



**Te Whaiti
Nui A Toi**
TRUST

Annual
Report
2022

Directory

Trustees: Andrew Te Amo (Chairman)

Doug Rewi

Renee Rewi

Peter White

Secretary/Accountant: Murray Patchell

Solicitors: Graeme Dennett

Auditors: BDO, Rotorua

Bankers: Westpac

Registered Office: Karamea Professional Services Limited

c/- Awhi Roopu Consultants

1227 Ranolf Street Rotorua

P O Box 987

Rotorua 3040

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Website: www.tewhaiti.co.nz

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General Meeting Of Owners

Waikotikoti Marae, Te Whaiti
Saturday 5th November 2022 at 10:00 am

AGENDA

1. Minutes
2. Chairman's report
3. Financial Report
4. Distribution
5. Forestry Report
6. Planning Update
7. Lunch

PLEASE NOTE : Speaking and voting rights at the meeting are restricted to registered owners of the trust.

A. Te Amo
Chairman

Minutes of the General Meeting of Owners held at Murumurunga Marae on Saturday 6th October 2018 at 10.00am.

Chairman: Andrew Te Amo

Secretary: Murray Patchell

Mihi: Kohiti Kohiti

Attendance: 50

Apologies: 10

Minutes: Of the previous meeting held on 11th November 2017 were read by the Secretary and confirmed
(John White/Katerina Mason) Carried

Matters Arising

1. Correction of the spelling of Katerina Mason.
2. Pene Olsen requested reports be provided, including minutes, before the meeting.

Chairman's Report

The Chairman tabled and read his report.

RESOLVED: "That the Chairman's report be received." *(Andrew Te Amo/John White) Carried*

The Chairman advised that Peter White was the successful candidate through the election and will take over Whare Akuhata's position subject to Maori Land Court approval. He acknowledged Whare Akuhata's contribution to the Trust and in particular introducing Brent Sheather as investment adviser. He has turned out to be an excellent adviser and the 14% return achieved last year was outstanding.

Peter White thanked the people who had voted him in. He said he was reluctant to stand but is encouraged by the support. He said he brings a lot of experience in Trusts and businesses to the Trust. Whare Akuhata thanked the Trustees, Secretary and owners for his time as a trustee. He has learnt a lot in the 10 years. Highlights include the lease renegotiation with the Crown and the investment growth. He notes the Trust is in a sound financial position and in good hands with Murray Patchell and Deloitte. He notes there is real potential to grow the Trust and he wished them well.

Financial Report

Murray Patchell tabled a summary of the audited financial statements for the year ended 31 March 2018.

RESOLVED: "That the financial report for the year ended 31 March 2018 be received." *(John White/Pene Olsen) Carried*

Auditor: RESOLVED: "That BDO, Chartered Accountants of Rotorua be re-appointed auditors until the next general meeting." *(Lena Brew/Katerina Mason) Carried*

Distribution

RESOLVED: "That the sum of \$60,000 be approved for payment of owners grants as per the policy." *(Pene Olsen/Lena Brew) Carried*

Chairman advised this will be paid in mid-November.

Education Grants

Details of the education grants paid in 2018 and the education policy were tabled.

Forestry Report

The annual forestry report provided by Crown Forestry was tabled for owners' information.

Investment Charter And Sipo

The Secretary took the meeting through the proposed Investment Charter and SIPO that had been circulated with the meeting notice. Jane Nicholas noted that Section 2 powers were very wide.

Renee Rewi said the Charter was proposed to restrict the trustees' powers.

Jane Nicholas requested that trustees keep owners updated on proposed investments.

Renee Rewi confirmed that trustees will come back to owners as part of due diligence for any major investments.

Pene Olsen added her wish that proposals be brought back to the people and poor investments to be avoided. She acknowledged the trustees have done a lot of good work since the last meeting in putting together the Charter and SIPO.

Chairman advised the trustees have acted with integrity in the past and the Charter and SIPO clearly sets out the trustees approach and binds the trustees to an accountability process.

Katerina Mason commented that this process sets it up for others to follow.

Jane Nicholas queried if the trustees will have full control of the lands forever.

The Chairman advised that trustees will consult with owners as to what they want to do with their lands when the lease finishes. He said the government did not explain clearly the impact of amalgamation. The old titles are gone, and the names have disappeared. Trustees have been trying to work out how to return the lands to the rightful owners. In his view the Trust should be wiped and rightful owners can have their say in their lands. They are still trying to work out how that can be done. He would like to see this sorted before his time is up. He indicated that he would not be seeking re-election at his next rotation and return of lands to the original owners is his key objective.

Jane Nicholas suggested the trustees put forward a development plan to transfer the lands back to the people. Renee Rewi explained that the Trust has a list of original blocks and tried to get owners to identify their interest in the blocks. The process has started and the first step is to identify who is in which block.

Jane Nicholas said she supported a plan of returning lands to the original owners. Whare Akuhata said it was part of the Trust's strategic plan to research the land blocks which had been done.

The Chairman said the Trust has identified the individual blocks and the original owners through the Land Court records. Owners can decide on wiping the amalgamation. Owners of the land can still work together. He said this was work in progress.

Jane Nicholas suggested that any new investments should take into account the future developments with the ownership of the land.

The Chairman advised that trustees will need to take that into account.

Jane Nicholas queried the provision in the Trust Order 1.2 re-mortgaging of the land.

Renee Rewi said the trustees would not mortgage that land without owners' approval. She confirmed that trustees will always come back to owners on such issues.

Jane noted that trustees will work on a development plan for returning land to the original owners.

Taiarahia Taitoko said the owners who have succeeded can do work themselves to identify where they fit in the de-amalgamation.

Pene Olsen said that owners should bring their ideas back to the trustees and discuss. She supported

the trustees coming back on major decisions.

Taiarahia Taitoko applauded the trustees for all the work they have done on the Investment Charter and also the suggestion of de-amalgamation.

The Chairman said it won't be easy. Successions are now done for shares in Te Whaiti Nui a Toi Trust. The issue is how do owners know which block they are in and they will need to reference the last known owner from the original block to work that out.

Renee Rewi added it was a big job and the first step has been taken. She invited owners to seek to identify their original block interest, and she put that challenge to owners for the next meeting.

The Chairman said he was determined to see this process through to its outcome.

RESOLVED: "That the Trust adopts the proposed Investment Charter and Statement of Investment Policy and Objectives (SIPO)." *(Renee Rewi/Lena Brew) Carried*

In terms of the Variation of the Trust Order, it is:

RESOLVED "That the Maori Land Court be requested to vary the Te Whaiti Nui A Toi Trust Order to include the following provisions:

- (i) To form Companies and to subscribe for and acquire shares in companies under the Companies Act and to adopt and change the constitutions to further the interests of the Trust to enable the company to be managed to facilitate the overall objects of the Trust provided that any Trustee may be paid directors fees, including those based on fees expected to be paid to directors in commercial enterprises of a similar business which the directors are involved and the trustees are entitled to retain the same provided that the Trustees shall ensure that the details of such fees are included in the annual accounts of the company or companies.
- (ii) To invest all or any of the money coming into their hands in such manner and upon any securities as the Trustees shall think fit in accordance with the powers of investment given to the Trustees by the Trustee Act 1956 provided also that the Trustees shall have the right to retain the initial assets of the Trust and any assets transferred to the Trust and without the obligation to diversify investments." *(Lena Brew/Taiarahia Taitoko) Carried*

The Chairman advised that in view of the strong turnout the trustees may look to hold the next meeting in 12 months. Pene Olsen agreed that owners and trustees need to work together on the matters discussed. Jane Nicholas suggested a working party be formed.

The Chairman thanked everyone for attending and the meeting closed at 11.50am with karakia from Kohiti Kohiti.

Signed as a correct record



Andrew Te Amo

Chairman

2022 Chairmans Report

Kia ora ano tatou katoa

It has been a long four years since our last owner's hui in 2018. The challenges of the Covid 19 pandemic have affected us all in so many ways and the virus still impacts our lives along with other global issues such as the war in Ukraine and US/China tensions. We had intended to hold our 3 yearly hui last year but had to cancel until a safer time. The virus is still with us and we need to continue to look out for ourselves and our whanau. In years that we don't have owners hui we issue a panui on what is happening with the Trust.

We have also recently launched our own website and recommend you look at this to keep up-to-date (www.tewhaiti.co.nz). We have also developed a logo which reflects our land and history of "The Long Narrow Valley of Toi".



**Te Whaiti
Nui A Toi**
TRUST

Your Trustees remain the same being Doug Rewi, Renee Rewi, Peter White and myself. There have been no further nominations with the last 3 elections, so each Trustee standing has been automatically re-elected. In January 2021 Rama Rewi was appointed a Trainee Trustee. Sadly Rama passed away in August after a short illness and we extend our deepest sympathy to Doug, Hariata and Renee.

A change that occurred during the year is that we have moved our administration (accounting, secretarial and share registry) away from Deloitte. This is now handled independently by our longstanding Secretary/Accountant Murray Patchell through his company Karamea Professional Services Ltd, supported by the team at Awhi Roopu Consultants at 1227 Ranolf St Rotorua. We are very happy with this change and to retain Murray to look after our business.

Our main income comes from forestry rental and in 2021 the 5 yearly market review came up. We obtained independent valuation advice on what was a fair market rent and as usual this advice differed from Crown Forestry's view. However we were eventually able to reach agreement and the rent increased from \$160,000 p.a. to \$207,500 p.a. This year the cpi rent adjustment was applied to increase rent by a further 7.5% going up by another \$15,147.50 to \$222,647.50 p.a. Crown forestry have provided a detailed report on forestry operations.

The time is moving closer towards the surrender of the lease and this remains a key focus of our planning. Within 15 years we will have full control and management of the forest with the first areas coming back in the next two to three years.

The investment markets have been volatile over the last two and a half years and it is difficult to predict where the markets go from here. However we have had several good years of growth and a very good investment adviser in Brent Sheather, so we are well placed to ride out the turmoil of the investment markets. The average annual return on our portfolio is 7.60% since we started investing in 2008. The fund is currently worth \$3,145,236 and we have additional cash built up of \$700,000 so we are well on target to have the resources we need to support our future forest management plan.

We have been involved for some time in legal processes over occupation issues on the area of part Te Whaiti Nui A Toi block known as Te Tuturi. Those matters are still before Court so we don't have a resolution yet but we are keen to move on from this and establish clear policies for owners wishing to establish licences to occupy areas of the Trust Land. We have a number of owners enquiries for licences.

We have continued to process education grants for our students from their second year of study. This year we partnered with the Maori Education Trust and students received an additional 40% top up from

MET. It is excellent to have MET support for our students and this level of support is likely to increase in the future. Applications for 2023 will open in February 2023 through our website.

We have also maintained our annual owners grant and we have set aside \$60,000 again this year. This will be paid late November to owners that have provided their addresses and bank accounts to the Trust. There are resources on our website for registration of your details with the Trust and how to go about doing successions.

We held a Trustees planning wananga in September and reviewed our vision, mission and key objectives. We will share our thoughts today and as this is a work in progress document we welcome owners input into our future planning.

I take this opportunity of thanking our Trustees and advisers for their contributions towards growing the Trust and thank you all for joining us today and supporting our kaupapa.

Tena koutou katoa



Andrew Te Amo

Chairman

5th November 2022

Financial Summary

For The Year Ended 31 March 2022

1. Audit

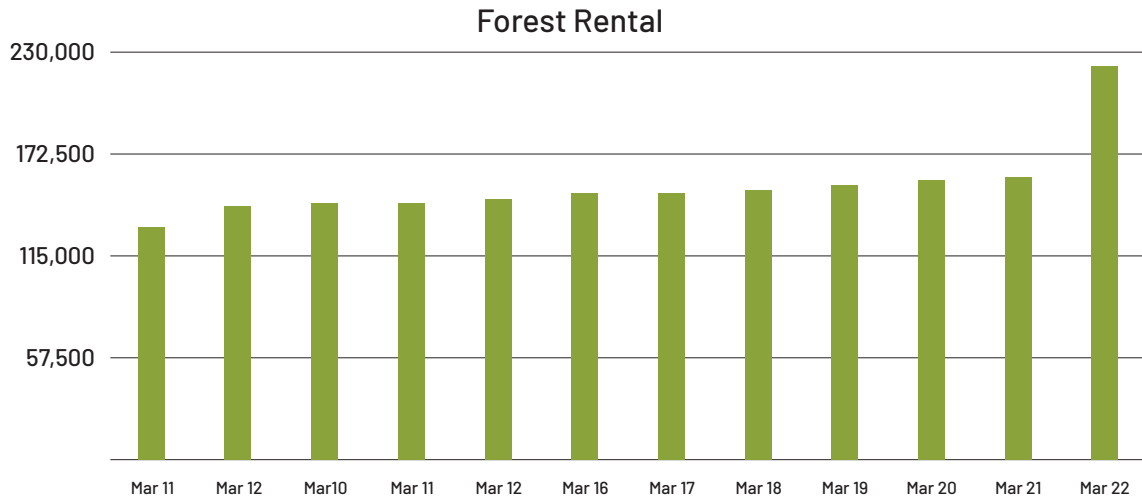
The Trust financial records are audited by BDO, Chartered Accountants of Rotorua. Full audited financial statements are available on request for years 2019 to 2021. 2022 is provisional and subject to audit. This report is an extract of key points from financial statements.

2. Income and Expenditure

Income Received	2019	2020	2021	2022
Forest Rental (adjusted by CPI annually)	155,049	157,634	159,989	199,645
Investment Income received	104,917	110,194	82,533	100,061
Other Income (Forestry)	32,549			102,043
	292,515	267,828	242,522	401,749
Less Expenses				
Advertising	1,055			1,378
General meetings	1,000			
Audit	2,300	3,300	3,630	3,500
Chairman's Honorarium	3,500	3,500	3,500	3,500
General Expenses	99	198	972	363
Insurance (Trustee liability)	4,500	4,895	4,920	4,945
Legal Costs	2,322	34,688	19,176	8,380
Management Fee	6,981	10,324	11,256	15,371
Printing stationery & postage	3,598	2,204	1,927	3,415
Rates	1,200	1,016	1,012	1,767
Rental - Tawa A Tionga (6%)	9,303	9,458	9,599	14,346
Secretarial & Accounting	34,155	26,858	35,863	36,856
Share Register	12,252	13,546	11,421	9,555
Subscriptions	1,469	1,808	1,788	2,006
Trustees fees & Expenses	15,170	13,435	16,715	16,941
Valuation Fee			1,800	2,207
Website Expenses				5,376
Total expenses	98,904	125,230	123,579	129,906
NET OPERATING SURPLUS	193,611	142,598	118,943	271,843
Less Taxation (17.5%)	27,385	20,628	21,580	46,924
NET SURPLUS AFTER TAX	\$166,228	\$121,970	\$97,363	\$224,919

Other income (Forestry) came from harvested trees owned by the Trust.

The Crown Forest lease provides for rental's to be increased by the Consumer Price Index each year and every 5 years reviewed to current market levels. Last review was 1 June 2021 and annual rental increased to \$207,500 p.a. As at 30 June 2022 a 7.3% cpi adjustment increased rent to \$222,647.50 p.a.



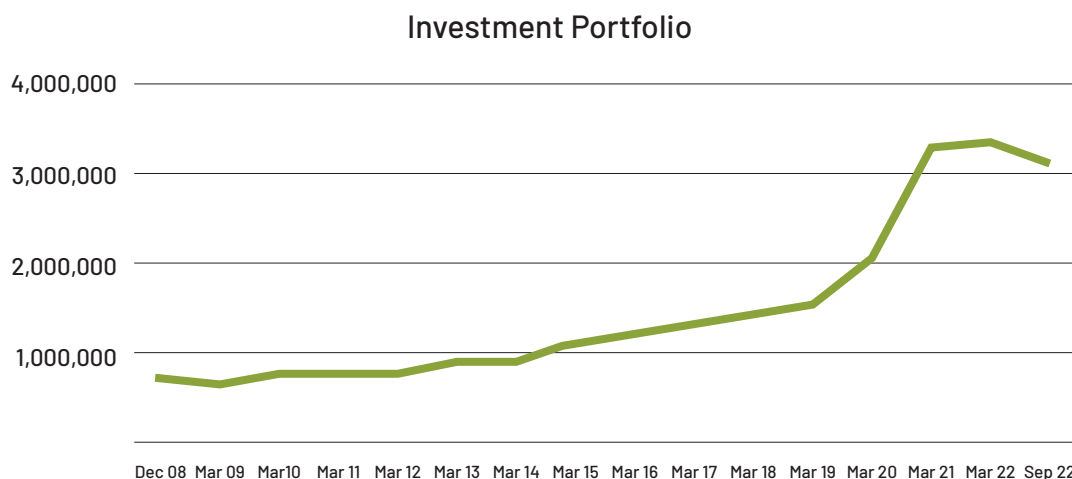
3. Distributions

	2019	2020	2021	2022
Education Grants	\$8,000	\$7,000	\$6,500	\$9,500
Owners Grants	\$31,048	\$35,218	\$30,482	\$28,543

Distributions to owners are taxable with Maori Authority tax credits attached.

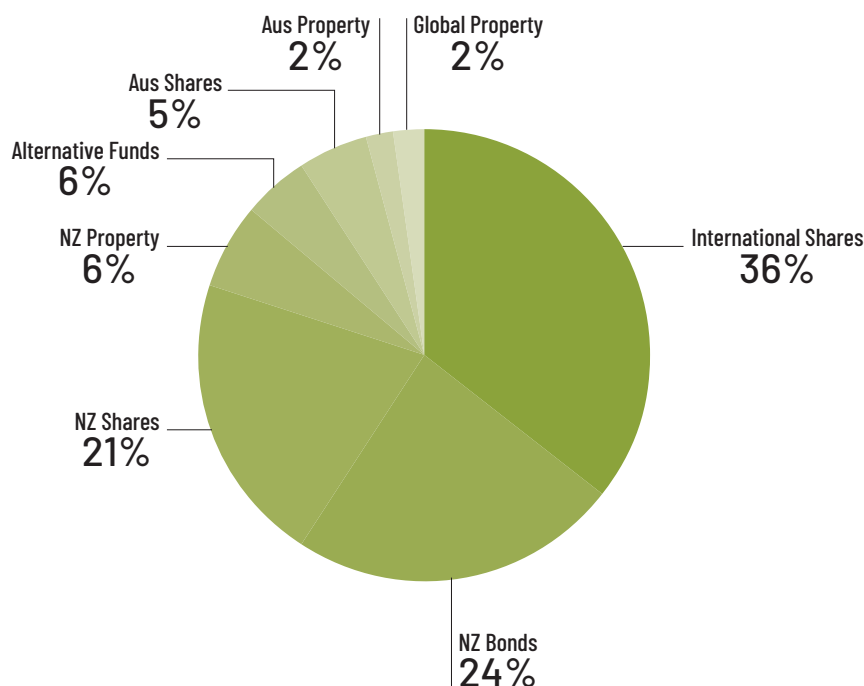
4. Investment Performance

\$700,000 was invested in December 2008 in a mixed investment portfolio of bonds, property and shares locally and internationally through Private Asset Management Ltd (Brent Sheather). In 2020 and 2021 an additional \$1.5 million was added into the investment portfolio.



The annualized return from the portfolio since 2008 7.60% (income and capital). Markets have been volatile in the last two years with a range of global factors affecting markets. In the 12 months to 31 March 2022 the investment return was 2.71% but for the year to 30 September the return was -7.18%.

The asset allocation of the portfolio is:



5. Assets and Liabilities

ASSETS	2019	2020	2021	2022
Bank Deposits and receivables	1,980,863	1,243,067	548,417	703,035
Investment Portfolio	1,552,650	2,107,368	3,301,336	3,353,475
Land	2,449,856	2,784,822	2,784,789	2,784,756
Total Assets	\$5,983,369	\$6,135,257	\$6,634,542	\$6,841,266
LESS LIABILITIES	2019	2020	2021	2022
Accounts Payable and rent in advance	42,835	33,823	38,466	73,238
Unclaimed Dividends	54,122	54,015	53,926	53,746
Total Liabilities	96,957	87,838	92,392	126,984
NET ASSETS	\$5,556,412	\$6,047,419	\$6,542,150	\$6,714,282

Land is recorded at the Whakatane District Council Ratings Valuation. The last valuation was dated 1 September 2019 which resulted in an increase of \$335,000.

The Trust has no borrowings.

6. Owners Details

The Trust has 91407 shares held by 2826 owners. Shareholdings range from less than 1 to 1796. Current addresses and bank accounts are held for 372 Owners.

Owners are encouraged to complete successions and contact the Trust office to register their address and bank account details to receive their grant entitlement and to refer this to other whanau who have not connected with the Trust.

Murray Patchell

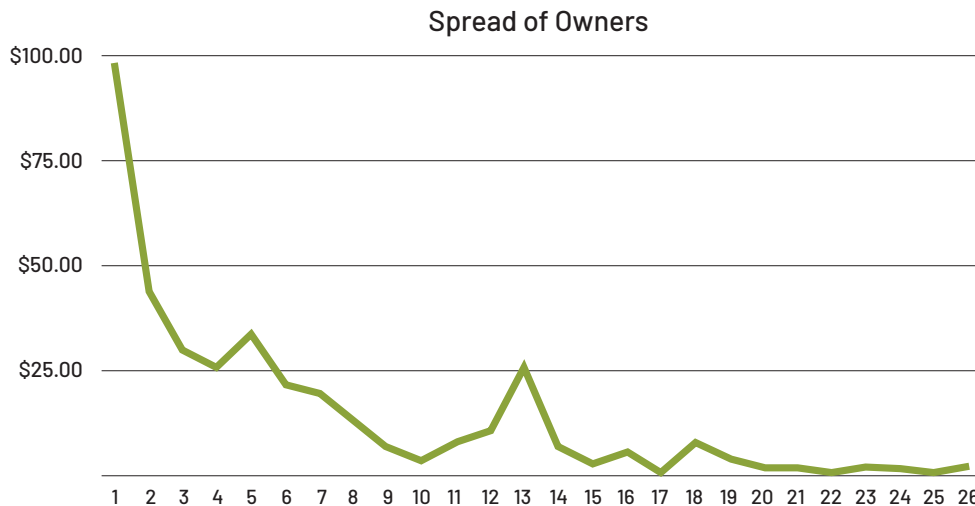
Secretary

5th November 2022

Owners Grant

Grant structure for distribution in lieu of dividend (\$60,000).

				Grant Payment	Owners with address and bank a/c	Total grants payable (before tax)
Group	Share Range					
1	0	to	4.9	\$50	99	\$4,950
2	5	to	9.9	\$50	44	\$2,200
3	10	to	14.9	\$50	30	\$1,500
4	15	to	19.9	\$50	26	\$1,300
5	20	to	29.9	\$50	34	\$1,700
6	30	to	39.9	\$50	22	\$1,100
7	40	to	49.9	\$50	20	\$1,000
8	50	to	59.9	\$50	13	\$650
9	60	to	69.9	\$50	7	\$350
10	70	to	79.9	\$50	4	\$200
11	80	to	89.9	\$75	8	\$600
12	90	to	99.9	\$75	11	\$825
13	100	to	149.9	\$125	26	\$3,250
14	150	to	199.9	\$150	7	\$1,050
15	200	to	249.9	\$175	3	\$525
16	250	to	299.9	\$225	6	\$1,350
17	300	to	349.9	\$250	1	\$250
18	350	to	399.9	\$275	8	\$2,200
19	400	to	449.9	\$300	4	\$1,200
20	450	to	499.9	\$325	2	\$650
21	500	to	599.9	\$350	2	\$700
22	600	to	699.9	\$425	1	\$425
23	700	to	799.9	\$500	2	\$1,000
24	800	to	999.9	\$575	2	\$1,150
25	1000	to	1499.9	\$750	1	\$750
26	1500	to	2000	\$1,200	2	\$2,400
				TOTALS	385	\$33,275



2022 Owners Grants Policy

An Owners grant in lieu of a dividend has been approved by the Trustees. This grant is payable to the Owners registered at 1 December 2022 who have supplied their bank account numbers and addresses. The grant is also available to Owners, subject to the terms of the grants policy, for a period of 12 months expiring on 30 November 2023. The current policy in respect of the 2022 Owners Grant is as follows:

- For identification purposes the grant will be called the “2022 Owners Grant”.
- The sum of \$60,000 has been set aside for 2022 Owners Grants.
- Payments to be made only to bank accounts and Owners addresses must be held.
- Payments will be calculated according to shareholding bands as per the attached schedule.
- These grants are taxable and will have Maori Authority Credits (MAC) attached at 19.5% Grants exceeding \$200 including MACs will be subject to RWT at 39%. Where an IRD number is not held for an owner and the gross grant exceeds \$200 the withholding tax rate is 39% reduced by any MAC attached, up to a maximum of 19.5%.
- All Owners with addresses are to be advised of the Owners Grant and those who have not provided bank accounts details will be asked to do so. Those Owners exposed to RWT at 39% will be advised to supply their IRD numbers to avoid this cost.
- Non Resident Owners will have their distributions subject to Non Resident Withholding Tax of 15%.
- Sufficient funds will be retained to cover any Owners who are located after the payment date.
- The Trustees reserve the right to make only one payment to a shareholder whose name may appear more than once on the share register where it is evident that those multiple names refer to one person.
- Any Owners who are located after the payment date will be entitled to the payment they would have received had their address and bank account details been known at the distribution date.
- Any owners who succeed to shares after the payment date will be entitled to payment of the current shareholder’s grant based on their shareholding where it has not been paid to the deceased shareholder.
- Entitlement to the payment will expire on 30 November 2023.
- Payments to overseas Owners will be subject to deduction of bank charges.
- The Trustees reserve the right to amend this policy or draft new policy to cover any circumstance not covered or anticipated by this policy, in respect of payments to all beneficiaries or to any one or more beneficiaries and the Trustees decision in these matters will be final.

Education Grants Report 2022

This year 19 applications were received for tertiary grants. Of those, 3 applicants were declined because they could not whakapapa to an owner or descendant of an owner in Te Whaiti Nui a Toi.

Education grants are available to students in their second or subsequent year of full time study. Please note that all applicants must fully complete their online application form, supply all supporting documents as listed in the checklist on the form and ensure their whakapapa has been verified (signed by shareholder or trustee of whanau trust).

Applications open in February and close 30 April each year. The online form once open, is available through the website - www.tewhaiti.co.nz.

The following 16 students received grants of \$500 each this year plus an additional \$200 top up from the Maori Education Trust.

Name	Institution	Course
Wharepakau Akuhata	Te Wananga o Raukawa	Tahuhu Matauranga Maori (Level 9)
Tepora Apirana	University of Canterbury	Master of Maori and Indigenous Leadership (Level 9)
Turuhira Hotene	University of Auckland	Post-graduate Diploma in Business Enterprise (Level 8)
Jasmine Jasmine	Toi Ohomai Institute of Technology	Bachelor of Social Work (Biculturalism in Practice) (Level 7)
Elliot Monika	University of Auckland	Bachelor of Commerce (Level 7)
Nikylah Ngahehu	University of Canterbury	Bachelor of Biomedical Sciences with Honours (Level 8)
Laurie Porima	University of Canterbury	Master of Advanced Leadership Practice (Level 9)
Javana Rangihuna	Otago Polytechnic	Bachelor of Midwifery (Level 7)
Genesis TeKuru-White	University of Waikato	Bachelor of Arts (Maori) (Level 7)
Atera Apirana	University of Waikato	Bachelor of Management Studies with Honours/ Bachelor of Social Sciences (Conjoint) (Level 8)

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Name	Institution	Course
Veronica Maru	Te Wananga o Aotearoa	Bachelor of Social Work (Biculturalism in Practice) (Level 7)
Kamiria West	University of Waikato	Bachelor of Laws (Level 7)
Sharni Kenu-Mere Taiepa	Toi Ohomai Institute of Technology	Bachelor of Applied Social Work (Level 7)
Marewa Taiepa Shields	University of Otago	Master of Politics (Level 9)
Maioha Watson	University of Otago	Bachelor of Health Sciences and Bachelor of Arts
Tai Akuhata	University of Otago	Bachelor of Medicine and Bachelor of Surgery (Level 7)

2022 Education Grants Policy

1. Persons who qualify for an education grant:
 - (a) Registered Owners or descendants of Registered Owners.
 - (b) Beneficiaries and descendants of beneficiaries in a Whanau Trust constituted in terms of Te Ture Whenua Maori Act 1993.
2. Applicants must supply a clear whakapapa endorsed by a Kaumatua who is a beneficial owner of Te Whaiti Nui A Toi Trust or Trustee of Te Whaiti Nui A Toi Trust.
3. Applicants claiming whakapapa through a Whanau Trust must provide a schedule of the beneficiaries of the whanau Trust issued by the Maori Land Court.
4. Students must be currently attending a NZQA (or overseas equivalent) tertiary institution on a **fulltime** basis or an institution or training scheme approved by the Trustees. Part-time courses are not supported.
5. All students who qualify for a grant will receive an amount approved by the Trustees which varies each year depending on total sum available divided by number of approved applicants.

Applications will only be considered for 2nd and subsequent years of study.

Application must be made online in the prescribed form and be submitted to the Secretary by the advertised closing date.

Applicants must provide a receipt for course fees paid. The Trustees may at their discretion accept a student loan drawn certificate as evidence of fees paid.

Applicants must supply their IRD number.

Education Grants are taxable and will have Maori Authority Credits (MAC) attached at 19.5%.

Students attending free courses or where course fees are paid by employers or third parties are ineligible for a grant.

Incomplete or late applications will be rejected.

Applications can only be made online.

Students (from 2015) are required to provide a 150 word profile with their application for future reference by the Trust and are encouraged to attend an AGM or special hui.

Grants amounts may be topped up via agreements with Maori Education Trust or Universities and student information will be shared with other organisations for that purpose.

Any policy interpretation is entirely at the discretion of the Trustees.

Annual Report for Te Whaiti Nui a Toi Lease Forest 1 July 2021 - 30 June 2022



Photo 1: Matera block from a south-east view

Background

The Te Whaiti Forest lease covers a gross area of 2,008 hectares with the potential productive area for plantation forestry deemed to be 1,243 hectares. The lease, executed in 1976, was initially agreed to cover a 90-year term with the annual rent indexed to the Consumer Price Index. The lease was varied in 2007 with the key changes listed below:

- The inclusion of a five yearly rent review.
- Term reduced from three to two rotations (now terminates on 31 May 2038).
- Partial surrender of land following harvesting of second rotation tree crop.
- Obligation on the Crown (or Lessee) to replant after harvesting.
- In 2012 an unstocked area known as Te Tutiri block was surrendered from the lease.

Lease payments

For the period 1 June 2021 to 31 May 2022 the annual land rental was calculated to be of \$207,500 plus GST. As provided for in the Deed of Variation of Lease 2007, a five-year general rent review was initiated in February 2021 and the parties ultimately agreed to a fair market rent, effective 1 June 2021, of \$207,500 plus GST.

Forest Management and Management Contractors

The Te Whaiti Nui-A-Toi Forest lease is administered by Crown Forestry, a business unit within Te Uru Rākau – New Zealand Forest Service and the Ministry for Primary Industries, on behalf of the Crown. NZ Forest Managers Ltd (NZFM) manage the day-to-day operational activities within Te Whaiti Nui-a-Toi Forest.

Forest Management Plan

Crown Forestry prepare a five-year forest management plan which is reviewed annually. The management plan is available to the Trust on request.

Forest Operations to 30th June 2022

Operations completed during the 12-month period to 30th June 2022 are detailed below. Operational costs incurred during the period are listed in Appendix 1.

Road maintenance

Weed spraying was completed along all main forestry roads, with very good suppression of blackberry, broom and gorse achieved. During these operations the forest signage was updated to include the NZFM contact details.

Forest Health

An aerial application of copper spray was applied to the 2016 age class trees, to combat the presence of *Dothistroma pini*; a needle blight disease that kills pine needles and affects tree growth. A total of 17 hectares were treated.

A Forest Health Surveillance report was prepared by SPS Biosecurity Ltd. No new diseases were found during their forest inspection, and no significant disease issues other than the presence of *Dothistroma* were recorded.

Pre- Harvest Inventory

Inventory data was collected from Compartments 501/4, 502/4, 503/3 and 504/9 (planted 1997) over 30 hectares. Analysis of the data shows the planned harvest during the 2025/26 financial year is still viable. Exact timing of operations will depend on contractor availability and market conditions for the sale of all logs.

Forest Security

Regular forest security patrols have been carried out over the year. Forest security is continually being monitored to ensure fire and health & safety risks are managed appropriately. No trespass incidents were recorded for the year.

Health and Safety

Health and Safety on the worksite is of utmost importance to Crown Forestry and its Forest Management Contractors. NZFM undertake systems, operational, and environmental audits on all sub-contractors.

There were no reported H&S incidents, audits, nor drug tests failures for the work completed at the property. A total of 3795 manhours were worked in the forest during the period (NZFM supplied).

Environmental

Environmental compliance and best practice are also very important to Crown Forestry and its Forest Management Contractors. NZFM, for applicable operations will undertake environmental audits on sub-contractors. There were no environmental incidents nor audits during the reporting period.

Fire

No fires occurred within the Te Whaiti Nui-a-Toi Forest during 2021/22.

Fire and Emergency New Zealand (FENZ) announced a new unified structure in September 2021 which replaces an historic split between urban and rural fire districts across the country. Crown Forestry and NZFM are currently working with FENZ to reaffirm the standard operating procedures for the forest – particularly access and water points, communication protocols, safety awareness etc.

FENZ is responsible for all fire suppression activities. Standing instructions remain unchanged – at the first sign of any fire within the forest call 111 and notify Fire and Emergency New Zealand.

Forest Valuation

Crown Forestry values the individual forests within its forest estate as at 30 June every year. The purpose of the forest valuation is primarily for asset reporting. The forest valuations were undertaken by Alan Bell, a Registered Forestry Consultant (NZ Institute of Forestry) based in Lower Hutt. The value of Te Whaiti Nui-a-Toi Forest (tree crop only) was assessed to be:

June 2022	June 2021	Change
\$13,999,025	\$14,608,840	- 4.2%

The reduction in forest value is largely attributed to the recent rental increase and an updated log prices series used in calculation of future harvest revenues.

Planned Surrender of Land

The Variation of Lease 2007 provides the opportunity to partially surrender land following harvesting of the second rotation tree crop and replanting the land.

High level planning is to commence harvesting of the 1996 and 1997 planted stands (~180 hectares) in the 2025-26 financial year. Harvesting is likely to take place over two years. An indicative timeline of operational activity and partial land surrenders is as follows:

2025	Harvesting commences
2026	Site preparation and some replanting
2027	First Deed of Partial Surrender – 50 hectares
2028	Partial Surrender – 130 hectares

Planned Forest Operations 2022/23

The following operations are scheduled for the year ending June 2023:

- Assessment of Dothistroma spray requirements over the whole forest
- Contingency for Dothistroma, spraying if required
- MRI inventory assessments of 2005 – 2007 age classes
- Road maintenance and water controls
- Forest security



John Hornby

Operations Manager - Crown Forestry

26th October 2022

Te Whaiti Nui a Toi Strategic Planning Day

VISION Connecting Te Whaiti Nui a Toi whanau with the whenua	MISSION Securing financial sustainability and capability for Te Whaiti Nui a Toi whanau	WHAKAPAPA For those who were For those who are For those yet to come
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Draft Strategic Objectives

STRATEGIC OBJECTIVES	WHANAU Develop and enhance Te Whaiti Nui a Toi whanau relationship	WHANAU Preserve the identity and wellbeing of the whenua	SUSTAINABILITY Enhance financial strength and sustainability through to and beyond 2045	CAPABILITY Build and strengthen Te Whaiti Nui a Toi
STRATEGIC GOALS	<ul style="list-style-type: none"> Enhance and strengthen whanau relationship with the Trust Regular, open and transparent communication with Te Whaiti Nui a Toi whanau - including newsletters and social media. Increase the number of registered shareholder Increase level of distributions 	<ul style="list-style-type: none"> Preserve the identity, history of the 33 original block names prior to amalgamation in 1974 and wellbeing of the whenua Connecting Te Whaiti Nui a Toi whanau to the whenua Identity appropriate use of Te Whaiti Nui a Toi whenua and process established Protect Te Whaiti Nui a Toi whenua 	<ul style="list-style-type: none"> Build and maintain a strong financial and administration systems within Te Whaiti Nui a Toi Develop the cash flow needs for owing the forest until the first harvest 2053 Complete a robust analysis of Te Whaiti Nui a Toi financial position through to and beyond the 2043 Seek co-investment opportunities 	<ul style="list-style-type: none"> Building sustainability for Te Whaiti Nui a Toi at all levels - whanau, governance, and business Building capability and capacity workforce training and employment Diversifying Te Whaiti Nui a Toi services
DESIRED OUTCOMES	<ul style="list-style-type: none"> Shareholders register updated and unknown shareholders identified Engagement and communications increased with shareholders Shareholder benefits increased Education Grants 	<ul style="list-style-type: none"> Connection of whanau to the whenua re-established Health and Wellbeing of whenua improved Land use identified processes in established for: <ul style="list-style-type: none"> reserve/native forestry papakainga Autonomy 	<ul style="list-style-type: none"> Business case and plan for the return of Te Whaiti Nui a Toi Forest completed Te Whaiti Nui a Toi investments increased and diversified ETS Financial Planning Cashflow maintained 	<ul style="list-style-type: none"> Education and training of Te Whaiti Nui a Toi whanau Te Whaiti Nui a Toi develop and grow our own employment force Te Whaiti Nui a Toi have the right people in the right jobs and places Te Whaiti Nui a Toi services have diversified Te Whaiti Nui a Toi succession Plan

2022-2023 Action Plan

PHASE ONE	PHASE TWO	PHASE THREE
Finalise Strategic Plan Draft 16/09/22 - ARC/Board	Business Plan Draft March 2023 - Renee	Action Business Plan
Trust order/Legal advice ASAP - Murray	Forestry Plan	Forestry plan implemented
Budget for project Draft March 2023 - Murray	Recruit key staff	
AGM - Present high level plan 5/11/22 -Murray	Review phases one and two	
Legal Entity Established March 2023 - Renee	Plan for phase three	
Funding for shortfall ASAP-Aroha		
Engagement with Russell ASAP - Murray		
Engagement with Individuals ASAP- Doug		



Te Whaiti Nui A Toi Trust

www.tewhaiti.co.nz