



OWHAOKO A EAST & A1B

**GENERAL MEETING
OF LANDOWNERS (AGM)**

UNCONFIRMED MINUTES

To be confirmed at next AGM

**29 April 2017
Wairakei, Taupo**



**Minutes of
OWHAOKO A EAST & A1B TRUST
GENERAL MEETING OF OWNERS (AGM)**

Venue: Netcor, Wairakei Road, Wairakei, Taupo

Date: 29 April 2017

Time: 1:20pm

Present:

Danny Manunui, John Church for John & Virginia Church Whanau Trust, John Biddle, Atihana M Johns & Heramana Sarah Johns, William Nicoll, Kepa Patena for Patena-Marui Whanau Trust, Rangataua Te Ahuru, Mack Herewini for Noah's Waka Trust, Barbarina Ham for Kaitiaki Kuru Whanau Trust, Sonny Clarke Keremete for William and Janet Keremete Whanau Trust, Pine Nicholls, Fred Nicholl, Raewyn Hill, Rose Spain

In attendance: Arapiu [Abe] Seymour (Chair), Doug Gartner (General Manager), Carol Payne (minute taker), Sera Grubb (guest bee keeper)

1. Mihimihi-Karakia

Arapiu Seymour welcomed those present, and John Ham opened the hui with a Karakia

2. Apologies:

Jimmy Nicholl, Fiona Tipu, Mary Peipi, Margaret Ham, Patrick Patena

Moved John Church, Seconded Fred Nicholl. Carried unanimously

3. Minutes of 26th October 2013 read by Arapiu Seymour

Kepa referred to page 2 and questioned the use of the word 'about' – Doug gave the correct area of land as 17,175 acres and explained that minutes are what is *said* at the meeting-not whether statements are accurate or not.

Resolved: As a true and correct record of the minutes of the meeting

Moved William Nicholl, Seconded Raewyn Hill

Carried: unanimously.

4. Minutes of special meeting 28th March 2015

The Chairman, Abe Seymour, read the minutes

Resolved: As a true and correct record of the minutes of meeting:

Moved Fred Nicholl, Seconded William Nicoll.

Carried: unanimous.

5. Chairman's report

The Chairman read his report

He noted his report was short as others would follow with more detail on business of the trust.

Resolved: The Chairman's report be received. Moved: Abe Seymour. Seconded: Peni Nicholls.

Carried: unanimous.

6. Managers report

The Manager, Doug Gartner, welcomed everyone then summarised what the main points of his Report were:

- a. The Trust is now a major producer of honey and is in the process of exporting honey
- b. Ecotourism – cabin has been built and now has resource consent
- c. Trust is robust to handle opportunities as they arise
- d. Trust will soon be in a position to give benefits to owners, three years ago the income was \$27,000 a year from hunting, and within the next two years it should be able to provide Kaumatua grants, and perhaps employ whanau.

Hunting and Fishing

Significant change on control of land – the Trust has taken back control of Helisika, and that has created opportunities to consider activities, other than hunting and fishing, on the land

Eco-Tourism

Relationship with Poronui developed - Doug explained what Poronui Lodge –does, and that its boundary is at the source of the Mohaka river.

The manager of the Poronui Lodge is looking for new activities for their guests and supports the Trust's investment in ecotourism.

The high end 'luxury' cabin in the Mangamingi River valley is predominantly for tourism. Hunters can only use the block during the roar in April. This year the cabin was booked out every day in April, except one day.

The Trust received marketing advice from Kylie Hawker Green of PR Plus and together with Kylie, developed a marketing strategy and pricing packages for the cabin.

Brent Pirie, a local professional guide, will be used for guided trips that includes catering eg clients from Poronui and Huka Lodge. The cabin is also available to individual bookings where guests are capable of looking after themselves. The Health and Safety aspect of unguided trips is still being assessed.

Kepa asked how H&S worked for guests out on the block. Doug explained that Helisika have their own H&S protocols for taking people out, with the Trust currently supplying a

map and safety beacon for the cabin. Abe reported that there is a H&S responsibility on the organisation that transports the clientele and to provide correct safety information to them.

Doug explained that for ecotourism to be successful, the package needs a story, and something to attract people to the land, such as a waterfall, an interesting walk, professionally built tracks. The long-term aim is to have a network of tracks throughout the land.

Abe made note that resource consent was sought during the build.

Fred noted Brent Pirie is also a chef and will also cook meals as well as guide.

Marketing

An Owhaoko logo was professionally designed and is currently being trade-marked for branding of Trust products for sale overseas.

The Trust would like more owner addresses and emails to enable faster dissemination of information outside of hui eg newsletters of current Trust activity.

Manuka Honey

It has been a huge journey over the last three years to understand the manuka industry.

Doug talked about the first set of hives being flown onto the land in 2013 and a low yields result. That first year was a good learning experience and in 2014, yields were a bit higher.

“Honey is like wine”, the longer you leave it, the better the quality. The better the quality, the higher the sales price.

The Trust used the Watsons company for the first two years, then sought expressions of Interest from a number of bee keepers. Jim McMillan, Mana Kai and Westervelt submitted proposals of which the latter two were used.

Doug explained there are various ways to share the value of honey with the beekeeper, such as a % value of honey, % share of the actual honey harvested, \$/Hive, etc.

Abe commended Watson’s for their help to get the Trust into the industry. However Abe explained the Trust decided to seek expressions of interest from other Beekeepers and explained why it was doing that.

Doug showed on overhead that showed the financial value and costs of honey production for each year, and the different harvest sharing plans.

Doug advised that the Trust receives actual honey as payment from one Beekeeper, and payment of money from the other.

Doug commented on the strong relationship with Bobby and Sera, who own Mana Kai and place beehives on Trust land.

He said the cost and actual honey-as-income, formulae, changed to ensure a fair share of benefit to both parties.

Kepa asked – do we need to plant something to help the bees?

Sera, the Mana Kai beekeeper, noted that to help the bees, it is beneficial for them to have access to multi floral plants for the winter, as they need other food after the manuka season. Abe noted bees work hard collecting manuka as it is a more viscous nectar and Sera said bees need to rest and feed off other flowers.

Sera went on to report that early honey yielding regions did badly, with the North harvesting only 30% of the normal annual yield. The cold spring affected the East Cape and Coromandel whereas the Central Plateau was the best region. Abe commented that East Taupo, Poronui, and Runanga also fared badly. Sera said the honey industry is always at the mercy of the elements.

Kepa suggested the planting of manuka. Doug advised that the Trust has already talked to DOC and scientists and been advised not to plant as manuka seedlings on this Trust land will get killed off by the frosts.

Fred noted the uniqueness of Owhaoko honey is that the honey is from land that is naturally grown. No cross-pollination occurs. Planting could bring other diseases and problems. Currently there is no other flower when the manuka flowers.

Doug continued.....this year had hot weather from about 2nd January which enabled the manuka to flower well, which generated a high honey yield for 2016/17. Net amount when the honey is sold could be around \$600,000-\$700,000.

Doug explained that because honey isn't sold immediately after harvest, there is a delay in income, and therefore, profitability. The financial reports don't show the value of honey being stored.

Abe noted that honey is the now the principle income, compared to only Hunting and Fishing access income three years ago.

In the future, the Trust can look forward to success in eco tourism.

Abe then formally, welcomed Sera Grubb from Mana Kai.

Sera talked about the history of Mana Kai, and gave an apology from Bobby Leaf who could not attend. Based in Awanui, Mana Kai is 100% Maori owned and employs local Maori. Mana Kai has 1500 beehives and extracts honey for 35 local bee keepers.

Sera talked about their first season with Owhaoko when Abe blessed the hives. One set got blessed and one didn't – high yields only came from the blessed hives. In the second/2016/17 season, all hives were blessed-with some blessed on side of the Hamilton motorway!

Kepa asked about how bees react to weather, and whether they need a settling-in period?

Sera advised that when manuka is budding, the bees familiarise themselves for up to a week.

As a company, Mana Kai focus on the well being of the bees. Good welfare of bees is reflected in the yield.

Bees alternate between flowers eg clover and manuka. Bees need to rest on an easier flower to collect nectar.

She talked about planting Manuka – even if you take seeds from high yield areas it may not produce the same yield elsewhere. Soil and conditions also affect yield.

Sera talked about test results and market value of honey. Abe talked about the advantages of storing honey with Mana Kai. Doug explained that generally honey is sold the year following harvest. That means the increase in quality is reflected in a higher sales price.

Gift Market

The Trust is keeping its honey to sell in the gift market.

Owhaoko honey is special as it comes from the highest altitude in NZ. It's also from a remote, untouched region.

In comparison to other honey producers, Owhaoko doesn't have a lot of honey to sell. The Trusts decision to sell in the gift market, is based on the scarcity and uniqueness of its honey.

The Trust intends to focus on selling a gift-rather than selling honey.

A gift is something special – with elements of surprise: stunning.

Doug presented a locally blown glass Vase – designed on look of the land – depicting the land where the honey comes from. That would be a key feature of the "Gift".

We need to package the gifts well. Packaging is important and needs to be well presented.

The Trust is flying in a photographer to shoot landscapes.

It is a long process to get the gift, export-ready –includes photography, graphic design, box packaging, labelling, jar selection, trademark registration, people visiting to Taiwan, professional marketing advice from KPMG.

Future opportunities for the Trust include:

- Different configurations of a gift
- Skin care for UK and the China market

Doug gave an update on the Nga Whenua Rahui application. He advised the Government is treating the Trust NWR Application as a test case for a new way of implementing NWR Applications

Doug advised of his appointment as Trust Manager to address the business opportunities of the Trust. His workload has increased to its current level of 2.5 days a week.

The Trust has undertaken a number of measures to build greater organisation capacity. That has included, for example, development of a website and a change in accounting system to 'Xero'.

Effort is being made to use owner's whanau when work arises on the block, in a effort to provide some employment. Talks have taken place with WINZ about creating employment on Trust land-starting with building of tracks.

Doug Gartner moved that his Managers Report be received. Seconded: by Barbarina Ham.

Carried: unanimously.

7. Financial reports

The Manager presented four Financial Reports for years ending 2013, 2014, 2015 & 2016.

Key points were:

2013

This period was before new trustees were appointed. Income was only from hunting and fishing access. The major value of the Trust shown in the Balance Sheet is in the value of the land.

2014

Income increased fractionally – with increased income from access fees.

2015

This year some Watsons honey was sold, resulting in a large spike in income.

However, because expenses such as helicopter transport increased because more beehives were placed on Trust land for the next season, the higher expenses offset income.

2016

Income and costs increased again during this year. Extra costs, because of increased beehive numbers, offset income again.

Doug reviewed the schedule of annual profits written on the White Board, and re-explained the fact that honey is stored and not sold, but that in future years, stocks will be shown in the Balance Sheet.

He noted, because beehive numbers and therefore costs this year are similar to last year, profit will show for the first time in the 17/18 financial year

Finally he advised the end of the financial year will be moved from 31 March, to 30 June.

Doug Gartner moved that the financial reports be received. Seconded, by Mack Herewini.

Carried: unanimously.

8. Proposed Changes to Trust Order

Changes will affect future meetings if changes are approved today.

Doug outlined the reasons for the changes:

1. Minimum number of owners to make up a quorum – 12 (from 30 which is never met)
2. Election of Trustees.
 - a. Rotation - Currently all trustees retire then become available for re-election. However, that opens the possibility that continuity of trust business could be lost if few past trustees got re-elected. The proposed change is to have a rotation of trustees in order to retain knowledge of trust business.
 - b. Nominations to be formalised
 - c. Profiles of nominees required
3. Signing authority – very difficult to conduct business when signatures of ALL trustees are needed on official documents eg bank. Proposed changes to only require two signatures.

Abe noted that meetings need to be more frequent – due to rapid business growth, there is a need to communicate more frequently with owners (3 years is too long between hui).

The Trust is in the process of developing policies that could give something to the land owners, such as Kaumatua and education grants. A proposal on grants should be ready for consideration at the next AGM.

Kepa stated that as owners, we need to support the Trustees, and that he would like to see them continue on the Trust.

Doug Gartner moved that the Proposed Changes to the Trust order outlined in the Agenda be adopted, that is:

.....

Proposed Amendments to the “Ahu Whenua Trust Order” for “Owhaoko A East & A1B Trust”

There are three proposed changes to the current Trust Order:

1. The wording in Clause 7 (8) “...unless at least thirty beneficial owners are present...” to be changed to read “...unless at least twelve beneficial owners are present...”
2. A new Section 8 “Election of Trustees” be inserted, with the the current Sections 8 and 9 to be renumbered to 9 and 10 respectively

Part (1) of the new Section 8 shall read:

(1) Rotation of Trustees

“It is the intention of this clause to structure the terms of the Trustees so that only one-third of the number of Trustees will retire at the end of a bi-annual year “General Meeting”-meaning the balance of Trustees will continue as Trustees until the next General Meeting-when two of the balance of four shall retire. The remaining two trustees will retire at the third General Meeting. Through this “phasing” of retirement, there will always be persons on the Trust who are familiar with the past business of the Trust, thereby removing the risk of a complete new set of trustees being appointed who know nothing of the past affairs of the Trust and how it conducts its affairs”.

- (a) The maximum number of Trustees shall be six (6) and the minimum number shall be four (4)
- (b) The Trustees shall serve a maximum term of six years after appointment.
- (c) In the first year of this amended Section, the Board of Trustees shall determine which two of the total number of six trustees shall serve a term of two years, which two shall serve a term of four years, and which two shall serve six terms
- (d) At the end of their term as Trustees, those Trustees shall retire as Trustees, but may offer themselves for re-election as a Trustee for a further term of six years.

Parts (2) and (3) of the new section 8 shall read:

(2) Nomination of Trustee

- (a) Nominations of Trustees shall be made on a nomination form approved by the Trust.

- (b) A nomination for Trustee must be made and signed by two beneficial owners of Trust lands
- (c) Nomination forms must be:
 - a. Personally received by the Manager of the Trust, or the Chairman, OR completed "On-Line", and by 4.00 pm of the Monday prior to the General Meeting of the Trust.

(3) Profiles of Trustee Candidates

- (a) Any person nominated for the position of Trustee must provide a written personal profile that details why they believe they should be elected as a Trustee
- (b) The profile must be personally received by the Manager of the Trust, or the Chairman, OR completed "On-line", by 4.00 pm of the Monday prior to the General Meeting of the Trust.
- (c) A Trustee candidate must present their profile 'in-person' at the General Meeting as part of the trustee election process.
 - a. Failure to present a profile in person shall render the candidate nomination incomplete, and therefore ineligible for consideration for appointment as a Trustee

3. A new Section 11 "Signing Authority", shall be added.

The new section shall read:

- (a) The Chairman, plus any one of the other remaining Trustees, shall have the delegated authority to sign all legal documents, or enter any legal agreements, on behalf of the Trust

The motion was seconded by William Nicholl.

Carried: unanimous.

9. Election of Trustees

Five of the Trustees present indicated a willingness to be re-elected, they being: Fred Nicoll, Arapiu Seymour, Rose Spain, Raewyn Hill and Doug Gartner. There was no indication from Janna Haumaha-the sixth Trustee-who was not present at this hui.

Abe acknowledged the hard work of all Trustees as each one has parts to play in the business of the trust.

Barbarina Ham asked for Trustees to be identified personally and profiled.

Each outgoing Trustee then talked about their attributes and why they wished to be re-elected as a Trustee.

Nominations

Arapiu Seymour **Nominated by Jock Church. Seconded Barbarina Ham**

Doug Gartner **Nominated by Barbarina Ham. Seconded Rangataua Te Ahuru**

Fred Nicholl **Nominated by William Nicholl. Seconded John Church**
Raewyn Hill **Nominated by Mack Herewini .Seconded Sonny Keremete**
Rose Spain **Nominated by Rangataua Te Ahuru. Seconded Mack Herewini**
Mack Herewini **Nominated by Rangataua Te Ahuru. Seconded Raewyn Hill**
Moved that Nominations be closed by Rangataua Te Ahuru. Seconded Pine Nicholl

Moved that Nominations be approved by Jock Church. Seconded Rangataua Te Ahuru,
Carried: unanimously.

10. General Business

Survey block of land taken

Kepa – can we get back the land that was taken?

Doug advised there is DOC land adjacent to A Block land. The Trust would like to have co-governance with DOC and gain access to their Oamaru tracks and help manage them.

Doug and Abe are still fighting for Beekeeping concessions to use lands around the A block. Doug noted that there is a very good relationship with local DOC.

There is a Survey block of land taken by DOC on the edge of Trust land and we are talking with other trusts to try and get DOC lands back.

Abe presented each owner a 1kg jar of manuka honey.

Videos - Doug showed videos of manuka honey harvest, the new cabin, hunting and fishing, and the land.

Abe closed the hui with a Karakia.

Meeting closed at 4.25pm
