

TE RŪNANGA O NGĀTI MUTUNGA

ANNUAL REPORT TO 30 SEPTEMBER 2016



OUR VISION

Ngāti Mutunga is culturally strong, secure in its identity and economically prosperous.

OUR PURPOSE

Whiria te tangata Whiria te kaupapa Whiria ngā taonga tuku iho o Ngāti Mutunga.

OUR MISSION

To facilitate the growth and development of our people and our culture, Ngāti Mutungatanga. To prudently accelerate the growth of our assets.

OUR VALUES

Ngāti Mutungatanga informs all aspects of the Rūnanga's vision and purpose and guides our decisions and actions.

NGĀTI MUTUNGATANGA

We celebrate our Ngāti Mutunga culture, identity and whakapapa and recognise that these are the heart and foundation of who we are and what we do

MAHAKITANGA

We will conduct ourselves internally and in our relations with other parties with respect, humility and with confidence in our own identity

KAITIAKITANGA

We acknowledge and respect our obligation to protect the spiritual wellbeing of our people and our natural resources.

RANGATIRATANGA

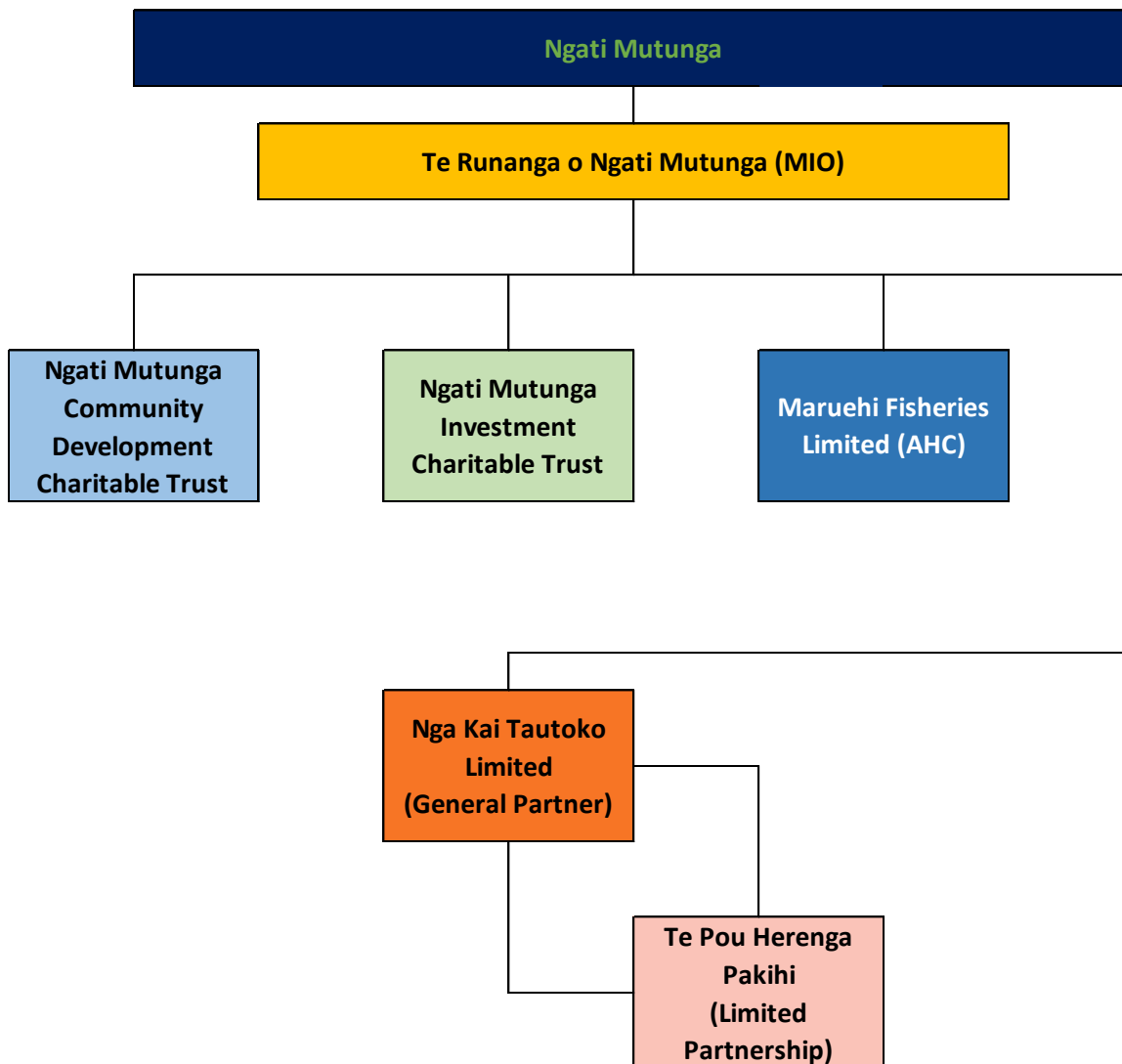
We are committed to upholding the Rangatiratanga of Ngāti Mutunga whānau, Marae and Iwi to protect and develop what belongs to them

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COVER PHOTO: Waitoetoe looking north.

ORGANISATIONAL INFORMATION



The Rūnanga is a private trust and Maori Authority governed by five nga Kaitiaki elected by the iwi. The entity was set up to receive Treaty of Waitangi settlement assets.

The five nga Kaitiaki also serve on the board of Ngāti Mutunga Community Development Charitable Trust and Ngāti Mutunga Investment Charitable Trust.

Maruehi Fisheries is mandated as an asset holding company and was set up to receive Fisheries settlement assets and is governed by three Directors appointed by the Rūnanga, two of whom are independent.

The newly formed entity Nga Kai Tautoko Limited has been set up as a Limited Partnership structure to manage all of the Runanga's investments going forward and has three independent directors appointed by the Rūnanga. This entity was set up after balance date and will operate from the 2017 financial year.

AGENDA

TE RŪNANGA O NGĀTI MUTUNGA

ANNUAL GENERAL MEETING

URENUI MARAE

10.00am 9TH DECEMBER 2016

1. Karakia/Mihi mihi
2. Apologies
3. Minutes of Previous Meeting
4. Chairman's Report
5. Receive and Adopt Annual Accounts and Reports
6. Announcement of Board of Trustee Election Result
7. Adoption of Annual Plan
8. Special Resolutions
 - a) Appointment of Auditor for Financial Year ending 30 September 2017
THAT the members of Ngāti Mutunga appoint Silks Chartered Accountants as the auditor for Te Rūnanga o Ngāti Mutunga for the financial year ended 30 September 2017.
 - b) Approval of Trustee Remuneration for Financial Year ending 30 September 2017
THAT the members of Ngāti Mutunga approve up to \$60,000 per annum (excluding GST) as the amount payable to Trustees of Te Rūnanga o Ngāti Mutunga for Governance services to Te Rūnanga o Ngāti Mutunga
9. General Business

MINUTES FROM HUI A TAU 2015

Hui-a Tau

10.00am Saturday 12th December 2015

At Urenui Pa

The Hui-a-Tau (AGM) opened at 10.00am with a Karakia/mihi mihi by R Baker

PRESENT:

Matehaurua Limmer, Tahu Rawiri, Miriama Evans, , Hurimoana Haami, Piki Tapara, Karen Tuuta-Papuni, Pauline Tuuta, Rodney Baker, Mana Hodgetts, Samuel Maxwell, Barry Matuku, Ngaropi Cameron, Awhina Cameron, Te Rangitutahi Morrell, Kapua Harlow, Ngarongokitua Callaghan, Raymond Tuuta, Gina McDonald, Donna Kemp, Deborah Leatherby-Tuuta, Mark Haupapa, Janica Herlihy, Raukura Limmer, Kume Leilua, Pappy Phillips, Belle Pirini, Huia Lambie, Tahu Rawiri, Warren Pue, Maria Stockman, Bill Simpson, Natalie Kihi, Taiaroa Cameron, Michael Matuku, Manu Matuku, Harris Matuku, Greg White, Manu Magrath-Jonassen, Gloria Taylor-Jordan, Dion Tuuta, Carol Shenton, Tia Huia Abraham

Rodney Baker (Chair) Colleen Tuuta (Board Trustee) & Sandra Julian (Board Trustee). Paul Cummings (CEO) & Patsy Crow (Minutes)

APOLOGIES:

Raymond and Edith Tito, Shaun Ellison, Debbie Tuuta, Melissa Tuuta, Andrea Henare, Mat and Christie Tuuta-Rawiri, Tania Hodge-Paul, Terry Limmer, Kiterangi Cameron, Te Rehua Cameron, Robin Martin, Carol Davey, Jamie Tuuta, Howie Tamati, Whero Bailey, Terence Herlihy, Kerin Herlihy, Harriet Turner, Josephine Kapo, Jean Matuku, Bronwyn Pue, Ranui Ngarimu, Richard Evans, Tania Hodge-Paul, Gavin Taylor & Whanau, Neville Baker, Brendon Baker,

Motion: That apologies as tabled be accepted.

(Moved R Baker **Seconded:** P Tapara **CARRIED)**

MINUTES FROM AGM OF TE RUNANGA O NGATI MUTUNGA 13th DECEMBER 2014:

The minutes of the AGM held on Sunday 13 December 2014 were read and received with spelling errors noted for amendment.

(Moved: R Baker **Seconded:** C Tuuta **CARRIED)**

MATTER ARISING:

There were no matters arising.

The minutes of the AGM held on Sunday 13 December 2014 were received as a true and correct record.

(Moved: R Baker **Seconded:** C Tuuta, **CARRIED)**

CHAIRPERSON'S REPORT

Chairman Rodney Baker read his Report for period 1 October 2014 to 30 September 2015. Key points:

- Recognition and acknowledgement of those who have passed and those who cannot be with us today
- Possession of the old Scout Hall.
- Possession of the land neighbouring Urenui Pā, for an iwi urupā.
- Purchase of the Urenui Mud Bay Café providing local investment opportunity.
- The funding to underwrite essential building drainage and plumbing works on the lower level at the Marae has now been secured. Works will begin early in the New Year 2016.
- Taranaki Tumai 2015. Thank you to all of those who combined to make the event the success it was.
- A successful Te Rangihiroa Weekend celebration closed our events and activities for the year. Thank you everyone.

It was moved that the Chairman's report be received and accepted.

(Moved: B Matuku Seconded: H Haami CARRIED)

Motion:

In future could a Chairman's Report include events that occur during the current year and could each of the Rūnanga Entities report individually, ensuring that Iwi are well informed of progress within each.

(Moved: M Evans Seconded: M Limmer CARRIED)

Comments:

Iwi Urupā/Scout Hall

By way of clarification the "purchase of land neighbouring Urenui Pa to be used for an Iwi Urupā" was a consideration in the Chairman's Report for year ending 2014.

The Chairman's Report for year ending 2015 confirmed possession of (a) the Urupā land for future development and (b) the Scout Hall which will require some building strengthening work in the future.

With regard to the Urupā a comment from the meeting highlighted that the land was in fact "gifted" to the Iwi by the then owners, the Hollard Family. The question raised is "Why did we (Iwi) then purchase the land that had already been gifted?"

Recollection of a meeting between Iwi and the Hollard Family revealed that a gas line was located at the south east end of the Urupa. The Hollard Family agreed to move the line at no cost to Iwi. It is acknowledged that an agreement did exist between Iwi and the Hollard Family, albeit verbal.

Furthermore it is understood that the Maori Trustee would not take care of the Urupā as responsibility for such did not come under the Maori Trustee Act.

CEO'S REPORT

The CEO spoke of completed projects and new initiatives underway. Highlights being:

The Charter Review was undertaken to determine and or identify the relevance and appropriateness of the Charter for Nga Mutunga today and the future. 2016 will see this project proceed through its final stages with successful outcomes for Ngati Mutunga.

Ngati Mutunga/New Plymouth District Council Memorandum of Understanding Review. Informal discussions between the two parties took place this year. We look forward to progressing the matter in the New Year-2016.

FINANCIAL REPORT

Compared to last year's 15 month result the Group revenue is down a little. Nevertheless the result this year reflects a steady performance from our investment portfolio. Helped by a contribution from funds received from a former fisheries partnership with other Taranaki iwi. Maruehi Fisheries Limited has since been formed.

Group Expenses are down but again, as already noted, the comparison is against the previous 15 month period.

Reflecting the resignation of Raymond Tuuta earlier this year, Board honorarium costs are down. Consultancy fees increased for the year, representing specific advice relative to structure, tax and investments.

Feasibility study costs reflect the cost of investigating potential investments. Such as the Mud Bay Café building purchase and other acquisitions which we either decided not to pursue or which we were not successful in acquiring.

Increased legal fees for the year reflect the purchase of and associated financing of the Mud Bay Café building as well as the iwi urupā, specific advice relative to the Charter and other operational issues.

The Board pad programme which was purchased this year in conjunction with iPads for Trustees to use preparing for and at Board meetings represent the increase in subscription fees. It should be noted that the Rūnanga purchased the iPads for trustees to own. Trustees repay that cost by way of deduction from their annual honorarium during their respective term of office.

RECEIVE AND ADOPT ANNUAL ACCOUNTS AND REPORTS

It was moved that the Financial Statements for the year ended 30 September 2015 be received and accepted as a true and correct record.

(Moved: R Baker Seconded: D Tuuta CARRIED)

MATTERS ARISING:

Profit and Loss Comparison:

It was pointed that this financial year was better than the last. The Runanga has done quite well in the last 12 months and it managed to make two purchases. Congratulations.

Fisheries Settlement:

To allow for accuracy in reporting on Fisheries matters in future years it was noted that Maruehi Fisheries Limited is not the Mandated Iwi Organisation – that is in fact the Rūnanga. Maruehi Fisheries Limited is the designated Asset Holding Company in terms of the Maori Fisheries Act.

Report on Annual Plan:

Could a Report on the Annual Plan be added to the Annual General Meeting Agenda? Generally, quality of reporting is not as expected. Show more detail of what we have achieved and what we might achieve in the coming year.

Office Staff:

Who are they and what do they do? Is there a Staff training and development programme with allocated budget? In response the CEO advised yes to both and that most recently Staff undertook a "Pumaomao" two day training session facilitated by Takawai and Chris Murphy. As a result, the meeting asked the CEO to look at the possibility of offering the same programme to Trustees and iwi sometime in the near future.

Education Portfolio:

As a result of discussions about education, including education strategies and how does Iwi have input into such; grants-what do we have, what do other agencies have; agencies-who and where are they and possible Joint Ventures with Universities. A reminder from the meeting that the development of our Communications Strategy is the tool to assist us in getting some traction on an important kaupapa. The following motion was proposed:

Motion: THAT Te Rūnanga O Ngati Mutunga develop an Education Portfolio.

(Moved: H Lambie **Seconded:** M Limmer. **CARRIED**

The Board will implement the Portfolio and report back to the Iwi

Cultural Redress:

The meeting asked for an update as to what is happening with sites. A Site Management Plan is in place and all work carried out is in association with Wahi Tapu Management Team. The Taranaki Regional Council works with our Maintenance Person. By working together the Maintenance Person is receiving training and gaining work experience at the same time. The overall objective of the exercise is to be able to do the mahi ourselves, rather than via an outside contractor.

Memorandum of Understanding with Council:

Our current Memorandum of Understanding is dated 2009 and the Board would like to progress the Review. CEO was asked to identify what is limiting the capacity for the Review to move forward.

Legal Expenses to Urupa.

In providing clarity the legal conveyancing costs for "Purchase Transaction" is for the purchase of the land, rather than the Urupā.

SPECIAL RESOLUTIONS

APPOINTMENT OF AUDITOR FOR FINANCIAL YEAR ENDING 30TH SEPTEMBER 2016

The Hui agreed:

THAT the members of Ngati Mutunga appoint Silks Audit Chartered Accountants as the auditor for Te Runanga O Ngati Mutunga for the financial year ended 30th September 2016

(Moved: C Tuuta **Seconded:** M McGrath-Jonassen **CARRIED**)

APPROVAL OF TRUSTEES REMUNERATION FOR FINANCIAL YEAR END 30TH SEPTEMBER 2016

The Hui agreed:

THAT the members of Ngati Mutunga approve up to \$60,000.00 per annum (excluding GST) as the amount payable to Trustees of Te Runanga O Ngati Mutunga for Governance services to Te Runanga O Ngati Mutunga

(Moved: M Evans **Seconded:** B Matuku **CARRIED**)

ANNOUNCEMENT OF BOARD OF 2015 TRUSTEE ELECTION RESULT

The Chairman announced the results from the 2015 Annual Elections of Trustees for Te Runanga o Ngati Mutunga. Two Trustees were required.

One Candidate created by resignation for Two Year Trustee Vacancy:

Jamie Tuuta was the only candidate and was duly declared elected.

One Candidate created by natural rotation for Three Year Trustee Vacancy:

Nominations Received: Rodney Baker (230)

Melissa Henare (140)

William Simpson (70)

Rodney Baker was duly declared re-elected.

Ngati Mutunga Iwi Representative on Te Reo Irirangi O Taranaki Charitable Trust:

William Simpson was the only applicant/candidate and was duly declared elected and appointed.

There were no applicants/candidates for an Iwi representative to the Board of Te Whare Punanga Korero Trust and therefore remains vacant for the ensuing term.

Thank you to all who put their names forward and congratulations to the successful candidates.

GENERAL BUSINESS

1. Following the presentation of the Proposed DRAFT Charter Review by S Julian the following was proposed:

Motion: THAT the proposed amendments to the TRoNM Charter as commented on by Messrs. Auld Brewer Mazengarb & McEwan form the basis of the DRAFT Charter for consultation to the Iwi prior to calling of the Special General Meeting

(Moved: M Evans Seconded: B Simpson Carried)

2. Dion Tuuta thanked the Rūnanga for their support and commitment to underwrite the Marae lower level essential works programme which will begin in the New Year 2016.
3. There being no further business Chairman Rodney Baker thanked those present for their attendance, wished everyone a Merry Christmas and declared the Hui Tau O Ngati Mutunga 2015 closed.

Closing Karakia: D Tuuta

Meeting Closed: 12.27pm followed by Luncheon

REPORT FROM THE CHAIR

*Ko te tītōhea he puna koropupū ahakoa tukitukia e te poaka e kore nei e mimiti, ka koropupū, ka koropupū,
ka koropupū*

Kei ngā uri o Mutunga kei ngā tōpito katoa o te motu me te ao tēnā koutou katoa.

Ka mihi ka tangi tātou i hō tātou mate tuatinitini. Nō reira koutou te hunga kua tau atu ki te tatau o te pō, e moe. Kati, ka huri ki a koutou ngā kanohi o rātou kua riro, tēnā koutou.

Nei rā te mihi a tā koutou Rūnanga. E whai ake nei ngā nekenekehanga o te tau me ngā kaupapa o te wā hei whakaaroarotanga mā koutou. Tēnā tātou!

It is a pleasure to introduce this year's annual report, a year that marked continued progress and achievement for Ngāti Mutunga. The Rūnanga has delivered strongly against our plan for the year and there have been a number of key milestones, all of which are reported on in greater detail further in this report.

It has been 10 years since the Ngāti Mutunga Settlement Bill was passed into law which settled our longstanding grievances and enabled the return of resources to the iwi. Over the years since, we have worked hard to build a solid economic foundation. We are now well positioned to look at how we best utilise the resources we have to implement programmes that engage, honour, empower and enable our people and communities to be the best they can be.

Trustees recognise that the environment today is very different to that which we entered when we first embarked on our post settlement journey. It is therefore important to reflect and review our progress to date, our institutions and our approach to ensure that these remain relevant in a modern context and continue to support the growth and development of Ngāti Mutunga. This has been a focus of the board during the year in review.

Understanding the needs of uri is a major priority for the Rūnanga. Next year we will undertake a piece of work to understand our current iwi profile so that we can consider what our investment priorities might be for the future.

We have focussed on building a strong base of positive, collaborative relationships. Relationships within Ngāti Mutunga, with other iwi particularly in Taranaki, and with Crown agencies and community partners. This has included exploring joint ventures to grow our investments, being smart about how we can access external funding and making key contributions to decisions within our rohe. We are well placed to leverage these relationships in the coming year.

The Rūnanga continues to perform well financially with a surplus of \$861k due to strong revenue and continued careful cost control. Revenue was lower than the previous year due to the one off distribution received from Te Tai a Kupe Ltd of \$899k in the 2014/15 year. Operational expenditure is consistent with previous years, however, overall expenditure is higher due to distributions to the Urenui Pā and the provision of education grants.

We have continued to grow the group balance sheet which has increased by 3.63% from \$23.72million to \$24.58 million. We have seen the Rūnanga balance sheet grow from \$14.5 million to \$24.58 million over the last 10 years.

In closing I would like to formally acknowledge Rodney Baker who stood down as Chair during the year. Rodney's passion and commitment to Ngāti Mutunga is unwavering. I was also delighted that Rodney agreed to take on the role of deputy chair of the Rūnanga.

It has been a privilege to lead a board who are passionate about the growth and development of our iwi, and who constantly debate and challenge issues to ensure we are making the best decisions we can. We have a strong and committed board and I am pleased to say that while we may not always agree on every decision, we all accept the decisions that are made.

We continue to work very hard to remain focused on what is the core focus for us all. Doing what is in the best interests of Ngāti Mutunga and our people.

On behalf of the Trustees I would like to thank our staff who work tirelessly on our day to day business. Your collective passion, dedication and enthusiasm is much appreciated.

Finally, on behalf of the Trustees I would like to thank you the uri of Ngāti Mutunga for your ongoing support. There are many exciting opportunities ahead but we also recognise the challenges we face. At the centre is ensuring that we continue to remain connected and relevant and that we are able to inspire each other to contribute to the ongoing vitality of Ngāti Mutunga in our own way.

Nō reira kei ngā whanaunga tēnā rā koutou katoa.



Jamie Tuuta

SUMMARY OF FINANCIAL PERFORMANCE

	2016	2015	2014	2013	2012
Interest Income	\$ 1,008,299.00	\$ 1,978,301.00	\$ 2,205,674.00	\$ 1,040,522.00	\$ 1,005,089.00
Land Lease Income	\$ 33,597.00	\$ 21,759.00	\$ 32,586.00	\$ 26,084.00	\$ 13,573.00
Fisheries Income	\$ 62,965.00	\$ 76,645.00	\$ 62,571.00	\$ 45,038.00	\$ 49,963.00
Other Income	\$ 106,042.00	\$ 26,452.00	\$ 23,404.00	\$ 79,170.00	\$ 26,331.00
Total Revenue	\$ 1,210,903.00	2,103,157.00	2,324,235.00	1,190,814.00	1,095,703.00
Expenses	\$ 317,924.00	\$ 967,369.00	\$ 1,112,861.00	\$ 577,811.00	\$ 523,150.00
Operating Profit	\$ 893,609.00	\$ 1,135,788.00	\$ 1,211,374.00	\$ 613,003.00	\$ 572,553.00
Taxation	\$ 31,995.00	\$ 95,794.00	\$ 128,277.00	\$ 134,316.00	\$ 11,396.00
Net Result	\$ 861,614.00	1,039,994.00	1,083,097.00	\$ 585,744.00	\$ 540,214.00

A summary of our financial performance with a comparison to previous years is set out above. As noted earlier, income is down on last year's result which was boosted by a one-off payout, and the 2014 year represented a 15 month period due to the change in balance date from 30 June to 30 September annually.

Expenses are well down on last year's figure due to a positive adjustment to market value for our investment portfolio which has the effect of reducing our overall expenses. Taxation is also down due to the reduction in income.

SUMMARY OF FINANCIAL POSITION

A similar summary of our financial position over the past five years is set out below, showing the growth in assets. The last five years have seen a steady increase in assets due to the increase in value of our diversified investment portfolios, which has allowed us to continue to grow despite some challenging events which have affected financial markets over the years.

The non-current liabilities reflects borrowing to assist with the purchase of the Mud Bay café building.

	2016	2015	2014	2013	2012
Current Assets	2,801,165.00	2,039,610.00	1,879,611.00	2,611,028.00	2,172,390.00
Non-current Assets	22,218,731.00	22,106,458.00	20,590,609.00	18,762,579.00	18,766,205.00
Total Assets	25,019,896.00	24,146,068.00	22,850,711.00	21,759,446.00	21,315,251.00
Current Liabilities	167,370.00	132,843.00	165,716.00	157,548.00	299,097.00
Non-current Liabilities	265,924.00	288,236.00	-	-	-
Total Liabilities	433,294.00	421,079.00	165,716.00	157,548.00	299,097.00
Net Assets	24,586,602.00	23,724,988.00	22,684,995.00	21,601,898.00	21,016,154.00
Total Equity	24,586,602.00	23,724,988.00	22,684,995.00	21,601,898.00	21,016,154.00

Charter Review

In 2005 the Rūnanga was established to receive the treaty settlement assets on behalf of Ngāti Mutunga iwi, governed by a newly created charter. The terms of the charter were largely prescribed by the Crown.

Over the past ten years the entities within the Ngāti Mutunga Group have run according to the requirements of the charter. In that time there have been matters which have arisen which have not been covered by the charter, or where changes in technology or process allow more cost effective options, necessitating a review of the charter.

An example of an issue is where the order of trustee rotation got out of line with that specified in the charter.

The review also presented an opportunity to revisit the particular elements of the charter, and determine whether or not it is still 'fit for purpose' or whether it could be changed to better reflect the needs and aspirations of Ngāti Mutunga moving forward.

A trustee sub - committee led by Sandra Julian and Colleen Tuuta, along with several seconded iwi members undertook the review of the charter and its operation.

Iwi members were invited to submit their feedback on the charter, and from this a draft was prepared. Following review with the Board, alternative options and new clauses were introduced into the discussion, and trustees undertook a roadshow to meet with iwi members around the motu and get their feedback on the options for the Charter.

Following that valuable engagement process, a final version of the charter will incorporate the feedback, and this will be presented for iwi approval at a Special General meeting to be held in the New Year.

Stakeholder Relationships

During the year a Stakeholder Management Plan was developed. The plan identified those who we currently have relationships with, and those who we want to have relationships with. The plan also looked at what value the relationships added, and the purpose for the relationship.

The Plan is important because the Rūnanga has a number of relationships to oversee at a regional and national level. These range from our relationship with the iwi, with other iwi of Taranaki and beyond, with Crown Ministries and agencies, local councils, the health sector, oil and gas industry, investment providers, and advisors to other regional representative bodies, e.g. Te Korimako o Taranaki and Te Reo o Taranaki.

The plan allows us to better engage in more productive and meaningful relationships that are aligned with the strategic goals and aspirations of the Rūnanga while optimising our time and resource.

Pā Trustees Relationship

The Rūnanga has a very close relationship with Urenui Pā which is currently our only marae. Trustees are in the process of formalising our relationship through the establishment of a Relationship Agreement, recognizing that while the Rūnanga has responsibility overseeing and growing the assets of the iwi, the Pā is the spiritual home of the iwi. The relationship agreement will set out how the Rūnanga might support the Pā moving forward.

Communications and Engagement

With the adoption of a new communications strategy this year, the Rūnanga will be increasing the range and frequency of communication with the iwi. We will be utilising modern channels such as Face Book and our website, as these are the channels that most of you use. We will also continue to produce our magazine.

Our more regular communication will focus not only on kaupapa affecting Ngāti Mutunga and our iwi but also wider regional and national kaupapa of relevance.

In addition, we will be making some functional changes to our website to make it easier to navigate. We will also provide more information on the topics of interest to iwi members and regional and national kaupapa. This will include profiling the achievements and success of Ngāti Mutunga whanau and individuals. We want it to be a place that you visit regularly and frequently to find out what is happening but also a place that we can connect to strengthen the ties and bonds that we have.

The changes will be made in early 2017, so keep an eye out for expanded coverage of all things Ngāti Mutunga.

Trustees also value the opportunity to update local iwi members on our progress, and to get your feedback, but we are also conscious of the fact that our whanau have a number of responsibilities and commitments, so the decision has been made to hold these hui quarterly. We will also explore how we might better leverage the opportunity of having whānau together by having other kaupapa alongside.

Annual Plan Update

Our annual plan contains a number of goals under the pou of Culture and Identity, Infrastructure and Capability, and Commercial and economic development.

Here is an update on the achievements to date under each pou.

CULTURE AND IDENTITY
New Communications Strategy developed and being implemented.
Education Grants advertised during the year and distributed in October to assist nine uri.
Stakeholder Management Plan developed covering all of our relationships.

INFRASTRUCTURE & CAPABILITY
Revamped reporting to Board on our financial position and workstreams
Applied more rigour and detail to our budgeting process including subsidiaries
Policy and procedures covering Board and office reviewed and merged to remove duplication

COMMERCIAL & ECONOMIC DEVELOPMENT
Developed an ongoing project with Te Puni Kokiri on Papakainga Housing.
Joint project developed with NPDC around new signage being developed for our rohe.
Participation in Taranaki Mouna and Taranaki Maori Trust Board annuity negotiations with other iwi in the province.

A number of other goals in the Annual Plan are underway but not yet complete, which form the basis for our annual plan for 2017. Further goals will be added to the Annual Plan after the trustee planning day in early 2017 and communicated in the first magazine of the New Year.

New Investment Entity

When the Rūnanga was established 11 years ago a structure was put in place to meet the needs of the organisation and the iwi at that time.

During the year trustees reviewed the current commercial arrangements of our structure. The Rūnanga received both legal and commercial advice on optimal structures from tax and investment flexibility perspectives. As a result trustees determined to establish a limited partnership. The limited partnership has the Rūnanga as the sole limited partner and a 100% Rūnanga owned limited liability company serving as the general partner and hence manager of the partnership.

A limited Partnership is a business structure that combines some of the features of companies and partnerships. The new entity structure allows us to join collaborative investments - for example with other iwi - where our current structure does not easily allow this.

The new commercial entity is known as Te Pou Herenga Pakihi. The relationship with the Rūnanga is controlled through a shareholder agreement and the obligations on Rūnanga subsidiaries, as contained in the Charter, are incorporated into the constitutional documents of Te Pou Herenga Pakihi – the constitution of the general partner and the limited partnership agreement.

Te Pou Herenga Pakihi has a specialist commercial board of three (3) directors. All three directors have significant prior commercial experience. Hinerangi Raumati (Chair), Tom McClurg and Rohan Matuku have been appointed. All three directors are Ngāti Mutunga.

The change allows Trustees to focus on their governance and oversight role, and it also provides an opportunity to utilise the skills of experienced Ngāti Mutunga directors in the business and investment area within the Rūnanga group.

Over the next several months, the directors will review the investment strategy and plans, develop a statement of intent, and obtain trustee sign off on their investment strategies for growing our income and asset base to meet our current and future needs.

Refer to page 4 of this report for an overview of the structure of the Group with the forming of the new investment entity.

Regional Kaupapa and Looking Ahead to 2017

This year has been notable for the number of regional kaupapa that iwi of Taranaki have been involved in.

There have been a number of cultural events that have been supported by Ngāti Mutunga which have provided opportunities for Ngāti Mutunga uri participation such as:

- Pomare Day
- Rededication of the Kawhia meeting House Auaukiterangi
- Koroneihana

We have also continued to participate in the Taranaki Iwi Chairs Forum. The forum provides a great space for iwi leadership to share efforts and learnings on regional collective issues, including wider cultural kaupapa like those above.

Taranaki Maori Trust Board

We have seen engagement with the Crown by the Taranaki Maori Trust Board as the Board seeks to negotiate issues relating to the non-inflation proofing and indexation of the Boards annuity payment. The Board expect to have a response from the Crown in the New Year in order to conclude this longstanding matter. Further discussions will also be had in regard to the future role and function of the Taranaki Maori Trust Board.

Taranaki Mouna Negotiations

We have also seen preparations commence for negotiations with the Crown over redress for Taranaki Mouna.

Through their respective Deeds of Settlement with the Crown Taranaki Iwi, Ngāruahine, Te Atiawa, Ngāti Ruanui, Ngā Rauru Kītahi, Ngāti Tama and Ngāti Mutunga settled their Historical Treaty of Waitangi Claims in relation to Taranaki Maunga. The Deeds state:

- the Governance Entities of Taranaki Iwi, Ngāruahine, Te Atiawa, Ngāti Ruanui, Ngā Rauru Kītahi, Ngāti Tama and Ngāti Mutunga will work together with the mandated representatives of Ngāti Maru to develop an apology and cultural redress in relation to the Historical Claims that relate to Taranaki Maunga; and
- the apology and cultural redress in relation to the Historical Claims that relate to Taranaki Maunga will not include any financial or commercial redress.

Negotiations are expected to be fully underway by the New Year and iwi are working through the relationship arrangements between iwi and the structure for entering into negotiations with the Crown on behalf of all 8 iwi.

Project Mouna

Taranaki Mouna is a collaboration between the Department of Conservation (DOC), the Iwi of Taranaki through the Taranaki Iwi Chairs Forum and philanthropic investor NEXT Foundation, supported by founding sponsors Shell New Zealand, Jasmine Social Investments, TSB Community Trust and Landcare Research.

The project will push the boundaries in landscape-scale ecological restoration, enhancing the mauri – vitality and life-force – of Mt Taranaki over a 20 year period and beyond.

Bringing the 34,000 ha of national park encompassing Taranaki, Pouakai, Kaitake and extending 3km to the protected Ngā Motu/Sugar Loaf Islands back to life through a large-scale ecological restoration project.

Innovative pest management will allow rare and vulnerable wildlife to flourish once again. Threatened species like robin/toutouwai, kiwi, whio/blue duck and petrels will be replenished and bolstered, thriving once more on Taranaki and the ranges.

This project is a fantastic example of the power of partnership and collaboration between iwi, corporates, philanthropists, the community and government. More importantly the project is about the health and wellbeing of our tupuna Taranaki and it is positive to see the support and passion that these organisations have for him.

Marine and Coastal Area Negotiations

Along with other iwi of Taranaki, we are also looking to engage with the Crown over a Takutai Moana claim under the Marine and Coastal Act, which replaced the repealed Foreshore and Seabed legislation.

The potential claim will cover the extent of our agreed marine boundary, and if the claim is accepted, negotiations with the Crown could commence in 2017. Iwi of Taranaki are looking for our adjoining claims to be heard as one, which the Crown have agreed to consider.

The hurdles under the legislation are high, and as the clauses in the Act have not yet been tested it may necessitate High Court action to clarify our rights. Crown funding will be made available to us for the purposes of negotiation or legal action.

NGĀTI MUTUNGA COMMUNITY DEVELOPMENT CHARITABLE TRUST

Tena koutou, tena koutou, tena tatou katoa.

Background:

Te Whiringa is a subsidiary of the Te Runanga o Ngati Mutunga. Te Whiringa deals primarily but not exclusively with the charitable development of our cultural, social and iwi community activities. Te Whiringa has Charitable Trust status which means that it is exempt from paying tax on income earned.

Funding approval for Urenui Pa

The major funding application for Te Whiringa in this reporting period was the approval of a request for funding to the Urenui Pa Trustees for major sewage and drainage works at the marae as well as some structural renovations. In September 2015 Te Whiringa approved \$19,000.00 to cover a shortfall plus an underwrite to the maximum of \$271,000.00.

Work was commenced in 2016 and was completed in the 2017 financial year. We are sure you will enjoy the outcome of all of this work. Congratulations to the Urenui Pa Trustees on the completion of this major project.

Tu Mai Taranaki ki Ngati Mutunga

Without a doubt the stand out event supported by Te Whiringa during this reporting period was the hosting of Tu Mai Taranaki by Ngati Mutunga.

No amount of rain could dampen the spirits of our whanau and iwi who participated in the sports on the Saturday. The Kapa Haka competitions brought all the best of performance, kaha and rivalry that each iwi could muster. Positive feedback from various whanau and iwi continues today.

Other Activities

In addition to providing funding for the activities above, we also provided educational grants in categories ranging from trades and apprenticeships through to undergraduate and post graduate studies during the year. Assistance for 2017 will also be provided, and will be communicated via Face Book and our website.

Looking Ahead to 2017

As noted, we will have an Educational Grants programme in 2017, and the details will be published early in the New Year.

We are planning our Wānanga programme for 2017, which will include the Pumaomao programme being held at Urenui pa in February, and we are keen to take the Wānanga around the motu with an invitation for us to organise a programme in Christchurch next year. If that is successful, we would like to hold one Wānanga in another centre each year.

The year will finish up with Taranaki Tū Mai being hosted by Nga Ruahine over a November weekend in Manaiā, and our annual Te Rangi Hiroa celebration at the end of November.

E te whanau whanui o Ngati Mutunga, ka nui te mihi ki a koutou katoa mo te manaakitanga ki ngā iwi o te rohe o Taranaki. Tu mai Ngāti Mutunga – Tu Mai Taranaki.

Colleen Tuuta, Chair

NGĀTI MUTUNGA INVESTMENT CHARITABLE TRUST

The 2016 financial year was a year of strong performance with the investments held by the trust performing well, which resulted in a high level of distributions to the Ngāti Mutunga Community Development Charitable Trust to fund a number of initiatives.

Total revenue for the year was \$1,178,343 which was up \$168,401 on last year. Expenses of the year of \$353,636 included distributions during the year totalling \$304,283 to Ngāti Mutunga Community Development Charitable Trust.

The net surplus for the year of \$824,707 was down on the 2015 year due to the size of the distributions made during the year.

Net assets at \$9,629,207 are up \$824,707 on last year, due to the increase in value of investments, and the receipt of Maori Authority Tax credits from the Rūnanga.

Future Direction for Trust Investments

As mentioned earlier, the decision by TRoNM to establish a new entity to manage the Group's investments will impact on the Investment Charitable Trust, which has listed investment and property portfolios.

We are currently obtaining advice on the best way to manage the transfer of these investments to the control of the new investment entity and expect to be making decisions on this in the first quarter of 2017.

Properties Update

This year we have invested in the upgrade of our offices and commercial tenancy at 6 Ngakoti Street, with earthquake strengthening taking the 1920's building up to new building standard. The upgrade included refurbishing the interior of our offices, and creating a dedicated board room from what was formerly a storage area.

During the year we also finalised the purchase of the adjacent building at 4 Ngakoti Street, under a Right of First Refusal offer included in our Treaty of Waitangi Settlement which gave us first option to purchase the property at market value. We are yet to finalise plans for the use of the site and building going forward.

In 2014 we negotiated the purchase of the former Scout Hall by Yandle Park for the sum of \$5,000, as it was situated on reserve land which we received underlying title for under our treaty settlement.

It was hoped to refurbish this building, but an earthquake assessment on it revealed that it was poorly constructed and is a significant earthquake risk.

As one of our main motivations in acquiring the building was to control what activity occurs on this site, we were unwilling to spend the substantial sum required to restore the building to an acceptable standard, and any returns we were likely to get from groups using the building would not provide a good return on iwi money invested in it.

The decision has therefore been made to demolish the building, and we are looking for ideas for the use of the reserve. One option is for us to erect a structure which tells the story of our history in the area, to increase our footprint and presence in Urenui. We would invite suggestions from iwi members on how they would like the site used, and will be looking to gather feedback on options during 2017.

Rodney Baker, Chair

MARUEHI FISHERIES LIMITED

The Financial Year in Review

Net profit for the year at \$51,712 is down on last year by \$21,044 but the 2015 result was boosted by one off income. Expenses are marginally up overall but still well controlled at \$12,271.

Maruehi Fisheries has sought to get the best value for its annual catch entitlement (ACE) by joining with other iwi joint ventures, such as Port Nicholson Fisheries with crayfish, and with Sealord in the Ihu to Mai partnership (see below). We have also benefited by joining with another small iwi holder of quota, Atiawa ki Whakarongotai, to improve the marketability of our small holdings by combining them when offering.

That, and some effective networking, has enabled Maruehi to hold the value of our ACE leases (and in some cases improve them) in a market that has not improved greatly in recent years.

Overall assets at \$1,144,066 are down on last year reflecting a dividend paid to the Rūnanga from cash reserves during the year of \$85,000.

Ihu to Mai Partnership (with Sealord)

Ngāti Mutunga, along with a number of other Taranaki and lower north Island iwi are involved in a joint venture with Sealord involving the company utilizing our deep sea ACE, and the iwi sharing in a percentage of the profit from the sale of the processed fish.

The joint venture is in the second year of the five year agreement, and aims to provide Sealord with continuity of ACE quota to fish, and for iwi to get the opportunity to share in the returns generated from the sale of the catch. To date, returns from the joint venture have been above what we could have achieved by ACE lease alone. There are still challenges with the deep sea fishery, from having the right vessels to catch all target species, to marketing the catch in a world market dominated by large low quality high volume producers.

Te Ohu Kaimoana (TOKM) Review

TOKM is an iwi owned trust set up to allocate the Fisheries settlement assets and has been undergoing a comprehensive review required in legislation. There have been a number of views put forward by iwi groups, and as a result TOKM is currently reviewing its operational structure and activities with a view to reaching agreement on how the organization will support iwi moving forward.

It is intended that decisions will be made on the future direction of TOKM at the AGM in March 2017.

Positive Signs – Sustainable Harvesting & Fleet Renewal Investments

Sealord has recently announced a \$70m investment in the construction of a new purpose built deep water fishing vessel, which is designed to take advantage of the new Precision Seafood Harvesting technology, developed by the industry in collaboration in the last few years.

In the inshore area, iwi owned fishing company Moana has in conjunction with South Island fishing company Westfleet, spearheaded the commissioning of new purpose built vessels for the inshore fleet, which are being constructed in Nelson.

While outlook for fishing remains challenging, the ACE quota that we hold is a taonga asset, and we are committed to achieving the best possible return from leasing our quota for the widest range of species we can.

Rodney Baker, Chair

