



ANNUAL REPORT 2020-2021

HEREORA DEVELOPMENT TRUST
Horo 11B 362L 4E





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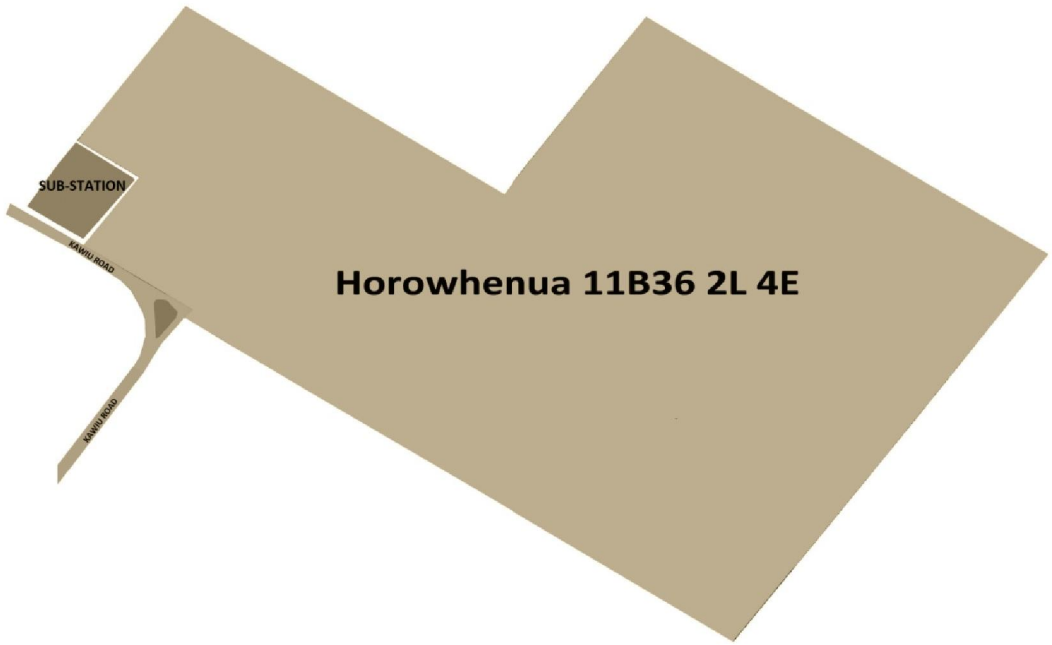
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ADDRESS

- Kawi Road Levin



- 176 Maori Land Court succeeded/registered Mūaupoko ownership interests
- Includes 11 Additional Whanau Trusts
- 6401.2 Shares



- Jung Market Gardens Levin



- 4 person elected Ahu Whenua Trust



- 514,000.00 Land/ Buildings



- 1588.62 ha of Maori Freehold Land
- Partition Order



- Spicer & Associates Levin
- Todd Whitehouse Levin



EXECUTIVE SUMMARY

Nga mihi nui kia koutou katoa,

On behalf of the Trustees of Hereora Development Trust we are again pleased to present this document, reporting our activities for the year 2020-2021. We would like to firstly acknowledge the passing of all Muaupoko Rangatira whom have passed away over the past year. The Iwi, Hāpu and Whānau miss their guidance, leadership and most importantly their earthly presence. Rere ki uta, rere ki tai.

Now firmly entrenched in the grip of the Coronavirus pandemic, Covid 19 has completely changed the immediate landscape of how a trust administration operates. It has been an interesting year for the trust and our Lessee in Level 4 Lockdown during 2020. The pandemic has brought marginal economic and financial uncertainty for our lessee, which is something which we have to seriously consider and address whilst working together towards the future.

Covid also delayed our appointments and we weren't appointed as Trustees till very late in to 2020 by the Maori Land Court. Our trustees have found it challenging to meet during the early part of the year. Despite this obstacle, the trusts administrative and financial obligations and activities were continually monitored and kept on track. This also impacted on our ability to hold an AGM this year and for that we apologise.





Due to Banks and Government Ministries phasing out use of paper banking cheques in May 2020, effectively ending in July 2021, Hereora Development Trust have now transitioned itself to its nominated banks online banking system (ANZ) and are employing its services and advantages

During 2021, we undertook a review of our Trusts Vision 2016 document unveiled in 2016 by the previous trustees. During the year we have made wholesale changes to the document and have re-released it as the Trusts Vision 2020 (commencing from the year we were elected). The document has now been uploaded to our website for public viewing and availability.

2021 has been a year for setting new benchmarks. After 25years we finally decided to unloosen the purse strings and have spend! Although a host of factors triggered this sudden change, the trustees agreed that providing some return to the landowners whilst solidifying a footprint back within our Iwi and securing a more prosperous financial future were vitally important milestones for us to look at and achieve this year.

On a closing note, to my fellow trustees, thank you for the support we've extended to each other over the year period. We have had to overcome some obstacles and have managed to endure and make some rather difficult decisions along the way. Finally, to our landowners, our Whanau, Whanaunga, thank you for showing faith in this group to lead and administrate the block and all interests to the best of our abilities and indeed to deliver you all into a better future and beyond.

James Broughton
Chairman



LANDBLOCK & LESSEE

The trustees have undertaken numerous Puhā picks (oops trips) to the landblock over the course of the year with a notable trip taken on September this year to shoot drone footage for the trusts website.

During our excursions, we became intensely engaged with our Lessee Tony Jung and his family. His conveyed grave concerns that centred on the Coronavirus pandemic and the immediate impact it has shed on his business over the past 12 months. More importantly the future of his ongoing lease and rental price status. Tony also raised concerns last year (2019) on the new land restrictions stemming from Regional Councils One Plan. These 2 issues have majorly disrupted his overall annual production plan.

National Policy Statement/Fresh Water Management:

Subsequently, there is a contentious situation developing within the Muaupoko Iwi surrounding the National Policy Statement (NPS) on Freshwater Management. This relates to the Government classifying the Horowhenua Region as a Specific Vegetable Growing Area, giving an extraordinary exemption to market gardeners.

The exemption will allow market garden businesses to dispense a higher amount of nitrate toxicity than the national bottom line allows, into the regional waterways. The matter has prompted the Muaupoko Tribal Authority and Horowhenua Lake Trustees to seek adjudication in the High Court.

It's because of our conflicting or aligning interests, the trust have to remain open to the concept of neutrality in this matter. We must also consider the almost likelihood of reviewing and revising our own lease arrangements with a view to either sustaining the existing lease arrangements (including annual rent) to ease the business concerns of the lessee related to Covid 19 fallout and NPS matters for at least the immediate and foreseeable future.

At this stage the trustees have decided to hold off and await the arrival of the new year (2022) to review these matters and make a determination from there, on any future lease agreement arrangement and any matter related to that process. Lastly there has been no significant change in the status of our on site plant and equipment (ie: repairs or upgrades to the trust building, boundary fencing, gates etc) on the landblock. As reported by the lessee these are all in good stead.

VISION 2020 & DOCUMENT RELEASE

The trustees engaged in a series of zoom meetings with each other before, during and after the 2021 Covid 19 lockdown period. The meetings were about revisiting and reviewing the Vision 2016 document that was created, than abandoned by the previous trustees. Although the document wasn't amended greatly, it gave the new trustees a direct and more enlightening insight into the landblock, the lessee, its operations and politics and in all a better understanding of our role our aims and objectives and gave rise to forming our own vision for moving forward. As stated, the Vision 2020 has now been uploaded to our website for public viewing.

SPENDING EXERCISE

Throughout 2020 the Trustees engaged in a series of spending exercises. The point of the initiative was aimed at releasing a portion of trust accumulated funds to our landowners whilst distributing said funds in a manner in which we as the trustees considered to be fair, responsive and in line with its aims and objectives. Secondly and just as importantly the initiative was an exercise in public relations with an emphasis on improving and re-establishing the trusts footprint among other Muaupoko Land Trusts and the Muaupoko Iwi.





Honorarium Payments:

It was agreed too, during the 2020 annual general meeting by those in attendance, that the newly elected chairperson would have their annual honorarium reviewed and approved at the commencement of each term by the new and incoming trustees.

As stated, the matter was raised by the trustees in their first meeting with at least 2 trustees proposing a \$4000.00 per annum rise in payment to be made every year to the appointed Chair. The new Chairman asked that instead of a \$4000.00 payment, that the honorarium be shared at a rate of \$1000.00 and disbursed to all trustees each year, renaming the annual payment a Trustee Honorarium instead. This was unanimously agreed to by all trustees and was passed for action. These payments have now been made to all trustees for the year ending 2021.

Trust Jackets:

Due to the amount of trips to the landblock undertaken by trustees over the year and the rather cold conditions confronted on each occasion, the Trust decided to invest in puffer typed jackets for trustees to own and wear and to ultimately promote the trust brand within the wider community. The Jackets were sourced through Kapinua Limited (Company Branding Shop) of Levin at a cost of around \$500.00. At this stage the trust bares no desire to publicly commercialize this product, although the commercial aspect could be subject to re-visitation in the future.



Trust Website:

Our responsibilities as trustees compel us in every way to explore possibilities of aiding the genesis in advancement of our trusts existence and its aims and objectives among the landblocks Muaupoko landowners and wider Muaupoko Iwi. During the development phase of the Vision 2016 document back in 2015, one of the key areas we looked to actively explore was the creation of a strong online footprint.

Online usage especially social media usage is almost critical and prevalent among Rōpū Whakahaere, Tamariki, Kuia, Koroua and Pakeke of Muaupoko and is ever increasing as we speak. The trustees acknowledge this and are getting on board in a big way.

During this year (2021) the trust has taken huge steps towards developing that footprint by commencing the development of a website for the trust. Ideally the website shall be primarily used as a resource centre to upload and store trust and landowner relevant information (trust documents). The website was designed by Rabweb Limited of Wellington by Rabweb Ltd Owner and Lead Creative Director Mr. Kevin Hare and it took just under a month to complete its work and place online.

Subsequently the trust also opened a page on Facebook and is active. The cost of the site was \$1000.00 and includes Domain name registration and hosting for a year which is subject to annual renewal fee of \$50.00.

Drone Footage:

As part of the website deal, the trust also paid an additional \$200.00 to capture high quality, overhead footage over the landblock captured by use of a drone. The clips have now been uploaded to the website and are used as an entering intro shot on the website. The footage was shot by a Whanau member and landblock landowner and was completed on Saturday 4th September 2021 at the landblock.





Combi Ovens:

During our first meeting of trustees it was proposed in General Business that 2 Combination (Combi) Ovens be purchased by the trust on behalf of our 2 Muaupoko Marae (Kohuturoa Marae and Kawiu Marae). It is an important milestone for this trust, and an exciting time for Muaupoko as both Marae are have finally gone through a refurbishment project thanks to funding supplied through the Provincial Growth Fund/Covid Economic Relief provided by Te Puni Kokiri. It's because of this occasion coupled with the need to give some return to the landowners and re-forge a presence within our Iwi that we decided purchasing the machinery items was the correct thing to do.

This was a significant purchase for the trust. Well over \$50,000.00 and discussions among ourselves and a decision to purchase weren't taken lightly. The purchase would be the first major spending event since the trust paid out just over \$23,000.00 to a contractor to deal with Old Man's Beard weed eradication in 2013.

Acknowledging the high priority and risk attached to this purchase, we as the trustees carefully exercised our procedural due diligence and undertook a rigid selection process by studying our target item through directly engaging with a number of local tradespeople including Levin War Vets Home and the Hospitality Department at the UCOL Levin Campus to gather some firsthand insight into the ovens.

We also engaged with specialist Combi Oven stockist companies like: The Rational Company Limited Wellington, Washpro Limited Auckland, Southern Hospitality Limited from Palmerston North and locally owned Host Services Company Limited of Shannon. We assessed a range of options before we made our final decision. We even invited them out to the Marae to engage directly.

Our successful tender/company was Host Service Limited based in Shannon. We settled on a sale price of \$55,200.00 to purchase both ovens and install. Host Service Company Limited is a local branch owned and operated by local businessman Dan Strachan. The rationale behind our decision centered on the total cost effectiveness and entire service package delivered by the Host Service company over their competitors.

Aside from the oven, their package provided for extra equipment like Cooking Trays (which in all other bids were considered extras). They also provided a cost effective independent air filtration system, full systems installation, ongoing servicing and free training. So far to date, one oven has been installed into Kohuturoa and Ringawera were invited to partake in training with the company and from all reports it is fully operational. We are now awaiting Kawiū refurbishment project completion before theirs can be done.



FUTURE OPPORTUNITIES & PROJECTS

Peter Baker Transport:

Aside from administering the landblock, the aim of the trustees for this term is to increase our income exponentially. The Providing Wealth and Opportunity section of our Vision 2020 document clearly outlines our desire and intent to purchase and operate a small but lucrative business venture of some sorts to draw in more income in addition to our primary income source (ie: received annual land rents) with an aim of using profits from the business to make annual fund distribution to owners.

During the latter part of the year we engaged with Peter Baker Transport Limited (PBT) with a formal expression of interest to purchase a sub contracting delivery run.

In broad strokes, the venture was an owner/driver typed arrangement that would see the trustees invest up to \$50,000.00 of trust funds to purchase and procure plant/equipment items (ie: Vehicle, associated trade relevant equipment etc) with a portion to be set aside to meet eventual set up and operation expense costs (OPEX) for a specified period (ie: insurance, fuel, wage, tax and related business costs).

Although we were unsuccessful, due to the contract being taken on a “first in” basis, we are in no hurry to purchase or invest in any venture and are content to sit back and casually look at other options as they shall materialise and become available.





2020 AGM MINUTES

HEREORA DEVELOPMENT TRUST

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2020 ANNUAL GENERAL MEETING MINUTES

- AGM Attendance List
- Karakia/Mihi
- Apologies
- Minutes of Last Annual General Meeting (2015)
- Matters arising from the Previous 2015 Minutes
- 2015-2020 Chairman's Report
- Matters Arising from the 2015-2020 Chairman's Report
- Financial Report
- 2020 Trustee Elections
- General Business

Funding Hui with Landowners:

Following on from the above matter, it was also proposed by Mrs. Williams that the new Trustees when formed could set up and undertake a Hui with all landowners to discuss the release or spending of trust funds. 3 areas of spending were identified by Mrs. Williams, they were: Health, Tangi and Education. This matter was deferred to the General Business portion of the meeting for further discussion.

Absence of AGM:

Mrs. Williams asked that it be noted that this Trust and its Trustees have failed to hold an AGM for the past 5 years. In response Mr. Broughton as the sitting Chairman acknowledged what Mrs. Williams said. Mr. Broughton added, that whilst she was correct, part of his address inside the report clearly acknowledges this oversight. Mr. Broughton also added that whilst the current trustees did fail to meet regularly and hold AGM there was really no excuse why they couldn't. However, he also added that the Trusts administration had been well up-kept, including lease renewals, regular lessee engagement and accounted funds and management of those funds.

Chairman's Honorarium:

Was deferred to the General Business portion of the meeting.

Notifications:

Again stemming from the above matter, it was clear that communication between Trust and landowners was an issue to be worked out. Mr. Greg Spicer asks how would the Landowners like notifications and information to be advised to them in the future. On top of Newspaper Adverts as per the Act requirements for AGM and Elections he proposes that we could engage on social media (ie: Facebook) and create an online platform for the Trust to use.

Current Trustees:

Mrs. Unaiki Tsaclis asks who the current Trustees are and inquires where are they? The Chairman responded to her by naming the current trustees as himself, Mrs. Miriama Sword and Ms. Nita Tamakaha and Mr. Hore Broughton. In 2016 Mr. Broughton (Hore) requested to be removed (resigned) from the Trust, which this was done through an application to the Maori Land Court, as he was becoming seriously ill. He eventually passed away from the illness in 2018. Whilst he cannot answer for the remaining 2 trustee's whereabouts, Mr. Broughton (James) did say they agreed to hold the AGM/Election and were well informed of the AGM.

6. 2015-2020 CHAIRMANS REPORT

Report Overview:

The Chairman's 5 year Report for 2015-2020 was read out by Mr. Broughton as the Chairman and Reports' author. The report was a comprehensive one, with over 40 pages documenting the Trusts activities for the past 5 years and prior. The report details; who we are (Our People). Specific information pertaining to the landblock (Our Whenua). The chairman's review of the trust, pre 2015 activity of the trust, the terms outcomes and new lease agreement. A report regarding our Lessee (Reporting and Our Lease), accounts and recommendations (Accounts) and a Way Forward (Recommendations).

Lease Agreement Payment Discrepancies:

Mr. Spicer made a startling discovery prior to this meeting’s commencement. When reading through the reports. Mr. Spicer noticed that there was a large discrepancy in what was supposed to be paid to the Trust by Mr. Jung, as opposed to what he was actually paying. Mr. Spicer quantifies a loss of around \$18,500.00 that we endured and have not been paid over the previous term. Because of the Covid 19 Lockdown is upon us, we shall endeavour to set up a meeting with Mr. Jung through our Legal advisors and Mr. Spicer to remedy the situation once the lockdown passes.

Lease Agreement 2019:

In accordance with the plans of the current crop of trustees, we were supposed to review and renew the lease last year in 2019. Now that we have missed this opportunity, we will have to look into this in 2020 past the Covid 19 lockdown period. To do this we shall have to renew our land valuation report to ascertain and or establish a new land lease price (market rental value).

Actions:

Land Valuation Report

Engage land valuation service (Atwell Land Valuation Levin) to visit landblock site and complete a Land Valuation Report on our behalf.

Lease Agreement

Engage our Legal Advisors (Thomas Montague) of Todd Whitehouse Levin to engage and negotiate lease with Lessee (Mr. Jung) and draw up New Lease Agreement.

Other Land Lessee Options:

Matter was deferred to General Business portion of the meeting.

Management and Dividing of Surplus Funds:

It was suggested by Mr. Spicer that we reinvest around \$200,000.00 back into UDC on another term deposit and keep around \$30,000.00 in Account 1 to divvy to the landowners with a remaining 15-17,000.00 as trust funds for the upcoming term.

The Financial Report was accepted by all. A motion was made to accept the Financial Report.

Moved: James Broughton

Second: Stacey Tsaclis

PASSED

9. 2020 TRUSTEE ELECTIONS

The 2020 Trustee Elections were chaired and convened by Trust Chairman Mr. Broughton with assistance from Mr. Spicer. The following people were put forward and elected as Trustees for the Term 2020-2023

NOMINEE NAME	NOMINATED BY	SECOND	RESULT
Sandra Williams	James Broughton	ST	Elected
James Broughton	LB	Unaiki Tsaclis	Elected
Stacey Tsaclis	SW	JB	Elected
Lorraine Broughton	SW	ST	Elected

Appointment of Chairman and Other Executive Roles:

It was asked by Mrs. Sandra Williams that the Trustees once elected should appoint the Executive roles and whom shall fulfil them. This was agreed to by all.

Extraordinary Nomination:

Mr. Johnny Nahona requested that his daughter Selena Hunt (nee Nahona) be considered for a position as a trustee on to this trust as she was not in attendance. Because it was later established that Mr. Nahona although a Whanau member and Muaupoko, is not an owner in this landblock, and therefore could not leave a seat open or vacant for her.

Election Results Authorisation:

The results of this election were accepted by all landowners in attendance. A motion was made to accept the new Trustee Elects and congratulate them all.

Moved: James Broughton

Second: Unaiki Tsaclis

PASSED

10. GENERAL BUSINESS

Payment of Dividends:

Again, we spoke about holding Hui to discuss payments of dividends to landowners and how best this could be achieved. It was mentioned we could do this through our accountant or Te Tumu Paeroa. This meeting could be looked at after the Covid 19 lockdown has been lifted.

Funding Hui with Landowners (Re-continued):

The Trustees have previously looked at these areas especially Education. From what was proposed we could look at releasing money to fund things like:

Health	<ul style="list-style-type: none">• Small health initiatives for landowners who are Kaumatua• Smaller related initiatives.
Tangi	<ul style="list-style-type: none">• Marae could be given small amounts to fund start up costs (Kai etc) for Tangihanga for those landowners who have passed away.
Education	<ul style="list-style-type: none">• Small grants could be given to those landowners or the Whanau attending higher learning.• Or grants to those landowner families struggling to meet costs of uniforms and books.

When Covid 19 Lockdowns subside that we shall look to hold a series of Hui with landowners to discuss these matters.

Other Land Lessee Options:

The matter of seeking out other land lessee options was raised by Mr. Spicer during his report. Names like Mr. John Clarke another prominent Market gardener were bandied about. It was discussed, and at this stage, we are likely to look at our existing lessee and arrangements first.

Other Financial Opportunities:

Mr. Stacy Tsaclis proposes that there are many other financial opportunities such as buying into business opportunities, which again something we shall look into as the new term progresses.

Chairman's Honorarium:

The matter of the Chairman's Honorarium (Annual Fee) was raised by the Chairman Mr. Broughton. The current Chairman Honorarium rate was set at \$1000.00 per annum, and was to be received each year by the Chairman for their work. To clarify the role, Mr. Broughton was paid to perform all administrative tasks and functions including but not exclusive to minute taking, meeting chair, lease negotiation, representing the trust at hui, public engaging, report writing, accounts managing and banking and other administrative functions. Despite receiving one payment of \$1000.00 paid in 2016, Mr. Broughton has not received any other payment since today.

Mr. Broughton requested a payment of \$5000.00 to be paid to him in recognition of his commitment and work to this Trust over the past 6 or so years. It was agreed by all in attendance that Mr. Broughton should be paid that \$5000.00 immediately.

A motion was made to accept and approve a payment of \$5000.00 to Mr. Broughton for outstanding Chairman Honorarium payments.

Moved: Unaiki Tsaclis

Second: Stacey Tsaclis

PASSED

The meeting was ended with a Karakia from Mr. Broughton.

Approved



James Broughton
Chairman
Hereora Development Trust
2015-2020
