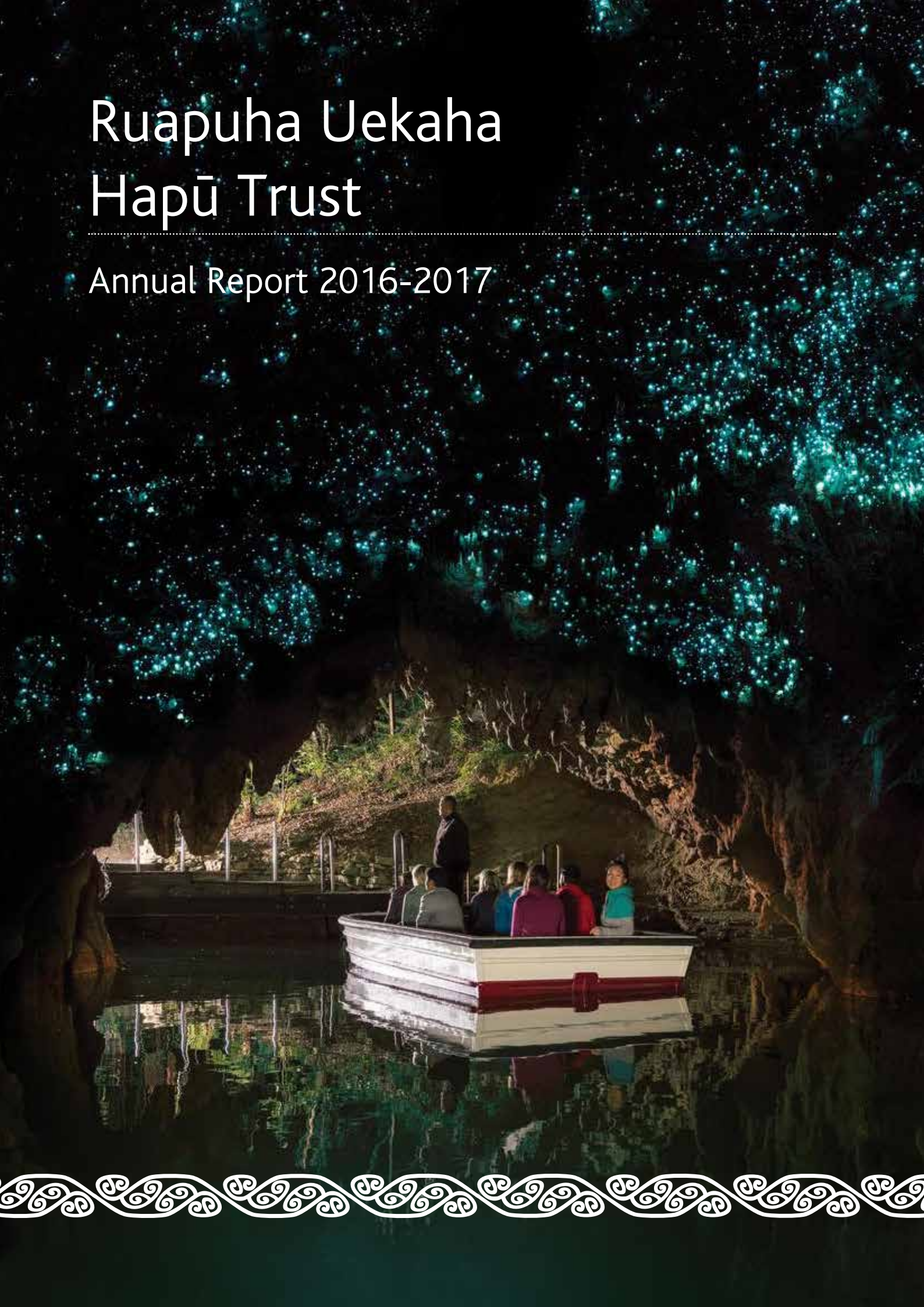


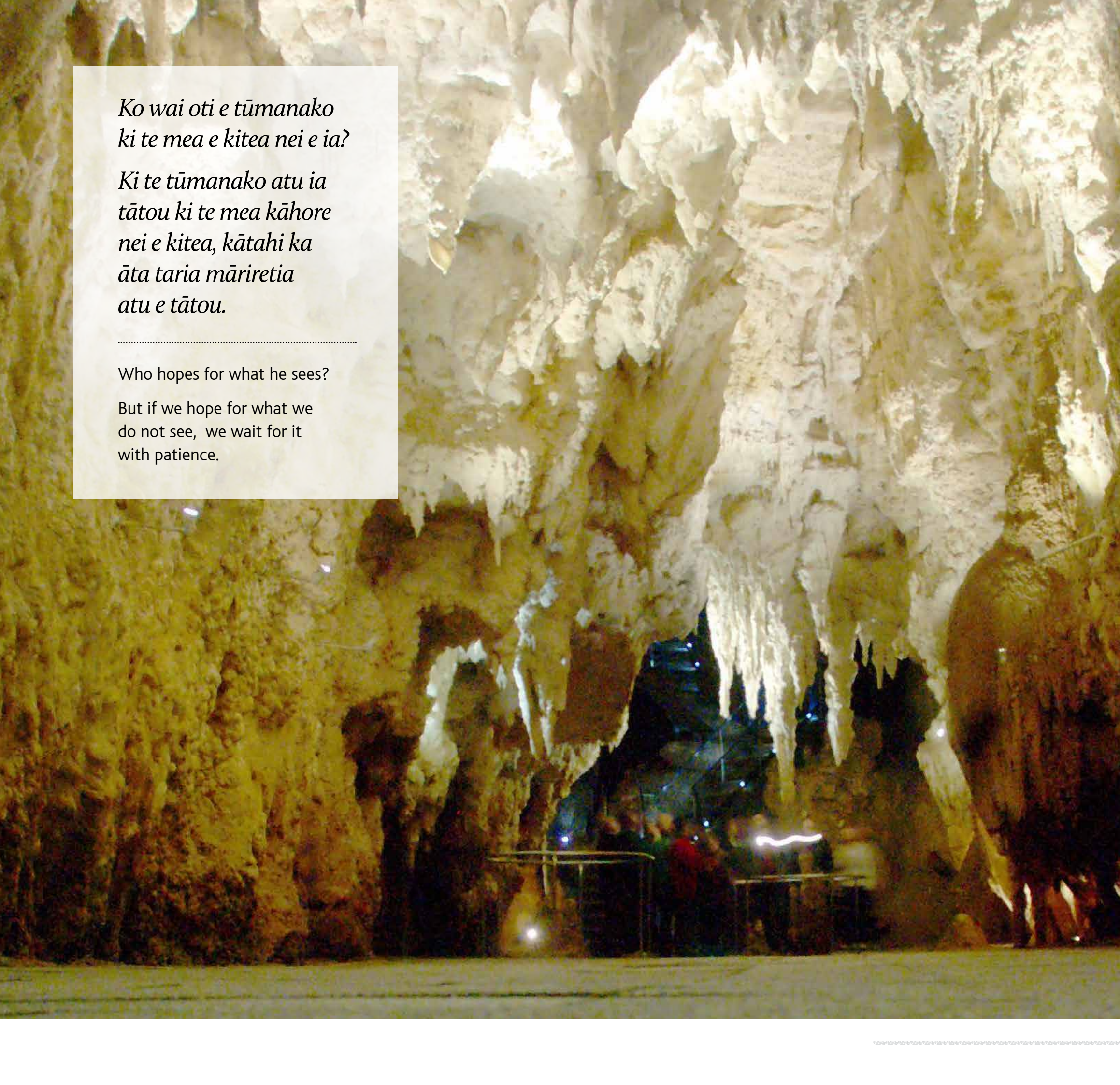
# Ruapuha Uekaha Hapū Trust

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Annual Report 2016-2017







*Ko wai oti e tūmanako  
ki te mea e kitea nei e ia?*

*Ki te tūmanako atu ia  
tātou ki te mea kāhore  
nei e kitea, kātahi ka  
āta taria mārireitia  
atu e tātou.*

---

Who hopes for what he sees?

But if we hope for what we  
do not see, we wait for it  
with patience.

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## NOTICE OF

# Annual General Meeting

Notice is hereby given that the 2017 Annual General Meeting of Ruapuha Uekaha Hapū Trust will be held on Saturday, 23 September 2017 at Te Kauae Marae, 945 Mangarino Rd, Hangatiki starting at 10am.

## AGENDA

1. Karakia/Mihi
2. Apologies
3. Chairman's Report
4. Financial Reports
5. Education Report
6. Approve Trustee Remuneration  
Under New Trust Order  
Effective 1 October 2016
7. Minutes of the Previous Meeting
8. General Business
9. Karakia Whakamutunga

*Lunch (approximately 12.30pm)*

## CHAIRMAN'S REPORT

# Peter Douglas



He korōria ki te Atua  
He maungārongo ki te whenua  
He whakaaro pai ki ngā tangata katoa

Our annual meeting is an opportunity for us to report on the business and performance of the Trust over the past year, and provides an opportunity for us to hear from our beneficiaries on their views of our work and priorities. It is a chance for people to catch up on what has developed since we last met and keeps us in touch.

The new Trust Order has meant we need to think about how we carry out our responsibilities. The previous operation was based on a Deed and a set of directions developed 27 years ago. A great deal has changed since that time and there are more effective ways of doing things than existed in that time. We were the first of the Treaty of Waitangi Settlements and many of the complications we have faced were not anticipated by us or those working on this at that time. Treaty Settlements have progressed considerably since then, and many of the issues we have had to grapple with have been seen off with good administrative design and the certainty of legislative measure. The modern settlement process prescribes a clear process with clear descriptions at every point. Our circumstances however have meant that we needed to seek clarity on a range of issues. This has slowed our progress but we are now in a position where we are no longer dogged by pending court cases.

We have spent the past year creating a more orderly approach to our structures so that we can approach our work and responsibilities in the same way. If you have two hours to cut down a tree, spend the first hour sharpening your axe. The work we did seeking opinions and direction

from beneficiaries has been the basis of our work to update our strategic direction. The Trust Order provides us with greater flexibility in some areas and greater discipline in others, these are all positive developments as far as I am concerned. The fetters applied to our operations by the Māori Land Court have been lifted and now we are able to do much more than we were able to before. In the period of those impositions we have witnessed a time where many more iwi organisations have been established and they have had to grapple with some of the issues we have, some have been successful while others have been less so. We can learn from these experiences just as we can from our own mistakes and successes. We are reviewing our existing policies and developing new ones where they are appropriate, we are modernising our attitudes and approach. In the meantime we have continued with the education and rangatahi programmes we have established.

The operation of the Glowworm Caves at Waitomo has seen growth in tourist numbers by almost 22% on the previous year. This means an increase in royalty revenues on one hand but the need to consider the infrastructure requirements of the operation on the other. The Trust needs to deal with the current issues but keep ahead of things so we are well prepared for our responsibilities at the completion of the commercial lease in 2027.

Heoi anō  
Ngā manaakitanga  
Peter Douglas  
Chairman



# Financial Report 2017

## MAJOR HIGHLIGHTS

- Cave Royalties (\$1.9m)
  - Investment Returns (\$0.4m)
  - Net Income (\$1.7m)
- In 2017, the Caves Royalties reflects the strong growth in NZ's overall tourism sector.

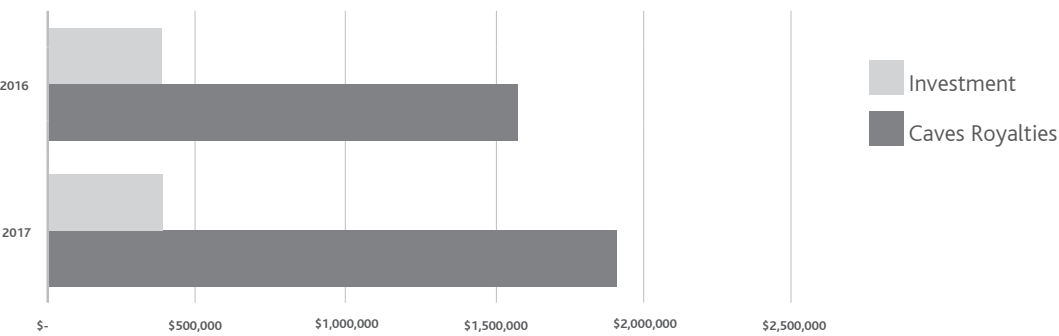
Investment revenues reflect the Trustees' historical "Moderate" investment objective. At the end of 2016, the Trustees approved moving to a "Balanced and Moderate" investment objective.

## STATEMENT OF FINANCIAL PERFORMANCE AND CHANGE IN TRUST EQUITY

For the Financial Years Ended 31 March

	2017	2016
<b>INCOME</b>		
Caves Royalties	1,910,291	1,577,172
Investment	387,181	379,538
<i>Total Income</i>	<i>2,297,472</i>	<i>1,956,710</i>
<b>EXPENDITURES</b>		
Education Grants & Initiatives	78,194	98,823
Backpacker Development Write-off	-	46,163
Contributions	22,000	6,500
Funds Management	51,966	58,387
Meetings and Events	35,129	34,359
Caves Management	34,784	24,116
ICT and Database	12,861	12,983
Research	7,463	10,456
Administration	133,823	105,420
Depreciation	9,518	10,265
Audit and Accounting	18,300	17,100
Consulting Fees	16,378	2,560
Legal	104,263	170,529
Insurance, Rates, Levies	24,639	21,188
<i>Total Expenses</i>	<i>549,318</i>	<i>618,849</i>
<i>Net Income before Tax</i>	<i>1,748,154</i>	<i>1,337,861</i>
Less: Tax	(303,423)	(279,642)
<b>Net Income</b>	<b>1,444,731</b>	<b>1,058,219</b>
Trust Equity, beginning	18,516,003	16,918,784
Add: Land Revaluation	-	539,000
<b>Trust Equity, ending</b>	<b>19,960,734</b>	<b>18,516,003</b>

## MAJOR INCOME



## MAJOR MOVEMENTS

- Value of Land (\$9m)
  - Investment Funds (\$8m)
  - Trust Equity (\$20m)
- In 2016, the Trustees determined that the Caves Land be recognised on the Trust's Balance Sheet.

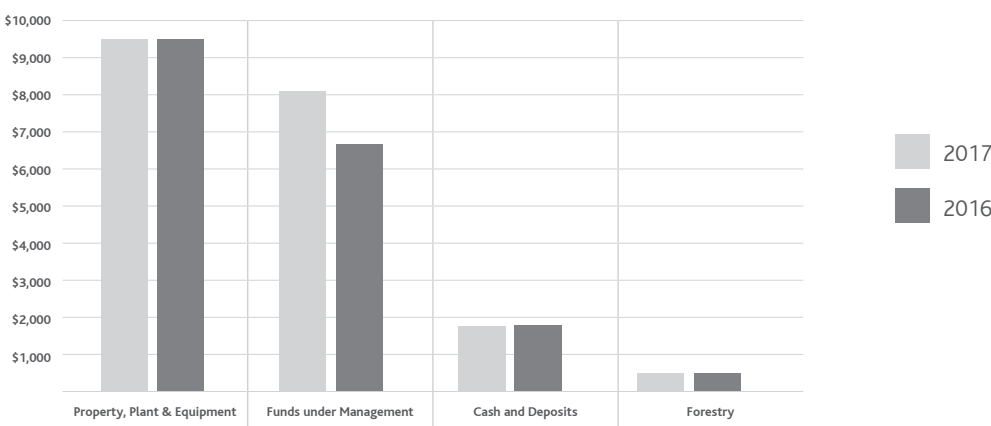
Investments have increased principally due to Net Income earned.

## STATEMENT OF FINANCIAL POSITION

For the Financial Years Ended 31 March

	2017	2016
<b>ASSETS</b>		
Cash and Short Term Deposits	1,773,633	1,789,721
Investments		
Funds under Management	8,101,570	6,676,341
Forestry	540,577	536,317
Total Investments	8,642,147	7,212,658
Sundry	229,311	224,280
Related Party	668,517	668,517
Property Plant and Equipment	9,502,106	9,498,628
<i>Total Assets</i>	<i>20,815,714</i>	<i>19,393,804</i>
<b>LIABILITIES</b>		
Creditors	17,825	109,364
Accrued Liabilities	277,275	208,557
Related Party	559,880	559,880
	854,980	877,801
<b>TRUST EQUITY</b>	<b>19,960,734</b>	<b>18,516,003</b>

## MAJOR ASSETS AT 31 MARCH 2017 AND 2016



## SUMMARY

The Glowworm Caves again experienced significant increases in visitor numbers in FY17. Cave Royalties of \$1,910,291 represented an increase of approximately \$333,000 (+21%) over FY16. This resulted from a 15% increase in cave visitors during the year, a small increase in the average price per visitor achieved and higher retail sales from the retail area that was enlarged last winter.

Over the past three years, Cave Royalties have increased by \$883,000 (+86%), reflecting the extremely strong performance during that time of the tourism sector in general and the Waitomo Caves in particular. The outlook for FY18 remains strong.



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Beneficiaries of Ruapuha Uekaha Hapū Trust.

### Qualified Opinion

We have audited the financial statements of Ruapuha Uekaha Hapu Trust, which comprise the balance sheet as at 31 March 2017, the statement of profit or loss and the statement movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Ruapuha Uekaha Hapū Trust as at 31 March 2017 and its financial performance for the year then ended, in accordance with the accounting policies of the Trust.

### Basis for Qualified of Opinion

The net effect of the advance on dividends previously extended to Tanetiorau Opataia Whānau Trust of \$668,517 and the distributions due to this Trust of \$285,539 gives a debit balance of \$382,978 at the end of the 2017 financial year, however it is not clear how this amount is to be recovered.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section of our report. We are independent of Ruapuha Uekaha Hapū Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

Finn and Partners has no other relationship with, or interest in Ruapuha Uekaha Hapū Trust.

### Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial statements, which describes the basis of preparation. The financial statements are special purpose financial statements, and as a result, may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Board's Responsibility for the Financial Statements

The Board is responsible for the preparation of these financial statements in accordance with the applicable financial reporting framework, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

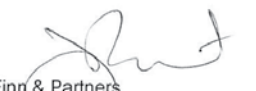
In preparing the financial statements, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibility** Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
15/9/17  
Finn & Partners  
Chartered Accountants – Te Awamutu

*Ko te matakahi  
maire*

Like a wedge of maire;  
bold & committed'



# Education Report

## SUMMARY OF GRANTS DISTRIBUTED IN THE 2017 FINANCIAL YEAR

Year	Number of Applicants	Grant Amount	Total
Year 7	28	150	4,200
Year 8	21	150	3,150
Year 9	28	200	5,600
Year 10	27	200	5,400
Year 11	28	200	5,600
Year 12	24	200	4,800
Year 13	11	200	2,200
Total	167		30,950
Tertiary			
National Certificate	16	150-500	7,650
Diploma	14	500	7,000
Undergraduate	41	500	20,500
Masters	1	1000	1,000
PHD	2	2000	4,000
Work related	4	200-500	1,500
Total	78		41,650
Research Grant	1		3,500
MathsBuddy Subscriptions	74		2,034
Total Expenditure			\$78,134
Comparative years - 2016 FY and 2017 FY			
Description	2016 FY	2017 FY	% Increase
Int/Sec	150	167	11.3%
Tertiary (All levels)	63	78	23.8%
Undergraduate Level only	33	41	24.2%

## 2017 HIGHLIGHTS

- \$30,950 distributed to intermediate and secondary students
- \$45,150 distributed to students studying at tertiary level and for a research grant
- 74 free subscriptions to MathsBuddy
- Partnered with three schools to deliver afterschool maths tuition - Waitomo Caves School, Pukenui Primary School (Te Kuiti) and Otorohanga College.

The RUHT continues to assist Hapū trust members to achieve their educational goals. In 2017, the focus has been on lifting the numeracy skills of young Hapū members by delivering free afterschool maths tuition in partner schools. Excellent outcomes are being achieved by all of the children on the after school programme. This is an initiative the RUHT will continue to grow.

# Approve Trustee Remuneration Under The New Trust Order

EFFECTIVE 1 OCTOBER 2016

The RUHT recently established four permanent committees to carry out its duties and to achieve its strategic goals. As a result, the work load for the Trustees has increased requiring the establishment of a new fee structure that remunerates the Trustees appropriately for their skills, experience and commitment.

Clause 79.1 in the Trust Order guides the process when considering the remuneration level of Trustees. To ensure the approach to reviewing the remuneration level met the terms of the Trust Order and was appropriate, the Trust engaged Strategic Pay Limited, remuneration specialists.

Strategic Pay drew on remuneration data from 294 individual directorships from the Not for Profit sector (the category that best suits the Trust’s profile) and advised that while fees can be in the lower quartile, median and upper quartile, comparing to the market median is the common practice.

## TRUSTEE FEES

The remuneration of New Zealand Directors is driven almost entirely by organisation size. Strategic Pay recommends placing reliance on revenue and total assets samples, given that assets

are the primary source of organisational revenue. Using this data, Strategic Pay recommends an annual fee of \$4,000 for Trustee meetings and, also recommends the industry ratio of 2:1, meaning an annual fee of \$8,000 for the Chair.

## COMMITTEE FEES

Strategic Pay recommends that Trustees are paid separate fees for committee meeting attendances as a means of tracking and rewarding actual workload and responsibilities, and providing greater accountability and transparency.

For affordability reasons, Strategic Pay recommended that the Chair of each committee be paid a median quartile fee of \$600 per meeting. While the Strategic Pay report indicated a range of fees for different committees the Remuneration Committee determined that \$300 per meeting was appropriate for committee members. However, in recognising that Trustees on the Caves Management Committee have a higher work load, the Remuneration Committee recommends setting that fee at \$400 a meeting.

The new remuneration levels for trustees is on the agenda for discussion at the annual general meeting.





*Whakarongo ake ki te tangi ā  
te manu nei  
A te maa-tui, tui tu....i, tuituia  
Tui i runga, tui i raro  
Tui i roto, tuia i waho  
Ka rongō te pō, ka rongō te ao  
Tuia i te muka tangata i  
taakia mai  
I Hawaiki nui, Hawaiki roa  
Hawaiki paama-mao te hono  
ki wairua  
Ki te whai ao, ki te ao marama*

Listen to the cry of the bird  
The female tui unite, unite, united  
Unite above, unite the depth  
Unite within, unite the outer  
Hear this oh night, hear this oh world  
United by the bonds of man, originated  
from The Hawaiki beyond  
To the joining of the spirits  
From the outer world, world into light



MINUTES OF THE  
Ruapuha Uekaha Hapū Trust  
Annual General Meeting

HELD ON SATURDAY, 21 MAY 2016 AT TE KAUAE MARAE,  
954 MANGARINO RD, HANGATIKI COMMENCING AT 11AM.

Attendees

Peter Douglas, Missy Love, Eric Tane, Sonny Carnachan, Adrian Martin, Pare Mathews, P Kaa, Tamarapa Lloyd, Amy Wharakura, Andre Carnachan, Eugene Carnachan, Waipaera Kaa, Pani Trent, Mere Kohe-Love, Newa Carr, Barry Carr, Wana Haumaha, Cecilia Hodson, Bill Tane, Terry Tane, Greg McCarthy, Marama Morrison, Peter Morrison, Michael Moerua, Lillian Tapara, C Tapara, Chuck Davis, Miria Davis, John Koning, Josephine Anderson, David Anderson, Kore Hemara, CJ Hemara, Mervin Gibbons, Georgina Gibbons, Lena Manaia, Pikihaere Clark, Puihi Tapara, Lisa Tapara, Tarsh Thomson, Thomas Haereiti, Molly McGregor, Lynn Green, L & M Atatu.

Apologies: Liane Green, Tony Green, Josephine Henry, Lana Henry, Noeline Love, Mathew Kohe-Love, Danny Lurman, Harry & Nancy Ihaia and Whānau, Robert Green, Carol Green, Kevin James Green, Marea Pollock, Erana Pollock, Kohatu Pollock, Pat Turner, Bundy Ormsby and Whānau, Patricia Turu, Valma Hemara-Wahanui, Ariana Hemara-Wahanui, Ngahuia Hemara-Wahanui, Aroha Costar, Jade Mathews, Santana Mathews, Ti-Sha Mathews, Te One Mathews, Esmay Astle, Adalyn Bell, Sara Sullivan, Norman Tane, Gibbons Whānau, Barney Thompson, Thomas Moerua, Maurice Davis.

Karakia

Peter Douglas

Mihi

Robert Koroheke

Peter welcomed everyone to the meeting. Agenda items 6 and 7 were swapped; the Presentation on Review of Strategic Plan would be heard before the Presentation on the New Trust Deed.

Chairman’s Report

Peter outlined the decision of Judge Milroy which had been in favour of the Trust and her directions to reshape the Trust. The current trust order had been an interim one and it was timely to introduce a new trust order. A meeting had been held in Waitomo to explain the decision. A workshop was held at Te Korapatu Marae to capture people’s ideas and the trustees had incorporated that information into the new trust order. The feedback reminded us of the importance of looking after our resources and the Trust fulfilling its obligations to the beneficiaries and providing them with benefits. A draft deed has been developed and John Koning would present that later.

Peter finished by saying the Trust would be reporting to the Māori Land Court and a hearing would be held with Judge Milroy to explain the new trust order and if people have alternative views hopefully she will listen to those and decide whether the new trust deed is appropriate or not.

Financial Report 2015

In Steve Keung’s absence Greg McCarthy presented the Financial Report. Greg introduced himself and outlined his involvement with the Trust over the last nine years. Greg drew attention to an error in the report with the years 2014 and 2015 being in the wrong columns. Key points of the financial Report included;

Financial Position of the Trust

(Summary of the assets and liabilities of the Trust recording the net wealth of the Trust)

- Over 2015 the value of the assets had increased by approximately 20% which is attributed to an increase in Caves revenue and returns on financial assets which had performed very well.
- Greg explained what the assets of the Trust are in relation to the Cash and Investments graph on page 4. They fall into four categories;
  - **Bottom tier:** cash and short-term deposits;
  - **Second tier:** the majority of the Trusts income is in fixed interest securities which are low risk in comparison to shares which often fluctuate in value;
  - **Third tier:** a small amount of securities in property (shares) and;
  - **Fourth tier:** a small amount in forestry which relates to the forestry right owned by the Trust.
- In total, the Trust has approximately \$6.5 million worth of assets. Noted by Greg that the value of two significant assets the forestry right and the Caves are not recorded on the Balance Sheet at this time. The Caves is a significant financial asset and if recorded would have a significant value.

Statement of Financial Performance

(Summary of the Income and Expenditure on page 4)

- Income increased from \$1,260,272 to \$1,978,248 in 2015 which is a significant increase. This was driven by an increase in Caves revenue with visitor numbers increasing by 24% in 2015 and that growth looks likely to continue.
- The investment income received from dividends and interest increased from \$211,548 to \$343,349 in 2015 and the value of some of those investments increased from \$21,272 to \$359,079 in 2015.
- From a financial point of view everything that the Trust was involved in 2015 performed very well in comparison to 2014.
- Expenses increased by \$344,126 to \$485,443 in 2015.



- The profit or net income has increased from \$744,303 to \$1,266,351 which is approximately a \$500k increase on 2014. That has provided the money for the assets to grow.
- Greg answered a query on an asset to a related party and referred to the loan to TOWT.

**Return on Average Trust Funds**  
(Graphical summary of returns fluctuating over the last year - Page 5)

- Returns have increased over the last year resulting in a 16% return. When compared to bank interest it is quite significant but does include revenue from the Caves.

**Statement of Investment Policy and Parameters (SIPO) - Page 5**

In Greg's view every organisation should have a SIPO which identifies what sort of risk you are willing to take. A SIPO is the structure that drives investment decisions.

- For the Trust, the number one priority is Capital Protection which sits at medium to low risk.
- Investments have a 4-5 year timeframe.
- The portfolio is focused on a balanced profile for both income and growth.
- Volatility sits at medium which means we can accept some fluctuation in the market.
- There is a medium level of liquidity to convert assets into cash.

**Moderate Profile Funds Allocation**  
- Page 5

- This gives a summary of where the assets are currently invested; 60% of funds are in assets that return a dividend or interest and 40% are focussed on capital growth i.e. property securities.
- The graph gives an idea on how funds are balanced with a bias towards having income generating assets as well as having assets that tend to grow in value.

**Other points covered;**

- Peter added that the Trust had taken a more orderly approach in terms of its investments and it had been quite successful with the growth in its returns.
- Greg explained the total royalty payment is 15% shared between the Trust and the Department of conservation. The Trust receives 13.75% until 2022 when it reverts to 12.5%. A smaller commission is received from retail sales.
- The RUHT does not own properties but has made investments into property trusts which you can sell your interests in.
- Peter talked about the increase in expenditure of 130k on the previous year. Education grants of approximately \$60k had started in that financial year and had contributed to the increase along with having to hold more hui and undertake more legal work as a result of the review of trust. Revenue from the Caves had increased due to an increase in visitor numbers.
- Peter advised that the forestry blocks were in Oparure and near Pohatuiri Marae. The blocks had been looked after and had a current value of \$1.5m. At harvest, they would be worth about \$3.5m

- Peter spoke about Greg been largely responsible for the quality of the arrangement with THL. At the end of a lease the Trust would have to buy back the improvements however, at the end of 2027 the building which cost \$12.5m will be returned at no cost.
- Greg advised that he had carried out a valuation exercise on the Caves several years earlier and estimated its value around \$30m. With the increase in visitor numbers he thought it would now be somewhere between \$40-\$50m. The Caves are a significant financial asset of the RUHT.
- Noted by Peter that in the trust order the Trustees had included very strict limits to use the Caves for collateral to raise a loan. It was not something that the Trustees would take lightly and would not put the Caves at risk.
- Greg completed his presentation.

**Education Report**

- Peter recapped on the establishment of the \$1m Education Endowment Fund that would fund future education initiatives.
- \$75k had been allocated to education grants in 2015 FY.
- An Education Sub-Committee had been established to give some practice around distributing money and the types of programmes to run.
- MathsBuddy, a good quality maths programme had been offered to students.
- Grants started at Year 7 and the amount of the grants graduated with every level.
- Recipients of the grants were very appreciative.
- Peter encouraged people to apply for the grants.
- In response to a question about the Trust offering scholarships between five and ten thousand dollars Peter announced that four memorial scholarships would be offered in honour of those that had worked on the claim; Te Aue Davis, Sam Green, Walter Anderson and Rua Anderson.
- Some thinking around the scholarships was required however, Peter did not want to limit it to just university and would like to assist tamariki to get there.
- Peter finished his report.

**Presentation on Review of Strategic Plan**

Tamarapa Lloyd and Amy Wharakura from Ernst & Young Tahī group were introduced. They, along with Ari Hemara-Wahanui had run the workshops at Te Korapatu.

- Tahī's role was to help the Trust with its strategy; what is the ideal structure to fit that strategy i.e. is it sized right and what are the systems needed to run that structure.
- Feedback from the beneficiaries has informed the Trustees in developing the strategy and has also guided the development of the trust order.
- Tamarapa gave a breakdown of the structure of the Trust and the different committees there are to give beneficiaries an idea of the type of work that goes on behind the scenes.

- It was important to understand what the existing workload is and the existing capacity. There are three to four staff members and a Board that is heavily committed to other things and so activities have to be staged.

Tamarapa recapped the process they had used;

- Initial hui to outline the process to look at the strategy, structure and process.
- Facilitated a workshop to find out what beneficiaries defined as success.
- The information was feed back to the Trustees and used to synthesise the strategic plan.
- That also informed the development of the trust order which is the vehicle to achieve the strategy.
- Tamarapa spoke about the structure of the Trust which entails at a very high level a lot of business activity.

- A question to the attendees at the workshop was, What would you like the Trust to have achieved in three years' time from the perspective of being a trustee, a beneficiary and a staff member? (This question reflecting the three main groups involved with the RUHT).

- Responses fell into four main categories;
  - Future state of the Trust.
  - Strategic focus closer than the three year time horizon.
  - Administrative activities and possible improvements.
  - Things people wanted to see in the trust order.

- Future state – aspirational, having a clear strategy to take over the Caves, whakapapa to the whenua, being the best at what we do.

- Strategic direction on cultural and historical growth and the retention of customary knowledge. With regard to commercial growth there was discussion on taking the Caves over sooner, diversification or further investment into tourism.

- Social, economic well-being; a big focus on rangatahi engagement and aligning education grants to gaps, secondments to other organisations.

- Environment - riparian planting and protection of the Caves was important.

- Administrative activities were quite detailed; strong communications strategy, kaumatua and beneficiary engagement. Some type of assessment around skills capability.

- Trust Deed and skill sets of the Trustees, election of trustees, sub committees, attendance requirement. Very specific feedback about what people wanted to see in the trust.

- Vision - To connect and to reconnect our people to their Whānau and their whenua.

- Mission – to manage and enhance Trust assets within a long term vision to support our people.

- The Values are;
  - Manaakitanga - Caring for the mana and wellbeing of all RUHT members.
  - Kaitiakitanga - Guardianship/Stewardship over our resources and taonga.
  - Whānaungatanga - Inclusive of all Hapū members.
  - Whakapapa - Developing and strengthening the bonds that link us together.
  - Whakahi - Having pride in our trust, Hapū , whānau, and activities undertaken.

- There are four focus areas;
  - Operational excellence.
  - Commercial well-being.
  - Social well-being.
  - Cultural well-being.

- Contained in the presentation were specific pathways to achieve the goals.

- There was a lot to do and it would need to be done in a sustainable way with specific timelines needed to achieve the goals.

- There was a question about Whānau having a say in the decision making process. The attendee went on to say the only thing included in the new trust order was the Major Transaction clause whereby the Trustees must get the approval of the beneficiaries if it involves 50% or more of the Trust assets. She felt there are other decisions that the Whānau want to have a say in before they are passed at the trustee level.

- Peter explained that this provision is not designed to be the only occasion where the Trust would seek support from the beneficiaries. What Peter wants to do in the future is to talk openly to all of the beneficiaries because the Trust has a responsibility equally to all the beneficiaries. It is Peter's view that the Trust is not going to get very far if it ignores its people. It is not going to be a situation where the Trust operates independently. The Trustees are not going to put things at risk and want to be comfortable about speaking to people on regular occasions about the things that are being done. However, Peter did not want the Trustees to be in a situation where they are hamstrung and unable to do things because people have unrealistic expectations about how much control they have over the Trust. Finding a balance was important.

- There was a question regarding the four Whānau trusts from Adrian Martin saying he wasn't represented by any of those trusts. Peter clarified that the representations are not going to be determined by the Whānau trusts.

- Tamarapa finished his presentation explaining how the feedback from the beneficiaries has been incorporated into the strategy and then into the trust deed.



New Draft Trust Deed

John started his presentation by answering a question on the floor. He stated that the beneficiaries of the Trust were the descendants of the 22 owners. Judge Milroy had said that cannot change and it has not changed and it is in the trust deed.

- The four Whānau trusts as defined in the current trust order were approved at an AGM and the percentages were agreed to at that meeting. The current trust order provides that distributions from the RUHT were to be to those four Whānau trusts.
- The current trust order was established in 1990. There has only been one change and that was in 1998 so that distributions could be made to the four Whānau trusts.
- John understands the four Whānau trusts nominated individuals to be trustees on the RUHT.
- As a result of the court proceedings, there were to be no more distributions to the four Whānau trusts because they were not descendants of the trust. The new trust order reflects that.
- However, to recognise the historical relationship between the RUHT and the Whānau trusts John recommended that they stay in the trust order and if the Trustees agree to make a grant to the Whānau trusts they can.
- There was a query that all Māori Land Court trusts be recognised and John advised that not all of the four Whānau trusts were Māori Land Court trusts. Only one was, Tanetinorau Opataia Whānau Trust but the other three were private trusts.
- John recapped why the Māori Land Court had said the RUHT cannot make further distributions to the four Whānau trusts as their members may not be consistent with the RUHT.
- It is open to the RUHT to recognise another Whānau trust that is sufficiently associated with this RUHT to get a grant but those grants are effectively for Māori Community Purposes only. It cannot be distributed amongst the beneficiaries of that trust and can only be used for their community purposes.
- John stated that perhaps the Combined Lands Trust might be recognised.
- John referred to the Vision statements of the RUHT that was circulated at the consultation hui. The RUHT would not cut off the Whānau trusts from any relationship from the RUHT. John has tried to reflect that in the current trust order.

New Trust Order Presentation

John covered the following points;

- The Reserved Decision of Judge S A Milroy at 104 Waikato Maniapoto MB 95-162 dated 24 August 2015.
- The new trust order should give trustees the necessary powers and discretions to give effect to the Wai 51 settlement and provide for ever increasing numbers of beneficiaries.
- A standard form ahu whenua trust order can be modified for particular requirements of the RUHT.

- The trustees are to consult with the beneficiaries to develop a new trust order consistent with the vision statement and strategic plan set out by the RUHT trustees.
- There is to be no amendment to the class of beneficiary or beneficial entitlement. Discussions should include election of trustees (including rotation of trustees), and the requirement of consent of beneficiaries to significant business ventures or investments and to mortgaging the corpus lands.
- Other provisions relating to Māori community purposes should also be included for discussion.
- The preparation of a detailed trust order, consultation with beneficiaries, and confirmation of the varied trust order by the beneficiaries at a general meeting is to take place within six months. John advised there was a timetable for 6 months however, an extension had been applied for and he would file a memorandum next Friday about the outcome of today's meeting.
- The final version had been approved by trustees and circulated to beneficiaries.
- The new trust order was based on template developed by John's firm for ahu whenua trusts and includes provisions from the MLC standard form trust order.
- Greg McCarthy has reviewed it in relation to the RUHT's future commercial operations and an external independent peer review has been done by EY Law. It has gone through a robust review outside of John.
- It follows a standard form ahu whenua trust deed. The structure of the Trust Deed will include;
  - Background
  - Objects and powers
  - Duties and obligations of trustees
  - Meetings of beneficiaries
  - Trustees
- There is a definitions section so that definitions are consistent and properly defined.
- In response to a query about beneficiary meaning blood. John clarified that beneficiary means all the descendants of the owners. The legal meaning of descendant is by blood.
- That has been the definition since 1990 and it is not going to change. Private trusts could have their spouses as beneficiaries. In terms of who should benefit from this Trust, it is the beneficiaries.
- Under Section 6 of the Adoption Act, legally adopted children are descendants. Where it gets difficult is when someone is adopted out. In law, they would not be a descendant. John thinks that is unfair and previously recommended that someone adopted should be included.
- Peter stated if people are atawhai and applied for a grant they would be considered on a case by case basis.

- John did not recommend that there needed to be any further provisos or other clarifications in the trust order. Beneficiaries are all of the descendants. In John's opinion the issues of atawhai and whangai is really between the beneficiaries and the RUHT. It is important to retain some discretion and flexibility around this issue that fits with the tikanga of our Hapū .
- The Block is defined as Hauturu East 8 and is the corpus of the Trust. In this trust order, there is a distinction between corpus lands, trust land and investment land.
- Trust assets are all the investments of the Trust but excludes trust land.
- There was a query about the RUHT reimbursing a Whānau trust for the monies they had distributed in education grants.
- John advised that there are to be no more distributions to Whānau trusts. There are some monies sitting on the RUHT books and John will be advising Judge Milroy how this should be treated.
- Objects are the key section in any trust order and allow the trustees to exercise their powers and discretions to achieve the objects which is the whole purpose of the Trust.
- John went over the objects that had come from the existing trust order with some amendments; 6.2, 6.3, 6.4, 6.9, 6.13 6.14.
- John went over the new objects which had come out of the vision statement and strategic plan; 6.1, 6.5, 6.6, 6.7, 6.8, 6.10, 6.11, 6.12, 6.15.
- John wanted to broaden 6.6 and felt it should also include the history, knowledge and whakapapa of the beneficiaries along with scientific knowledge.
- Attendees agreed to using the term Mātauranga and this will be included in that clause.
- Under the existing Te Ture Whenua Māori Act, trustees have a general power over trust land and assets as if they were the absolute owner.
- There is a general power at Clause 7 which is from the standard template of an ahu whenua trust deed that trustees cannot sell or gift Hauturu East 8 (corpus land).
- General powers are also limited by any limitation contained in the specific powers.
- The existing trust order is very brief and what John has done is to combine what is in the existing trust order with the powers in a standard trust order.
- The main one is 8.19 which completely replaces what is in the current trust order. There are no payments to the Whānau trusts but there is an ability to make grants and distributions to beneficiaries. The Trust can make grants for Māori Community Purposes and to the Whānau trusts. The trustees retain a discretion to determine the amount and policy for making those distributions.

- There is a Power to Delegate (8.22) to individual trustees either singly or in a group or to executive staff. It is important to have a power to delegate because in law, trustees must personally do everything and can only delegate if there is a power to delegate in the trust order. Trustees determine the terms and conditions of the delegation and this can be revoked at the sole discretion of the trustees. At all times, any delegated authority must be within the terms of the trust order and the delegation.
- 8.24 is a new power and may need amendment. It is a specific power to negotiate the purchase of the lease with THL prior to 2027. In terms of specific powers, the trustees don't have to do it. It is in there to give them the ability to do it.
- John explained that the Trust can borrow, give securities and mortgages over the Trust assets and investment land. The Trust cannot give an encumbrance, a mortgage or charge over Hauturu East 8. John used Matauri X as an example where that incorporation gave a mortgage and guarantee over Matauri X to invest in a water plant in Whakatāne. The investment went bad and half of Matauri X was sold to repay the finance company. That cannot happen with this Trust because under 8.11 you can only borrow over trust assets. The Trustees were quite clear about that. There is however, one exception that HE8 could possibly be borrowed against to buy the lease back to the Caves prior to 2027. Otherwise HE8 cannot be sold, gifted or mortgaged or any other charge put against it.
- Major Transaction – In the decision Judge Milroy did say that the beneficiaries and the trustees should consider a Major Transaction Clause. That means if a certain threshold is met the trustees must come back to the beneficiaries to have that transaction approved.
- Not may trusts have a major transaction clause but some of them empower trustees to borrow over trust land. In this trust order, what has been done, is to reflect the unique history of the RUHT and the return of land as a result of a Treaty settlement. It should be preserved and we have tried to do this by stopping any borrowing against trust land with one exception. It follows a similar provision in the Companies Act and is a transaction involving half of all the total assets of the Trust. If you are incurring liabilities that trigger that 50% or that transaction in total terms of value is 50% of trust assets then the Trustees have to come back to the beneficiaries to approve the transaction.
- Trustee's obligations – the Trust is obliged to hold a roll of beneficiaries but subject to privacy and legal requirements. A beneficiary may be able to look up another beneficiary but will not be given personal details of that person. An electronic register will assist the Trust to keep abreast of its growing beneficiary numbers.
- John explained that the list of names in the Māori Land Court is not relevant to this Trust because the beneficiaries are all of the descendants who may not be on the owner's list.



- Enhanced provisions have been included; minutes of meeting, general meetings etc. This will benefit the beneficiaries because it outlines a much clearer structure and the requirements of the Trustees to hold an AGM to receive and consider the financial statements, elect the persons to fill vacancies, approve or adjust trustee remuneration and to consider other general business.
- John covered the procedures relating to calling and holding a general meeting i.e. notice requirement. Clause 45 needs to have a slight amendment to include by electronic means.
- Quorum remains at 20 beneficiaries and one beneficiary one vote. Election of trustees can be done by secret ballot. At future meetings, the register will have to be at the meeting. Beneficiaries will have to register, get a number or a voting form and have the resolutions listed. If by secret ballot you will have to have the votes counted by an accountant. Resolutions can also be put to the beneficiaries by a postal vote or by electronic means.
- In response to a question about proxies John did not recommend it because there is the option to hold a postal, or electronic vote. There are procedural issues with proxy voting, whether they are valid and so on. Proxy voting is not in the current trust order.
- There was a query about grants for kaumatua. John advised that the power to make grants is not specific but broad and so grants can be made for a wide range of purposes.
- Trustee numbers are a minimum of five and a maximum of seven.
- Rotation and election of trustees was specifically mentioned by Judge Milroy. One trustee must retire at each AGM and that creates one vacancy. A trustee can stand for re-election. If there is more than one nomination then there needs to be an election and the person with the majority of the votes will be elected. Elections will be by nomination. Trustees will continue to be appointed by the Māori Land Court.
- John recommends only one trustee rotating per AGM. Two or more rotating off creates too much instability. Trustees can however, retire by written notice.
- There is a new provision for a Code of Conduct for trustees which will develop policies and procedures on how trustees will conduct themselves and their business. It will also provide for training and succession planning. Once it is adopted it will be binding on the Trustees.
- The Act does not require a trustee to be a beneficiary of the Trust. However, some trusts have an express provision in their trust order that their trustees can only be beneficiaries or their descendants or the beneficiaries of Whānau trusts. John does not recommend this as in the future you may wish to co-op trustees on. A person cannot be co-opted on by the current trustees. They have to come to an AGM, be elected by a majority and be satisfactory to the beneficiaries. In John's view that would reduce the chances of an independent getting elected but it is possible.
- The Code of Conduct is to ensure the trustees act at all times professionally and in the best interests of the trustees.
- Trustees will establish a reasonable remuneration pool and trustees will be paid according to the contribution they make rather than on a set meeting fee.
- The Trust's performance would be bench marked against a trust with the same level of commercial interests.
- Standard Meeting Practices – trustees can meet by teleconference or by other electronic means subject to certain conditions i.e. they must be present for the whole meeting and there is a provision for urgent meetings.
- Conflict of Interests - this is taken from the standard ahu whenua trust order and where a trustee has a conflict they cannot discuss it or vote on it.
- There is a standard indemnity to protect trustees personally if the Trust is sued or incurs some losses, as long as their actions were not a wilful breach of trust. Trustees will be indemnified from the trust funds. Trustees are entitled to rely on legal or other expert advice.
- John proposed the resolution subject to amendments to provide for a wider purpose for research and the inclusion that notice can be given by electronic means.
- John also stated that this trust order better reflects our history and provides a better platform for the trustees and beneficiaries to move into the future and certainly for its commercial operations.
- John answered another question relating to the power to delegate; Trustees will always be liable even though they have delegated to staff or to another set of trustees and if for some reason that delegation goes wrong or those people exceed their powers the trustees will always be responsible. The purpose of the delegation is to allow for more administrative efficiency and to reflect the reality that you will need to employ some staff. This allows trustees to do this and they are not in breach of the trust order.
- Marama Morrison moved that the resolution be adopted. Seconded by David Anderson.
- Peter read the resolution out to the meeting;
- Resolution: That the beneficiaries adopt the new trust order presented at the AGM of the RUHT on 21 May 2016 in substitution of the existing trust order at 113 Otorohanga MB 128 and dated 22 June 1998.
- Majority in favour. Three against; Mere Love, Clarrie Tapara and Adrian Martin.
- Peter asked that the minutes be accepted as an accurate record of last year's meeting.
- Seconded by Bill Tane.
- Carried unanimously.
- Peter moved that Jonathan Hurst be engaged to be the auditor. Seconded by Lynn Green. Carried unanimously.
- Sonny Carnachan asked that the Trust support Te Puea Marae who is helping homeless Whānau. Peter suggested \$2000. There was a consensus to support Sonny's tono. There were no objections.

The meeting closed with karakia whakamutunga.

*Hūtia te rito  
Hūtia te rito o te harakeke  
Kei whea te kōmako e kō  
Kī mai ki ahau  
He aha te mea nui  
He aha te mea nui o te ao  
Māku e kī atu  
He tangata, he tangata,  
He tangata.*

.....  
If you remove the heart  
Of the flax bush  
From where will the Bellbird sing?  
If you say to me  
What is the most important thing  
In this world  
I will reply to you  
It is people, it is people,  
It is people!



# Ruapuha Uekaha Hapū Trust

## 2016 -2018 STRATEGIC PLAN

The framework below outlines the strategic approach the RUHT is undertaking to achieve its objectives. It also highlights a number of initiatives to accomplish over the next year.

OUR VISION		OUR MISSION		
To connect and to reconnect our people to their Whānau and their whenua		Managing and enhancing Trust assets within a long-term vision to support our people		
OUR VALUES				
Manaakitanga	Kaitiakitanga	Whānaungatanga	Whakapapa	Whakahī
STRATEGIC OBJECTIVES				
<b>Operational Excellence</b>  Achieve excellence within the Trust and its employees	<b>Commercial Well-Being</b>  Our asset base will be consolidated and diversified to better sustain our people	<b>Strategic intent for the WGC</b>  To ensure RUHT is positioned correctly for the Waitomo Glowworm Caves	<b>Cultural and Social Well-Being</b>  To improve social well-being and acknowledge and remember our tūpuna Ruapuha and Uekaha	<b>Environmental Well-Being</b>  To restore and enhance our natural resources and environmental well-being
STRATEGIES				
Strengthen governance and management to achieve operational excellence  Strengthen engagement with Hapū trust members	Execute an investment strategy  Ensure asset growth remains relative to beneficiary growth	Preparing and positioning the RUHT for the full return of the WGC by 2027	Acknowledge and strengthen the link for all RUHT beneficiaries  Retain Hapū cultural knowledge  Improve the education of our people  Support employment creation and workforce development opportunities	Responsible use of our natural resources  As Kaitiaki protect our heritage and culture  Protect and enhance the Waitomo Stream
STRATEGIC INITIATIVES 2016-2018				
Annual budget and annual plan reported against Strategic Plan  Professional development in finance, investment and risk management undertaken by Trustees and staff  Trust structure, systems and processes reviewed  Develop a succession plan for new trustees – Pipeline Programme  Develop a communication strategy to engage with Hapū trust members	Develop an investment strategy that increases the asset base relatively to benefit growth.  Review the Statement of investment Policy and Objectives to ensure appropriate asset management is being applied at all times	Develop a strategic plan to analyse options at the expiry of the Lease in 2027.  Undertake an economic valuation of the Caves to add a value to the Balance Sheet.  Explore investment opportunities into local tourism business	Continue financial assistance to assist Hapū trust members in their educational aspirations  Leverage Clause 5.1 to create more employment opportunities at the Caves  Expand Train Me to take on apprenticeships at the Caves and in other sectors  Continue cultural heritage programmes to connect Hapū trust members to their heritage, including the Caves  Work Force Development Strategy progressed.	Develop a Waitomo Management Plan to leverage stakeholder relations to preserve Waitomo’s unique environment and regional economy  Implement a sustainability model that reflects Māori values at the WGC  Strengthen participation in the Waitomo Catchment Scheme to protect the Caves and Waitomo Stream

# Trust Activities in 2016 – 2017

## GOVERNANCE AND MANAGEMENT

New trust order adopted in October 2016.

- Trust order operationalised and new structures, systems and policies implemented.

2016-2018 Strategic Plan adopted in November 2016.

- Strategic Plan operationalised into the activities and initiatives of the Annual Plan for development, implementation and measurement.

Committee governance structure implemented to strengthen the operational performance of the RUHT. Four permanent internal committees established;

- Finance and Investment
- Hapū Development
- Remuneration and Performance
- Audit and Risk

Professional development in finance, investment and risk management skills undertaken by the Trustees and staff.

## HAPŪ DEVELOPMENT

Education grants distributed to students ranging from Year 7 to tertiary level.

Free subscriptions to MathsBuddy distributed.

Free afterschool maths tuition offered to Hapū trust children in three partner schools.

Train Me rolled out to assist Hapū trust rangatahi gain employment at the Caves over the summer holiday period.

Kaumātua Hauora Programme developed to assist Hapū trust kaumātua with well-being and health costs.

## CULTURE AND HERITAGE

Support for the making of the documentary Ngā Tapuwae o Ngā Tūpuna.





# Ruapuha Uekaha Hapū Trust

TRUSTEES			
Chairperson:	Peter Douglas	Trust Secretary:	Miria Davis
Deputy Chairperson:	Angela Pope	Trust Administrator:	CJ Hemara
	Josephine Anderson	Commercial Advisor:	Greg McCarthy
	Lynn Green	Lease Advisor:	Joanne McCracken
	Stephen Keung	Legal Advisor:	John Koning
	Hiria Love	Environmental Advisor:	Dr Dan Hikuroa
	Charles (Chuck) Davis	Education Advisors:	Lloyd Keung
			Liane Green
Accountants:	Bailey Ingham Chartered Accountants Otorohanga	Address:	Level 1 46 Taupiri St Te Kuiti
Auditor:	Finnz Chartered Accountants Te Awamutu	Ph:	0800 525 626
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